Graphite India Limited

Annual Report
2018-19

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr K K Bangur, Chairman

Mr P K Khaitan

Mr N S Damani

Mr A V Lodha

Mr N Venkataramani

Mr J D Curravala

Mr Gaurav Swarup

Mrs Shalini Kamath

Mr M B Gadgil, Executive Director

COMPANY SECRETARY

Mr B Shiva

AUDITORS

S R Batliboi & Co. LLP

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

UCO Bank

REGISTERED OFFICE

31, Chowringhee Road, Kolkata 700 016

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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 Fourth ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Wednesday, the 3rd day of July, 2019 at 10.30 a.m. at Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 (Near Rabindra Sadan Metro Station) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

    a. the Audited Financial Statement of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon; and

    b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon.

2. To confirm payment of interim dividend and declare final dividend on equity shares for the financial year ended 31st March 2019.

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, by way of **Special Resolution**.

SPECIAL BUSINESS

4. To re-appoint Mr. N S Damani (DIN: 00058396) as an Independent Director and if thought fit, pass the following resolution as a **Special Resolution**:

    RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N S Damani (DIN: 00058396), who was appointed as an Independent Director for a term of five(5) consecutive years from 1st April 2014 up to 31st March 2019, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five(5) consecutive years i.e. from 1st April 2019 up to 31st March 2024.

5. To re-appoint Mr. N Venkataramani (DIN: 00367193) as an Independent Director and if thought fit, pass the following resolution as a **Special Resolution** :

    RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N Venkataramani (DIN: 00367193), who was appointed as an Independent Director for a term of five(5) consecutive years from 1st April 2014 up to 31st March 2019, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five(5) consecutive years i.e. from 1st April 2019 up to 31st March 2024.

6. To appoint Mr. A V Lodha (DIN: 00036158) as a Director and a Non Executive (Non Independent) Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

    RESOLVED THAT Mr. A V Lodha (DIN: 00036158) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and whose appointment has been recommended by the Nomination and Remuneration Committee and Board, be and is here by appointed a Non Executive Non Independent Director of the Company liable to retire by rotation.

7. 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 decision of the Board of Directors ("Board") of the Company upon recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read with Section 198 of the Companies Act, 2013 and the rules made thereunder, including the

Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, consent of the Company, be and is hereby accorded to the re-appointment of Mr. M B Gadgil (DIN: 01020055) as a Whole-time Director of the Company designated as "Executive Director" for a period of one year effective from 1st July, 2019, on terms and conditions of re-appointment and remuneration as contained in the Letter of Appointment dated 20th May, 2019, details of which are provided in the explanatory statement annexed to the notice convening the annual general meeting.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors be and are hereby authorised to alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Nomination and Remuneration Committee / Board of Directors and Mr. M B Gadgil.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Executive Director shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the said Executive Director.

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

RESOLVED THAT pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 as amended by SEBI (Amendment) Regulations, 2018 and other applicable provisions, if any approval of the Company be and is hereby accorded to the decision of the Board of Directors of the Company for payment of commission of Rs. 20 crore to Mr. K K Bangur, Non Executive Chairman of the Company which is in excess of fifty percent of the total annual remuneration by way of commission (Rs. 21,02,50,000) payable in aggregate to all non executive directors, for the financial year 2018-2019.

9. 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, 2019 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 Cost Auditors/ Firm Registration No.	**Location**	**@Remuneration in Rs.**
Shome & Banerjee Kolkata Reg. No. 000001	(i) Durgapur, Bangalore Plant (including captive power generation facility in Mysore (ii) 1.5 MW Link Canal Power plant at Mandya	3,45,000 30,000
Deodhar Joshi & Associates Reg. No. 002146	Satpur (including captive power plants), Ambad, Gonde & Captive Power Plants	2,00,000
B G Chowdhury & Co. Kolkata Reg. No. 000064	Barauni plant	57,500
N Radhakrishnan & Co. Kolkata Reg. No. 00056	Mini Steel Plant of Powmex Steels division	46,000

@ plus GST and reimbursement of out of pocket expenses.

10. 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. 5,000 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.

By Order of the Board
For Graphite India Limited

Kolkata — B. Shiva
6th June, 2019 — Company Secretary

NOTES :

a. Mr. J D Curravala, a Non-Executive Non Independent Director of the Company retires by rotation in this Annual General Meeting. He is available for re-appointment, which item of business is an ordinary business to be approved by an ordinary resolution in terms of the provisions of Section 102 of Companies Act 2013. However, pursuant to provisions as contained in amendment by SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2018 to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, since Mr. J D Curravala is presently aged 79 years, members approval by way of a special resolution is required and sought.

b. 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 appointment /re-appointment at the meeting are annexed hereto.

c. 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.

d. 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.

e. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd day of June, 2019 to Friday, the 28th day of June, 2019 (both days inclusive).

f. Final Dividend on Equity Shares when sanctioned will be made payable to those shareholders whose names stand on the Company's Register of Members on 21st June 2019 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. Final Dividend on equity shares, if declared at the meeting will be paid/ despatched by 15th July 2019.

g. (i) 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, 2012 would be transferred to the said fund in the fourth week of September, 2019

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office / office of the Company for revalidation and encash them immediately. Unclaimed/ Unencashed dividend upto the years ended 31st March, 2011 have already been transferred to the IEPF.

(ii) Further, pursuant to the provision of Section 124(6) of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund authority ('IEPF Authority') The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to the IEPF Authority may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on iepf.gov.in) as per the procedure prescribed in the IEPF Rules.

h. 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 6th August 2018 (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)

i. 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.

j. 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, Vikhroli (W), Mumbai 400 083 or to their Kolkata office at 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020.

k. 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 this Annual General Meeting.

l. **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 44th 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 30th June, 2019 from 9.00 a.m. (IST) and ends on 2nd July 2019 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 (26th June, 2019) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vi) 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.

(vii) 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 indicated 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 (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

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

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

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

(xviii) **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. Apple 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.**

(xix) **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 mailed 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

(xx) 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 (26th June, 2019) 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 along with 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 — B. Shiva
6th June 2019 — Company Secretary

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

ITEM NO. 4

In terms of Section 149(10) of the Companies Act 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company for a second term of up to five years.

Mr. N S Damani, age 66 years (DIN:00058396) was appointed as an Independent Director (Non–Executive) of the Company for a period of five (5) years from 1st April 2014, at the 39th Annual General Meeting held on 12th August, 2014. His term as an Independent Director of the company ended on 31st March 2019. The Nomination and Remuneration Committee on the basis of performance evaluation recommended re- appointment of Mr. N S Damani as a Non-Executive Independent Director for a second term of five consecutive years on the Board of the Company from 1st April 2019. The Board of Directors ("Board"), in its meeting held on February 06, 2019 reviewed the declaration made by Mr. N S Damani that he meets the criteria of independence as provided in Section 149(6) of the Act and under "LODR" and was of opinion that he fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management. The Board accordingly re-appointed him as a Non – Executive Independent Director not liable to retire by rotation for a further period of five years from 1st April 2019 up to 31st March, 2024. His vast and varied experience in the business and corporate world justifies his re-appointment and continuance as an Independent Director of the Company. His contribution towards deliberations in Board / Committee meetings have been beneficial to the Company and the Company looks up to him for advice. The special resolution is accordingly recommended for approval of the members. The above may also be regarded set out at Item No. 4 of the Notice as an appropriate disclosure under the Act and LODR.

Except Mr. N S Damani, none of the Directors nor Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the said resolution.

ITEM NO. 5.

In terms of Section 149(10) of the Companies Act 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company for a second term of up to five years.

Mr. N Venkataramani, age 73 years (DIN:00367193) was appointed as an Independent Director (Non–Executive) of the Company for a period of five (5) years from 1st April 2014, at the 39th Annual General Meeting held on 12th August, 2014. His term as an Independent Director of the company ended on 31st March 2019. The Nomination and Remuneration Committee on the basis of performance evaluation recommended re- appointment of Mr. N Venkataramani as a Non-Executive Independent Director for a second term of five consecutive years on the Board of the Company from 1st April 2019. The Board of Directors ("Board"), in its meeting held on February 06, 2019 reviewed the declaration made by Mr. N Venkataramani that he meets the criteria of independence as provided in Section 149(6) of the Act and under "LODR" and was of opinion that he fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management. The Board accordingly re-appointed him as a Non – Executive Independent Director not liable to retire by rotation for a further period of five years from 1st April 2019 up to 31st March, 2024. His vast and varied experience in the business and corporate world justifies his re-appointment and continuance as an Independent Director of the Company. His contribution towards deliberations in Board / Committee meetings have been beneficial to the Company and the Company looks up to him for advice. The special resolution set out at Item No. 5 of the Notice is accordingly recommended for approval of the members. The above may also be regarded as an appropriate disclosure under the Act and LODR.

Except Mr. N Venkataramani, none of the Directors nor Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the said resolution.

ITEM No. 6

The Board of Directors of the Company on 30th March 2019 appointed Mr. A V Lodha as an Additional Director designated as Non Executive (Non Independent) Director of the Company from 1st April 2019 and to hold the office upto the date of ensuing Annual General Meeting.

Notice has been received from a member proposing the name of Mr. A V Lodha for the office of Director of the Company. The NRC and Board considered the said proposal and decided to recommend the same for approval of the members of the Company. His vast and varied experience in the accounting and financial fields justifies his appointment as Director of the Company. His contribution towards deliberations in Board/Committee meetings have been beneficial to the Company and the Company looks upto him for advice on various issued being faced.

Except Mr. A V Lodha none of the other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in the resolution. The ordinary resolution set out at Item no. 6 to the Notice is recommended for approval by the members. The above may also be regarded as an appropriate disclosure under the Act and LODR.

ITEM No. 7

The Board of Directors of the Company ('Board'), upon the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. M B Gadgil as the Whole-time Director of the Company designated as "Executive Director" vide Board Resolution dated 18th May, 2019 for a period of one year with effect from 1st July, 2019 at the remuneration and on the terms and conditions as contained in the Letter of Appointment dated 20th May, 2019.

The approval of the members is accordingly being sought for re-appointment and payment of remuneration to Mr. M B Gadgil as the Whole-time Director as per the resolution. Copy of the Letter of Appointment is open for inspection at the Registered Office of the Company on all working days of the Company between 10.00 a.m. to 2.00 pm upto the date of the meeting and also at the meeting. The resolution is accordingly recommended for approval of the members.

Mr. M B Gadgil aged 66 years is a qualified engineer and has completed business management studies. He has been with the Company since 1978 and has a rich experience in the graphite electrode industry. He holds 2000 equity shares of the Company. He was the 'President' of the Company prior to his elevation as Executive Director on July 1, 2009. He is not a director of any other company.

Except Mr. M B Gadgil, 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 abstract of the terms and conditions of appointment of Mr. Gadgil as Executive Director as contained in the said letter with memorandum of interest is set out below:

1. The re-appointment of Mr. M B Gadgil as a Whole-time Director designated as 'Executive Director' of the Company is for a period of one year w.e.f. 1st July, 2019.

   Mr. M B Gadgil shall devote the whole of his time and attention to his services as Whole-time Director of the Company and shall under the superintendence, control and direction of the Board perform the duties and exercise the powers as may from time to time be entrusted to or conferred upon by the Board.

2. In consideration of his services as Executive Director, Mr. M B Gadgil shall receive the following by way of remuneration:

   (i) Salary : At the rate of Rs. 6,25,000/- (Rupees Six lacs twenty five thousand only) per month or such sum as may from time to time be determined by Nomination and Remuneration Committee/ Board.

   (ii) Perquisites : Such perquisites and allowances as are or may from time to time be allowed to senior Executives of the Company or as may from time to time be determined by the Nomination & Remuneration Committee/ Board.

   (iii) Minimum Remuneration : Notwithstanding anything herein contained, where in any financial year during the period of his office as Executive Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals if any, pay Mr. M B Gadgil such remuneration as may from time be determined and allocated by the Nomination and Remuneration Committee / Board depending upon the effective capital of the Company as per Section II of Part II of Schedule V of the Companies Act, 2013 ("Act") or any statutory modification or amendment thereof.

   (iv) In addition to the above, he shall also be entitled to such commission, if any, as may be determined by the Nomination and Remuneration Committee / Board provided the aggregate of the salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company for that year computed in the manner referred to in Section 198 of the Act.

3. He shall be entitled to earned/ privilege leave on full pay and allowances as per the Rules of the Company.

4. Notwithstanding anything herein contained either party, shall be entitled to determine his appointment by giving three months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, his appointment shall stand terminated. The Company shall also be entitled to terminate his appointment on giving him three months' salary as specified in clause 2(i) above in lieu of three month's notice required to be given under this clause.

5. The appointment and remuneration of Mr. M B Gadgil as the Whole-time Director of the Company (designated as "Executive Director") requires the approval of the members of the Company in general meeting in terms of paragraph (1) of Part III of Schedule V to the Act.

6. Mr. M B Gadgil as the Whole-time Director is concerned or interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

ITEM No. 8

The Board of Directors of the Company in the meeting held on 18th May 2019 decided to pay Mr. K K Bangur, Non Executive Chairman of the Company, commission of Rs. 20 crore (Mr. K K Bangur did not participate in the discussion nor in the decision arrived at) taking into account time and efforts devoted by him in the business affairs of the Company and the performance evaluation done by Nomination and Remuneration Committee.

The aggregate commission approved by the Board payable to all non executive directors (including Mr. K K Bangur) is Rs. 21,02,50,000. Since commission to Mr. K K Bangur exceeds fifty percent of total annual commission payable to all non executive directors, approval of members is sought as required under the relevant provisions of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2018. Apart from the commission being paid to non executive directors, no other remuneration except sitting fees for attending Board /Committee meetings are paid.

Except Mr. K K Bangur, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the resolution for approval of the members.

ITEM No. 9

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 recommend the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

ITEM No. 10

In order to arrange funds for capital expenditure / long term / short term working capital, organic and inorganic growth opportunities / general corporate purposes, the Board could consider issue of secured / unsecured, redeemable, cumulative / non-cumulative / non-convertible debentures / bonds upto Rs. 5000 crore (Rupees Five Thousand crore) or equivalent in one or more tranches / series, through private placement in domestic or in international markets i.e. in Indian rupees and / or in foreign currency.

Pursuant to the provisions 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 debentures 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 this resolution.

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

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the members.

Details relating to Directors proposed to be re-appointed/appointed

Mr. J D Curravala, (DIN 00277426) aged 79 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 "Investment Committee" of the Company. He is not related to any director or Key Managerial Personnel of the Company. He holds 4750 equity shares of the Company jointly with his wife.

Other Directorship

Sr.No.	Name of Company	Committee membership	Position
1.	**Listed** GKW Limited – Managing Director	Risk Management Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Committee of Directors	Chairman
		Transfer Committee	Member

Mr. N S Damani, (DIN: 00058396), aged 66 years is an industrialist and presently Chairman & Managing Director of Simplex Reality Limited. He is Bachelor of a Science from University of Mumbai and has completed business management studies. He has around 44 years experience in business and industry. He does not hold any shares in the company. He is not related to any director or Key Managerial Personnel of the Company.

Other Directorship

Sr.No.	Name of Company	Committee membership	Position
1.	**Listed** Simplex Realty Limited	Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
2.	AMJ Land Holdings Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
3.	Pudumjee Paper Products Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination & Remuneration Committee	Member

Sr.No.	Name of Company	Committee membership	Position
	Unlisted		
1.	Simplex Renewable Resources Pvt. Ltd		
2.	The Nav Bharat Refrigeration & Industries Ltd		
3.	Shreelekha Global Finance Limited		
4.	Lucky Vyapaar & Holdings Pvt. Limited		
5.	Enas Foundation (U/s 8)		
6.	New Textiles LLP		Designated Partner
7.	Shrinathji Flour Mills LLP		Designated Partner

Mr. N. Venkataramani, (DIN: 00367193), aged 73 years, is a qualified engineer with rich experience in managing business enterprises. He was associated with the Company from October,1988 till September 1995. He was thereafter with GKW Ltd. as President of its Cement division till April 1998 and President of its Bolt & Nut division from May 1998 till May 2001 and then joined the erstwhile Graphite India Limited in June, 2001. He was elevated to the post of Executive Director in September, 2001 which he held till his retirement on June 30,2009. He presently Chairman of Audit Committee and member of Nomination and Remuneration Committee and CSR Committee of the Company. He holds 7000 shares in the Company jointly with his wife. He is not related to any director or Key Managerial Personnel of the Company.

Other Directorship

Sr.No.	Name of Company	Committee membership	Position
	Unlisted		
1.	Carbon Finance Ltd	Corporate Social Responsibility Committee	Chairman
2.	Mercury Precision Products Pvt. Ltd.		Director
3.	Dwelling Design Solutions Private Limited		Director
4.	Sophia Automotive Private Limited		Director

Mr. A V Lodha, (DIN: 00036158), aged 53 years is a qualified Chartered Accountant and had served as the Country Managing Partner of Lodha & Co, one of India's leading Accounting and Advisory Firms.

He has over 30 years of experience in providing advisory services to a diverse client base across a wide spectrum of industries. He has handled various consultancy assignments in fields of corporate restructuring, mergers & acquisitions, joint ventures, collaborations, business strategy etc. He has also assisted large Indian corporates to raise resources from the overseas capital markets.

Mr Lodha served as the President of the Indian Chamber of Commerce (ICC), Kolkata twice i.e. in 1998-99 and in 2001-02 in its 75th year (Platinum Jubilee Year) as well as the Chairman of its Banking and Finance Committee. He has also served as a Member of The National Council of CII (Confederation of Indian Industry) and was National Committee Chairman of its Accounting Standards & Corporate Disclosures and Tax Committees. He served as a member of the High Level Naresh Chandra Committee for corporate audit and governance, appointed by the Government of India, Governing Body of Indian Council of Arbitration, Governing Council of the Central Manufacturing Technology Institute, Bangalore, Peer Review Board of Institute of Chartered Accountants of India, Industrial Development Bank of India's Eastern Regional Advisory Board, State Advisory Board on Investment Promotion in Tripura and was the Honorary Secretary of the Alumnorum Societas, the old boys association of St. Xavier's Collegiate School, Kolkata. He does not hold any shares in the Company. He is a member of the Audit Committee and Investment Committee of the Company.

Other Directorship

Sr.No.	Name of Company	Committee membership	Position
	Listed		
1.	Alfred Herbert (India) Ltd.	Nomination and Remuneration Committee	Member
	Unlisted		
1.	Herbert Holdings Ltd.		Director

Mr. M B Gadgil, (DIN: 01020055), aged 66 years is a qualified engineer and has completed business management studies. He has been with the Company since 1978 and has a rich experience in the graphite electrode industry. He was "President" of the Company prior to his elevation as Executive Director from 1st July 2009. He is member of CSR Committee, Stakeholders Relationship Committee, Committee for Borrowings and Investment Committee of the Company.

Other Directorship - NIL

DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty Fourth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2019.

Financial Results **Rs. in Crore**

Particulars	2018-19	2017-18	2018-19	2017-18
	Graphite India Limited		Graphite India Limited Consolidated	
Revenue from Operations (Gross)	6737	2983	7858	3291
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Exceptional Item, Tax and other Comprehensive Income	**4403**	**1441**	**5233**	**1533**
Finance Costs	11	6	12	8
Profit before Depreciation, Exceptional Item and Tax	**4392**	**1435**	**5221**	**1525**
Depreciation and Amortisation Expense	56	46	62	52
Profit before Share of profit/(loss) of Associate and Tax	**4336**	**1389**	**5159**	**1473**
Share of profit/(Loss) of Associate	**–**	**–**	**(3)**	**–**
Profit before Exceptional Items and Tax	**4336**	**1389**	**5156**	**1473**
Exceptional Items	**55**	**–**	**55**	**–**
Profit before Tax	**4281**	**1389**	**5101**	**1473**
Tax Expense for the Current Year				
Current Tax	1469	465	1654	475
Deferred Tax	6	10	51	(34)
Profit for the Year	**2806**	**914**	**3396**	**1032**
Other Comprehensive Income (net of tax)	(1)	1	(23)	7
Total Comprehensive Income	**2805**	**915**	**3373**	**1039**
Statement of Retained Earnings				
Retained Earnings at the beginning of the year	**1019**	**269**	**1135**	**267**
Add Profit for the year	2806	914	3396	1032
Add Comprehensive Income	(1)	1	*	1
Less Final Dividend on Equity Shares	234	39	234	39
Less Dividend Distribution Tax on above	48	8	48	8
Less Interim Dividend on Equity Shares	391	98	391	98
Less Dividend Distribution Tax on above	80	20	80	20
Less Transfer to Reserve Fund	–	–	1	* –
Retained Earnings at the end of the year	**3071**	**1019**	**3775**	**1135**

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

REVIEW OF THE ECONOMY

Global growth rates, peaked to 4% in 2017, softened to 3.6% in 2018, and projected to decline to 3.3% in 2019 and rebound to 3.6% in 2020. Even a 3.3% global growth is still appreciable, compared to the outlook for many countries with considerable challenges in the short term, especially the advanced economies whose growth rates are projected to constrict towards their modest long-term potential.

While 2019 has started on a weak signal, some pickup is expected during the second half of the year. This pickup is also subject to significant policy enablers by the major economies, enhanced further by the absence of inflationary pressures and no output shortfalls. The US Federal Reserve, reckoning the rising global risks, skipped interest rate increases and signaled flat rates for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more supportive stance. China has triggered strong fiscal and monetary stimuli to counter the dampening effect of trade tariffs, which is highly dependent on the outcome of ongoing U.S – China trade negotiations.

These policy facilitators have helped in reversing the tightening financial bottlenecks to varying degrees across countries. Emerging markets have experienced resumption of portfolio inflows, a decline in sovereign borrowing costs, and a strengthening of their currencies in relation to the US dollar. While the improvements in financial markets have been noteworthy, those in the real economy are yet to register. Indices of industrial production and investment levels remain subdued for most advanced and emerging economies. Global trade is yet to recover. With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6%.

While the overall outlook remains positive, there are several downside risks. There is an uneasy and fragile truce on trade policy. Any disruption could flare up again in other related areas (like the auto industry) with large dislocations in global supply chains. A rebounding growth in China may intensify shock waves in global trade in the core sector, and the risks surrounding Brexit remain heightened. In the face of such significant financial uncertainties several large private and public sector industries run the risk of debt driven chapter 11 closure in several countries.

As per the first advanced estimates of CSO (Central Statistics Office), Ministry of Statistics and program implementation, India's GDP would grow at 7.2% in 2018-19, showing improvement from 6.7% growth in 2017-18 mainly because of push from agriculture and the manufacturing sectors. Real GVA (Gross Value Added) is anticipated to grow at 7% in the current fiscal as against 6.5% in 2017-18. The growth rate in Per Capita Income is estimated at 6.1% during 2018-19, as against 5.4% in the previous year.

The sectors which registered growth rate of over 7% are electricity, gas, water supply and other utility services, construction, manufacturing, public administration, defence and other services. The expansion in activities in 'agriculture, forestry and fishing' is likely to increase to 3.8% in the current fiscal from 3.4% in the preceding year. The growth of the manufacturing sector is expected to accelerate to 8.3% this fiscal, up from 5.7% in 2017-18.

The Wholesale Price Index (WPI), in respect of the groups – Food Articles, Manufactured Products, Electricity and all Commodities, has risen by (-)0.9%, 4.1%, 6.8% and 4.9%, respectively during April'18-November'18. The Consumer Price Index (CPI) has shown a rise of 3.9% during the same period.

The reform measures undertaken in 2017-18 continued to strengthen and accelerate the growth momentum. The prospect for the Indian economy for the year 2019-20 should be seen in the light of emerging global and domestic developments. Indicators signal that global economic growth is expected to pick up during the second half of 2019. This is expected to provide further boost to India's exports. In contrast, the increasing global prices of oil and other key commodities may increase the value of imports. There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment is expected to maintain momentum in the coming year.

Various economic reforms were undertaken in the last two years which include: implementation of the Goods and Service Tax (GST), announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Medium-term macro outlook remains bright against the background of implementation of GST, green shoots in the global economy, relatively stable prices and improvement in indicators in the global economy. According to IMF World Economic Outlook Update April 2019, Indian economy is expected to grow at 7.3% during 2019 and further accelerate to 7.5% during 2020.

GRAPHITE INDIA

The Company recorded a sterling and highest ever performance during the year. Revenue from operations increased by 126% to Rs. 6,737 crore for FY 2018-19 as against Rs. 2,983 crore in the previous year. PBT increased by 208% to Rs. 4,281 crore as against Rs. 1,389 crore of previous year which also includes investment income of Rs. 102 crore as against Rs. 52 crore in the last year. This performance is attributable mainly to the realization of full potential of positive price movements, witnessed during last year inspite of softening of demand-supply imbalance during latter part of the year. The global demand for graphite electrodes was strong owing to – (1) demand revival in some of the steel producing nations with higher EAF capacities; and (2) structural shift due to closure of significant steel capacities in highly polluting blast/ induction furnaces in China which are now being replaced by environment friendly electric arc furnaces. China has also closed down some of its archaic electrode manufacturing capacities.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 98% of the total revenue.

OVERSEAS SUBSIDIARIES

The performance of the German subsidiaries which turned around last year has shown sharp improvement during the current year with recovery in electrode demand as well as prices.

DIVIDEND

The Directors are pleased to recommend declaration of final dividend @ Rs. 35 per equity share on 19,53,75,594 equity shares of Rs. 2/each for the financial year ended 31st March 2019 in addition to the Interim dividend @ Rs. 20 per equity share, already paid.

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 (EAF) based steel mills for conducting current to melt 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. The two basic methods for steel production are - (1) Blast Furnace (BF); and (2) Electric Arc Furnace (EAF). According to the World Steel Association (WSA), EAFs account for 46%, i.e. 394 million metric tons (MT) of global crude steel production (excluding China) in 2017. Between 1984 and 2011, EAF steelmaking was the fastest-growing segment of the steel sector, with production increasing at an average rate of 3.5% per year, based on WSA data. Historically, EAF steel production has grown faster than the total steel production due to its greater resilience, variable cost structure, less capital intensive, less polluting and more environment friendly nature. This growth trend has reversed between 2011 and 2015 due to global overcapacity in (EAF) steel production driven largely by Chinese BF steel production. Beginning 2016, focused efforts by the Chinese government to restructure China's domestic steel industry have led to clamping restrictions on Chinese BF steel production and lowering of export volumes. In addition, developed economies, which typically have much larger EAF steel industries, have instituted a number of protective trade policies to protect its domestic steel producers. As a result, since 2016, the EAF steel production has resurged and reiterated its strong growth trajectory. This revival in EAF steel production has resulted in increased demand for graphite electrodes. WSA reported a growth of 14% in EAF production in 2017.

Calcined Petroleum Coke and Paste

The Coke Division in Barauni, Bihar, is engaged in the manufacturing of Calcined Petroleum Coke (CPC), Carbon Paste and Electrically Calcined Anthracite Paste and is one of the several backward integration initiatives of the Company. Two grades of CPC - aluminium and graphite – are produced. CPC is primarily used in 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) and 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’s performance was better due to higher realization. However, supply constraints in getting its basic raw material i.e. Green / Raw Petroleum Coke was the major hurdle faced during the year.

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 and tube type and Poly-Block 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 Caprolactum, 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 its core competencies. Domestic chemical industry is very vibrant currently and many new projects and expansions are taking off in chloro-alkali, drugs / pharma, agrochemicals and fine chemicals sectors. Order booking in both domestic and export was better than last year. In exports, major orders were received for phosphoric acid evaporators to be supplied in Morocco, Philippines and domestically in India too.

Captive Power

Power constitutes one of the major costs of Electrode production. For captive consumption, the Company has an installed capacity of 18 MW of power generation through Hydel route. However, with closure of operations in Bengaluru plant, approval has been obtained for non-captive / third party sale.

B. Other Segments

Glass Reinforced Plastic Pipes (GRP)

GRP Division is engaged in manufacturing of large diameter Glass Fibre Reinforced Plastic Pipes as well as Pipe-liners for rehabilitation of old pipes/ducts. 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. Government is embarking on infrastructure development in a big way with stress on irrigation and sanitation. For irrigation, instead of open canal/ waterways closed pipe canals are being considered. This has opened up a new window for large diameter pipes and opportunities for use of GRP pipes in this field.

The Company has a good track record of supplying large diameter pipes and their successful commissioning. Company’s GRP pipes are in use for many years in several infrastructure projects in private as well as in public sector and has earned a good name as quality GRP pipe supplier. 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. However margins are under severe pressure because of unhealthy competition from manufacturers in Gujarat and excessive "over dimensional cargo fine" imposed in Maharashtra.

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 used 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 lower 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 cheap imports from overseas manufacturers. PSD is taking various measures to meet the increasing competition from imports. PSD also had to contend with steep increase in raw material input prices during the year. Demand for HSS products in PSD's range picked up during the first half of the year under review and improved further during the subsequent quarters.

PSD has widened its size range both at the lower and upper end of the existing range which is now revised to "5 mm dia to 170 mm" diameter.

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 second largest steel producer in 2018 with production standing at 106.5 million tones (Mt). India's finished steel consumption grew at a CAGR of 5.69% during FY08-FY18 to reach 90.68 Mt. In 2017-18, the country's finished steel exports increased 17% year-on-year to 9.62 Mt as compared to 8.24 Mt in 2016-17. Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items. The National Steel Policy, 2017, has envisaged 300 MT of production capacity by 2030-31. 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 WSA expects the demand for steel will reach 1,735 Mt in 2019, an increase of 1.3% over 2018. In 2020, it is forecast that global steel demand will grow by 1% to reach 1,752 Mt. Steel demand in China is expected to decelerate in 2019 in tune with the gradual replacement of the closed BF with EAF.

Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% in 2017. Demand is further expected to decelerate to 0.3% in 2019 and 0.71% in 2020 reflecting a deteriorating trade environment.

In its 12th Five-Year Plan, the Chinese government set a goal of achieving 20% EAF market share by 2020. Additionally, the rapid historical increase in Chinese steel production has resulted in increasing supplies of scrap, making EAFs more cost attractive relative to BOFs. According to McKinsey, so much scrap is expected to become available that EAF production capacity in China would need to triple by 2020 to keep pace. Steel producers may conclude that lower-capital intensive mini-mills are more attractive investment opportunities than rebuilding blast furnaces as they age, further supporting demand for graphite electrodes. China's crude steel output from electric arc furnace route is estimated to reach 90-100 million metric tons in 2018. This would mark a 20%-30% increase over 2017 as per S&P Global Platts.

Steel demand in the emerging economies excluding China is expected to grow by 2.9% and 4.6% in 2019 and 2020 respectively. After stabilising from the effects of demonetisation and the Goods and Services Tax (GST) implementation, the Indian economy is now expected to achieve faster growth starting from the second half of 2019 after the election. While the fiscal deficit might weigh on public investment to an extent, the wide range of continuing infrastructure projects is likely to support growth in steel demand in excess of 7% in both 2019 and 2020. Steel demand in developing Asia excluding China is expected to grow by 6.5% and 6.4% in 2019 and 2020 respectively, making it the fastest growing region in the global steel industry. In the ASEAN region, infrastructure development supports demand for steel. Economic diversification efforts in the Gulf Cooperation Countries continue in relation to a low oil price environment but fiscal consolidation is still suppressing construction activities. Steel demand is expected to continue to contract in 2019, though a minor recovery is expected in 2020.

Volumes and business prospects, in general, would be impacted by factors like: (a) recent addition of graphite electrode and needle coke capacity in China leading to higher exports and consequent effect on prices; (b) sustainability of the global economic recovery in 2018-19; (c) pace of recovery in Euro zone and China; (d) sustainability of recovery in steel demand and production; and (e) rising costs of key inputs. The recent withdrawal of Anti-Dumping Duty by Government of India on graphite electrodes from China on 6th September, 2018 is expected to increase cheap imports in India which may have negative impact on volume and price of electrodes in the domestic market.

While the Company is watching the developments with cautious optimism, it is well equipped and geared to face any unforeseen reversal in trend.

(iii) Segment-wise Performance

Revenue of the Company

The revenue from operations amounted to Rs. 6,737 crore as against Rs. 2,983 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 3,058 crore as against Rs. 919 crore in the previous year.

Graphite and Carbon Segment

The performance of the segment was exceptionally commendable in FY 2018-19 considering overall positive environment for the industry.

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 91,480 MT against 90,882 MT in the previous year.

Production of Calcined Petroleum Coke during the year was 24,714 MT as against 22,954 MT in the previous year.

Production of Carbon Paste during the year was 4,849 MT against 3,513 MT in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares during the year was 1,835 MT as against 1,721 MT in the previous year.

Power generated from captive Hydel Power Plant of 18 MW capacity amounted to 52.88 million units during the year as against 36.36 million units in the previous year.

The segment revenue increased to Rs. 6,575 crore from Rs. 2,833 crore in the previous year with a surge in Domestic and Export sales on value terms. The profitability of the segment increased to Rs. 4,251 crore in FY 2018-19 from Rs. 1,377 crore in FY 2017-18.

Other Segments

GRP division produced 5,692 MT pipes as against 12,124 MT in the previous year.

Production of HSS and Alloy Steels was 1,954 MT during the year as against 1,481 MT in the previous year.

Sale of power from 1.5 MW Link Canal facility was 2.57 million units as against 1.20 million units in the previous year.

(iv) Outlook

World crude steel production reached 1,808.6 Mt for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the European Union, which saw a 0.3% contraction. Annual production for Asia was 1,271.1 Mt of crude steel in 2018, an increase of 5.6% compared to 2017.

The EAF steel industry has recovered since the downturn from 2011 to 2015. EAF production started to recover in 2016 with growth of 2.8%, according to the WSA. EAF production is now rebounding very strongly. This recovery has taken place since China began in 2015 to restructure its steel industry by encouraging consolidation and shutting down excess capacity. China has also begun to implement increased environmental regulations to improve air quality, which has been impacted by CO2 emissions associated with the burning of coal in BOF steelmaking. Additionally, developed economies such as North America and Western Europe have implemented trade decisions against BOF steel producing countries to protect their domestic steel industries against imports. These actions have resulted in a significant decrease in Chinese steel exports. According to China Customs and Baiinfo, Chinese steel exports have declined from 112 million MT in 2015 to 70 million MT in 2018. This reduction in exports has resulted in increased steel production outside of China, especially EAF steel production.

According to WSA, EAF steel production increased by 14% to 472 Mt in 2017 as compared to 415 Mt in 2016. The share of EAF in total crude production increased to 27.9% in 2017 as compared to 25.5% in 2016. EAF steel production represented 47% of total U.S. steel production in 2000, increasing to 68% by 2017. In 2000, EAF steel production reflected 33% of total Europe, the Middle East and Africa steel production, increasing to 46% by 2017. In 2000, 36% of total Asia-Pacific (excluding China) steel production was by the EAF method, representing 77 million MT of EAF production. This share of production increased to 41% by 2017. China also represents a significant opportunity for EAF growth and market share expansion. Chinese steel production today is substantially through the BOF method, but increasing focus on environmental protection within China may encourage conversion from BOFs to EAFs. The government's increasing focus on the environment may eventually incentivize steelmakers to convert from BOFs to EAFs in order to continue operating. As per WSA estimates, China's share in EAF route has steadily increased from 5.9% in 2015 to 9.3% in 2017.

The graphite electrode industry has historically followed the growth of the EAF steel industry and, to a lesser extent, the steel industry as a whole, which has been highly cyclical and affected significantly by general economic conditions. Historically, EAF steel production has grown faster than the overall steel output due to its greater resilience, more variable cost structure, lower capital intensity and more environmentally friendly nature.

Other macroeconomic and industry trends have created significant increases in demand for graphite electrodes. Beginning in 2016, efforts by the Chinese government to eliminate excess steelmaking production capacity and improve environmental and health conditions have led to limits on Chinese BOF steel production, including the closure of over 200 million MT of its steel production capacity, based on data from S&P Global Platts and the Ministry of Commerce of the People's Republic of China. In 2017, Chinese steel exports fell by more than 30% as compared to 2016. Chinese steel exports continued to decline an additional 8% in 2018 according to the National Bureau of Statistics of China, reflecting the reduction in steel production capacity. As a result, the historical growth trend of EAF steelmaking relative to the overall steel market resumed and has led to increased demand for graphite electrodes. At the same time, consolidation and rationalization of graphite electrode production capacity limited the ability of graphite electrode producers to meet this demand. Prior to this improvement in demand, the electrode industry experienced an extended, five-year downturn, resulting in a reduction of production capacity outside of China by approximately 200,000 MT from approximately 1,000,000 MT to approximately 800,000 MT.

Petroleum needle coke and coal tar pitch, which are the primary raw materials for graphite electrode manufacturing, are currently in limited supply. Demand for petroleum needle coke has outpaced supply due to increasing demand for petroleum needle coke in the production of lithium-ion batteries used in electric vehicles. Increased demand has led to spiraling price increases for petroleum needle coke.

The global economy will continue to grow in 2019. Important leading indicators are signaling that expansion will weaken. However, risks stemming from protectionism, political instabilities and higher debt levels are also considerable in many countries. The geopolitical crises are not over yet. In addition, currency turbulences and valuation adjustments could hamper the real economy in the real estate and financial markets. As a result, the global economy is particularly delicate in 2019.

An economic slowdown is expected in the US in 2019, as the impulses from the tax reform run their course and losses stemming from the trade dispute have a stronger impact. Private consumption and investment would lose momentum because of interest rates. According to the IMF, however, growth will remain robust at 2.3% in 2019 and 1.9% in 2020. Europe is a challenging area of contrasts, with its solid economic base and considerable political challenges and risks. In addition to Brexit, several EU countries are burdened by debt levels owing to structural deficiencies and an absence of reforms. A trade dispute with the US cannot be ruled out either. In contrast, interest levels remain low and fiscal policy appears mildly expansionary. Production and employment should increase moderately. According to the IMF, the Eurozone will grow by 1.3% in 2019 and 1.5% in 2020. The upturn is continuing in Germany. Capacity utilization is high, growing only slightly despite investment, and the shortage of skilled professionals is putting increasing limits on growth. Private consumption and building investment remain robust. However, for 2019, the IMF estimates growth in Germany of 0.8% in 2019 and 1.4% in 2020.

For China, the IMF expects economic expansion to flatten to 6.3% as a result of structural changes to favor domestic demand, services and high technology. The negative effects of China's trade dispute with the US will also become increasingly visible throughout the year. On the other hand, China is managing by introducing various measures to support its domestic economy. Meanwhile, India and the ASEAN-5 countries should continue to grow at roughly the high rates of around 7.3% and 5.1% respectively.

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 resulted in higher electrode demand during 2018-19.

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 continue to strengthen its position in the industry.

However, with new needle coke and electrode capacities having been installed and commissioned in China, it is likely that electrode supply will be more balanced or to certain extent exceed as compared to demand. Hence the market dynamics may reverse if enough Arc Furnace Steel capacity is not installed in China quickly.

(v) Risks and Concerns

The Company is exposed to the threat of the cyclical nature of the steel demand / production through EAF route as also to the risks arising from the volatility in the cost of input materials.

The Company sells its products primarily to the EAF steel manufacturing industry. Steel industry historically has been highly cyclical and is affected significantly by general economic conditions. Major customers for the steel industry include companies in the automotive, construction, appliance, machinery, equipment and transportation industries, which are industries that were negatively affected by the general economic downturn and the deterioration in financial markets, including severely restricted liquidity and credit availability, in the recent past. In particular, EAF steel production declined approximately 17% from 2008 to 2009 as a result the general economic downturn and deterioration in financial markets. In addition, EAF steel production declined approximately 10% from 2011 to 2015 due to global steel production overcapacity driven largely by Chinese BF steel production. Since 2016, however, the EAF steel market has rebounded strongly and resumed its medium to long-term growth trajectory. Customers, including major steel producers, have in the past experienced and may again experience downturns or financial distress that could adversely impact the Company.

Pricing for graphite electrodes has historically been cyclical and current prices are relatively high, however, the price of graphite electrodes may decline in the future. The performance of the Company is sensitive to economic conditions and a downturn in economic conditions may adversely affect business. Global graphite electrode overcapacity has adversely affected graphite electrode prices in the past, and may adversely affect again in the future, which could negatively impact sales, margins and profitability of the Company.

Petroleum needle coke is the primary raw material used in the production of graphite electrodes. Supply of petroleum needle coke has been limited starting in the second half of 2017 as the demand has outpaced supply due to increasing demand for production of lithium-ion batteries used in electric vehicles. The performance of the Company is also dependent on the price and timely availability of petroleum needle coke. Similarly the availability and price of other materials and energy cost may impact the operations and/or margins of the Company.

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 implementation of Goods and 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. Government of India's withdrawal of Anti-Dumping Duty on graphite electrodes from China in September, 2018 may have negative impact on volume and price of electrodes in the domestic market owing to increase of cheap imports into India.

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.

(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. 6,737 crore as against Rs. 2,983 crore in the previous year.

Profit after tax was Rs. 2,806 crore as against Rs. 914 crore in the previous year. Profit before tax was higher at Rs. 4,281 crore as compared to Rs. 1,389 crore in the previous year.

Borrowing at Rs. 359 crore was higher than Rs. 155 crore in the previous year and the Finance Cost increased to Rs. 11 crore from Rs. 6 crore in the previous year.

Capital expenditure during the year amounted to Rs. 29 crore as against Rs. 50 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 35 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 those with business vision and objectives, which primarily help in creating robust organisational structure and aims at optimum utilisation of resources.

The Training and Development Programmes encompassing the competency building initiatives amongst employees continue to be an ongoing process. Besides, the leadership building at senior and middle management level, 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 1965 as on 31st March, 2019.

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

(ix) Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with explanations are as under :-

Sl. No.	Particulars	2018-19	2017-18	Improvement / (deterioration)
1	Debtors Turnover - (Debtors / Revenue from Operations) - (Days)	38	94	60%
2	Interest Coverage Ratio - (Finance cost / PBIDT) %	404.26	233.24	73%
3	Current Ratio - (current assets / current Liabilities)	4.19	3.27	28%
4	Debt Equity Ratio- (Debts/Total Equity) -Times	0.08: 1	0.06: 1	(33)%
5	Operating Profit Margin- (PBDIT/ Total Revenue) %	63.49	47.31	34%
6	Net Profit Margin - (PAT/ Total Revenue) %	40.47	29.98	35%
7	Return on Net worth - (PAT/ Net worth) %	60.29	35.12	72%

Explanations :-

The Company has recorded the best ever performance during FY 2018-19, principally due to positive price movements in the electrode market witnessed during the year. The performance has led to better credit terms with customers, improved liquidity ratios, impressive margins and return indicators, as above. Increased working capital requirements has led to a higher debt equity ratio.

Transaction of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity is given below :-

Emerald Company Private Limited (ECPL) (An entity of the promoter Group holding 61.20% of the share capital).

	2018-19 (Rs. Cr.)	2017-18 (Rs. Cr.)
Dividend Paid	382.65	83.71

Pollution Matter – Bangalore

The Company in October 2018, decided to stop operations in the Bengaluru plant by halting the furnaces in a sequential manner and accelerate the work of revamping of roof sheets in compliance with some observations of Karnataka State Pollution Control Board (KSPCB). Pursuant to the inspection by KSPCB officials KSPCB, on 15th December, 2018 renewed the "Consent to Operate" for a period up to 30th June, 2020 with condition to shift the unit from the existing location. On 28th January, 2019, Principal Bench - National Green Tribunal, Delhi (NGT) restored the KSPCB direction dated 30th June, 2012, and closure order dated 2nd July, 2012. Further, NGT directed constitution of a joint committee comprising representatives of CPCB, KSPCB and NEERI, to carry out within two months stack monitoring of the industry, ambient air monitoring of the industrial unit and surrounding areas and study on source apportionment of pollution sources. Pursuant thereto, KSPCB withdrew consent for operations and issued closure order dated 14th February, 2019.

On 2nd April, 2019, the Board of Directors of the Company decided to permanently close operations in the Bengaluru Plant in Whitefield within such time as is required by the Company to obtain appropriate consents, approvals, authorizations and no objections. Closure application has been filed with Government of Karnataka and Company has also stopped the production activities at the plant. KSPCB on 8th April, 2019 sought five months time from NGT, to submit project report. KSPCB also informed NGT of the Company's decision to close down the Bengaluru plant permanently. NGT took note of the above and felt that there was no necessity for calling for any further report in this regard and disposed off all the appeals filed before it.

As Company has been debottlenecking its capacity in Durgapur and Nashik factory, closure of Bengaluru plant will not affect its overall capacity.

Research and Development

The Company's commitment towards R & D, its continual improvement, development of technology and import substitution of materials is in line with the Government of India's 'Make in India' policy and has consistently supported the Company in becoming one of the "best in quality and low in cost" producers of graphite electrode and carbon 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.

These R&D efforts were continuous and by bench marking the operational efficiencies of manufacturing facilities at different locations, steps were taken for process improvement and achieving operational synergies. The focus is on further development and upgrading of standards/norms.

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 161.28 Mn as compared to Euro 51.88 Mn in the previous year. The subsidiaries have performed well during the year with favourable demand conditions and consequent increase in prices and have turned around to a profit of Euro 73.63 mn as against Euro 14.86 mn in the previous year (including Graphite International B.V.).

The Company earned by way of Royalty Rs. 17.86 crore during the year, as against Rs. 4.60 crore in the previous year, from overseas subsidiary.

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

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.

Associate Company

Graphite India Limited, through its wholly owned subsidiary, Graphite International B.V. has signed an agreement for investment of up to USD 18.59 million in General Graphene Corporation, USA to acquire approximately 46% stake in it. Till 31st March 2019, investment of USD 7.59 million has been made in the above company which constitute 26.68% stake.

General Graphene Corporation is involved in development of Graphene sheets for commercial applications. The investment will be made in multiple tranches based on achievement of agreed milestones in the process of development and establishing manufacturing capabilities for the commercial production of Graphene sheets. Graphene is a two dimensional sheet of pure carbon structure in a single layer of carbon atoms and though it is chemically identical to both graphite and diamond, it is remarkably different. It is a very versatile material with its key properties being the strongest, thinnest and lightest material known. It is also more conductive, both thermally and electrically, than any other material and known to be corrosion resistant and Impermeable.

Some of the potential applications of this material include Electronics like touch screens; Medicine and bio electric sensory devices; Filtration e.g. Low cost desalination; Composite materials; Energy storage and Aerospace.

The investment in General Graphene Corporation is being done with the objective of entering a high technology business with excellent prospects, subject to successful commercial development. The investment does not fall within related party transaction and none of Graphite's promoter / promoter group / group companies have interest in General Graphene Corporation. No regulatory approvals are required.

The investments in General Graphene Corporation is accounted for using the equity method as per Ind AS 28.

No Company has ceased to be a subsidiary of the Company during the year.

Audit Committee

The Audit Committee was reconstituted on 30th March 2019 with Mr. N. Venkataramani as its Chairman, Mr. Gaurav Swarup and Mr. A. V. Lodha as its members. Prior to the said date the Committee comprised Mr. A. V. Lodha as its Chairman, Dr. R. Srinivasan, Mr. N. Venkataramani and Mr. J. D. Curravala as its members. The reconstitution became necessary due to change in status of Mr. A. V. Lodha as non-independent Director and cessation of term of Dr. R. Srinivasan who desired not to be re-appointed at the end of the five year term on 31st March 2019.

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 11th May 2018, 6th August 2018, 6th September 2018 and 6th February 2019.

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, employment enhancing vocational skills and livelihood enhancement projects and healthcare initiatives through B D Bangur Endowment and autism related projects through Amrit Somani Memorial Trust. 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, 2019 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 and 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

The five year term of office of Mr. P. K. Khaitan, Mr. N. S. Damani, Mr. A. V. Lodha and Mr. N. Venkataramani as Independent Directors of the Company expired on 31st March, 2019. The Board of Directors (Board) in the meeting held on 6th February 2019, on the recommendation of the Nomination and Remuneration Committee (NRC) re-appointed them as Independent Directors for a second consecutive term of five years from 1st April 2019 up to 31st March, 2024 (subject to approval of the members of the Company). Since Mr. P. K. Khaitan was over seventy five years, the Company prior to 31st March, 2019, through a postal ballot obtained members approval for his re-appointment. Approval from the members for re-appointment of Mr. N. S. Damani and Mr. N. Venkataramani is being obtained in the ensuing annual general meeting (AGM).

Mr. J. D. Curravala is a non executive non Independent Director of the Company. Since he was also over 75 years, the Company prior to 31st March, 2019, through a postal ballot obtained members approval for his continuance as a Director from 1st April, 2019 till the date he retires by rotation at the ensuing AGM. Being eligible, he offers himself for re appointment in the ensuing AGM.

Mr. A. V. Lodha who was an Independent Director, informed vide letter dated 22nd March, 2019 of his non fulfillment of requirements prescribed under Companies Act, 2013 for being classified as an Independent Director. The Board took note that he ceased to be an Independent Director and his designation stood changed as non Executive non Independent Director from 22nd March, 2019 up to 31st March, 2019. The Board on 30th March, 2019 rescinded its decision to re-appoint Mr. A. V. Lodha as Independent Director for a period of 5 years from 01st April, 2019 and appointed Mr. A. V. Lodha as an Additional Director (non executive non independent) from 1st April, 2019 to hold office till the date of the ensuing AGM. Notice has been received from a member proposing name of Mr. A. V. Lodha for the office of director of the Company. The NRC and Board have recommended the said proposal for approval of the members of the Company in the ensuing AGM.

Dr. R. Srinivasan, whose term as an Independent Director of the company ended on 31st March, 2019 informed the Company that in view of his advancing age, he wished to retire as an Independent Director of the Company at the end of the said term. The Board accepted his request and placed on record their sincere appreciation of the services rendered by Dr. Srinivasan during his long tenure as a director of the Company.

The term of office of Mr. M. B. Gadgil as 'Whole time Director' designated as Executive Director expires on 30th June 2019. The Board, on the recommendation of the NRC have, subject to approval of members of the company re-appointed him for a further period of 1 year from 1st July 2019. Members' approval is being sought in the ensuing AGM.

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

Recognition/Award

The Company has received Asia's 'Best Under a Billion 2018' award from Forbes Asia.

The Company continues to enjoy the status of a Star Trading House.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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. **Annexure 12**

Auditors

S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed as Auditors of the Company, for a period of five (5) years at the 42nd AGM held on 4th August, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Cost Auditors

The Company had appointed following Cost Auditors for FY 2018-19 who conducted cost audit in respect of accounts and records made and maintained by the Company as required u/s 148(1) of Companies Act, 2013 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.
Deodhar-Joshi & 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 2017-18 was filed with the Ministry of Corporate Affairs, Government of India, on 17th

August, 2018. The said Cost auditors have been appointed to conduct cost audit for the same divisions as mentioned above for FY 2019-20.

Secretarial Audit/Compliance Report

Secretarial Audit Report and Secretarial Compliance Report for FY 2018-19 received from M/s. P. S. & Associates, Practicing Company Secretaries are annexed herewith - **Annexure 13 and 14**

Secretarial Standards

The Company is in compliance of all applicable Secretarial Standards as specified by the Institute of Company Secretaries of India.

Prevention of Sexual Harassment of Women at Workplace

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

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, 2019

K. K. Bangur
Chairman

Annexure 1

Part - "A"

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. Crores

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**	**5.30**	**54.84**	**14.74**	**0.05**	**45.45**	**4.38**	**3.94**	**0.77**	**3.17**	-	**100%**
2	Graphite International B.V., The Netherlands	EURO	17,300.00	9,513.87	27,165.87	352.00	-	9,717.86	9,406.14	522.32	8,883.82	-	**100%**
		INR	**134.49**	**73.96**	**211.19**	**2.74**	-	**75.55**	**73.12**	**4.06**	**69.06**	-	
3	Graphite COVA GmbH, Germany	EURO	16,320.00	60,268.91	1,22,941.32	46,352.41	-	1,62,082.50	99,636.18	27,823.62	71,812.56	-	**100%**
		INR	**126.87**	**468.53**	**955.75**	**360.35**	-	**1,260.03**	**774.57**	**216.30**	**558.27**	-	
4	Bavaria Electrodes GmbH, Germany	EURO	100.00	3,288.03	8,119.49	4,731.46	-	20,011.40	419.93	144.88	275.05	-	**100%**
		INR	**0.78**	**25.56**	**63.12**	**36.78**	-	**155.57**	**3.26**	**1.12**	**2.14**	-	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	2,564.12	3,333.30	669.18	-	6,847.49	286.59	100.74	185.85	-	**100%**
		INR	**0.78**	**19.93**	**25.91**	**5.20**	-	**53.23**	**2.22**	**0.78**	**1.44**	-	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	301.24	1,701.05	1,124.81	-	601.75	(54.56)	(16.85)	(37.71)	-	**100%**
		INR	**2.14**	**2.34**	**13.22**	**8.74**	-	**4.68**	**(0.42)**	**(0.13)**	**(0.29)**	-	

Note :
1. The reporting period of all the subsidiaries is the same as that of the Holding Company.
2. Exchange Rate as on the last date of the Financial Year, i.e. 31st March, 2019 has been taken @ 1 Eur= Rs.77.74

Kolkata	**S.W.Parnerkar**	**B.Shiva**	**M.B.Gadgil**	**K.K.Bangur**
18th May, 2019	Sr.Vice President-Finance	Company Secretary	Executive Director	Chairman

Part - "B"

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-"B" - List of Associates

Figures in USD' 000

Sl No	Name of Associate	Latest audited Balance Sheet Date	Date on which the Associate was associated or acquired	No. of shares held by the Company in Associate on the year end	Amount of Investment in Associate	Extent of Holding (in %)	Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet	Profit /(Loss) for the year	
										Considered in Consolidation	Not Considered in Consolidation
1	General Graphene Corporation, USA	31-Mar-2019	31-Aug-2018	469,842 Series B Preferred Stock	7,979.67	26.68%	Extent of equity holding in the associate company exceeds 20%	No Control exists	1,219.76	(1,460.98)	–

Kolkata	**S.W.Parnerkar**	**B.Shiva**	**M.B.Gadgil**	**K.K.Bangur**
18th May, 2019	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, 2019

[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 : 022-49186270 Fax : 022-49186060 E-mail : rnt.helpdesk@linkintime.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.	93.05%

\# On the basis of Gross Turnover

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Emerald Company Pvt. Ltd. 31, Chowringhee Road, Kolkata 700 016	U99999WB1940PTC12811	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)
8	General Graphene Corporation	–	Associates	26.68	2(6)

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 - 01.04.2018				Shareholding at the end of the year - 31.03.2019				% 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	723017	2005	725022	0.37	722817	0	722817	0.37	0.00
	b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
	d) Any Other (Specify)									
	Trust	0	0	0	0.00	200	0	200	0.00	0.00
	Bodies Corporate	124850064	250	124850314	63.90	124850064	0	124850064	63.90	0.00
	Sub Total (A)(1)	**125573081**	**2255**	**125575336**	**64.27**	**125573081**	**0**	**125573081**	**64.27**	**0.00**
[2]	**Foreign**									
	a) Individuals (Non-Resident Individuals / Foreign Individuals)	1842647	0	1842647	0.94	1842647	0	1842647	0.94	0.00
	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)									
	Sub Total (A)(2)	**1842647**	**0**	**1842647**	**0.94**	**1842647**	**0**	**1842647**	**0.94**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**127415728**	**2255**	**127417983**	**65.22**	**127415728**	**0**	**127415728**	**65.22**	**0.00**
B	**Public Shareholding**									
[1]	**Institutions**									
	a) Mutual Funds / UTI	10404924	34005	10438929	5.34	8887309	34005	8921314	4.57	-0.78
	b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	c) Alternate Investment Funds	36300	0	36300	0.02	10500	0	10500	0.01	-0.01
	d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	e) Foreign Portfolio Investor	8952117	0	8952117	4.58	13825721	0	13825721	7.08	2.49
	f) Financial Institutions / Banks	123151	16479	139630	0.07	174271	16299	190570	0.10	0.03
	g) Insurance Companies	5973485	0	5973485	3.06	5979768	0	5979768	3.06	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)	**25489977**	**50484**	**25540461**	**13.07**	**28877569**	**50304**	**28927873**	**14.81**	**1.73**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government/ State Government(s)	**0**	**0**	**0**	**0.00**	**366**	**0**	**366**	**0.00**	**0.00**
	Sub Total (B)(2)	**0**	**0**	**0**	**0.00**	**366**	**0**	**366**	**0.00**	**0.00**
[3]	**Non-Institutions**									
	a) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	20003733	1600708	21604441	11.06	22486815	1346798	23833613	12.20	-1.14
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2064981	0	2064981	1.06	1551705	0	1551705	0.79	-0.26
	b) NBFCs registered with RBI	0	0	0	0.00	71556	0	71556	0.04	0.04
	c) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Any Other (Specify)									
	IEPF	922058	0	922058	0.47	984155	0	984155	0.50	0.50
	Trusts	28389	32	28421	0.01	7436	24	7460	0.00	-0.01
	Foreign Nationals	0	14955	14955	0.01	0	14955	14955	0.01	0.00
	Hindu Undivided Family	885871	41	885912	0.45	807030	41	807071	0.41	-0.04
	Non Resident Indians (Non Repat)	143766	2922	146688	0.08	298707	2722	301429	0.15	0.08
	Other Directors	5083	9000	14083	0.01	12083	2000	14083	0.01	0.00
	Non Resident Indians (Repat)	1610967	173745	1784712	0.91	1671313	173745	1845058	0.94	0.03
	Foreign Portfolio Investor (Individual)	10000	0	10000	0.01	0	0	0	0.00	-0.01
	Clearing Member	964457	0	964457	0.49	966122	0	966122	0.49	0.00
	Bodies Corporate	13915692	60750	13976442	7.15	8582643	51777	8634420	4.42	-2.73
	Sub Total (B)(3)	**40554997**	**1862153**	**42417150**	**21.24**	**37439565**	**1592062**	**39031627**	**19.98**	**-1.26**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**66044974**	**1912637**	**67957611**	**34.78**	**66317500**	**1642366**	**67959866**	**34.78**	**0.00**
	Total (A)+(B)	**193460702**	**1914892**	**195375594**	**100.00**	**193733228**	**1642366**	**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)		**193460702**	**1914892**	**195375594**	**100.00**	**193733228**	**1642300**	**195375594**	**100.00**	

IV (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2018			Shareholding at the end of the year - 31.03.2019			% change in shareholding during the year
		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	
1	EMERALD COMPANY PRIVATE 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	1656386	0.85	0	1656386	0.85	0	0
4	SHREE LAXMI AGENTS LIMITED	884000	0.45	0	884000	0.45	0	0
5	CARBO CERAMICS LIMITED	386645	0.20	0	386645	0.20	0	0
6	MANJUSHREE BANGUR	248391	0.13	0	248391	0.13	0	0
7	KRISHNA KUMAR BANGUR	199505	0.10	0	199505	0.10	0	0
8	APARNA DAGA	186261	0.10	0	186261	0.10	0	0
9	DIVYA BANGUR	169333	0.09	0	169333	0.09	0	0
10	RUKMANI DEVI BANGUR	55288	0.03	0	54988	0.03	0	0
11	KRISHNA KUMAR BANGUR	50500	0.03	0	50500	0.03	0	0
12	KRISHNA KUMAR BANGUR	830	0.00	0	0	0.00	0	0
13	MANJUSHREE BANGUR	670	0.00	0	0	0.00	0	0
14	KRISHNA KUMAR BANGUR	335	0.00	0	0	0.00	0	0
15	THE BOND COMPANY LTD	250	0.00	0	0	0.00	0	0
16	KRISHNA KUMAR BANGUR	170	0.00	0	0	0.00	0	0
17	EMERALD FAMILY TRUST	0	0.00	0	100	0.00	0	0
18	KKB FAMILY TRUST	0	0.00	0	100	0.00	0	0
19	SIDDHANT BANGUR	0	0.00	0	100	0.00	0	0
	Total	**127417983**	**65.22**	**0**	**127415728**	**65.22**	**0**	**0**

IV (iii) Change in Promoters Shareholding

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2019	
		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 PRIVATE LIMITED	119579419	61.2049			119579419	61.2049
2	G K W LIMITED	4000000	2.0473			4000000	2.0473
3	KRISHNA KUMAR BANGUR	1656386	0.8478			1656386	0.8478
4	SHREE LAXMI AGENTS LIMITED	884000	0.4525			884000	0.4525
5	CARBO CERAMICS LIMITED	386645	0.1979			386645	0.1979
6	MANJUSHREE BANGUR	248391	0.1271			248391	0.1271
7	KRISHNA KUMAR BANGUR	199505	0.1021			199505	0.1021
8	APARNA DAGA	186261	0.0953			186261	0.0953
9	DIVYA BANGUR	169333	0.0867			169333	0.0867
10	RUKMANI DEVI BANGUR	55288	0.0283			55288	0.0283
	Transfer			29 Sep 2018	-300	54988	0.0281
	At the end of the year					54988	0.0281

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at the end of the year 31.03.2019	
		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
11	KRISHNA KUMAR BANGUR (HUF)	50500	0.0258			50500	0.0258
12	EMERALD FAMILY TRUST	0	0			0	0
	Transfer			29 Sep 2018	100	100	0.0001
	At the end of the year					100	0.0001
13	KKB FAMILY TRUST	0	0			0	0
	Transfer			29 Sep 2018	100	100	0.0001
	At the end of the year					100	0.0001
14	SIDDHANT BANGUR	0	0			0	0
	Transfer			29 Sep 2018	100	100	0.0001
	At the end of the year					100	0.0001
15	KRISHNA KUMAR BANGUR*	830	0.0004			830	0.0004
	Transfer			26 Oct 2018	-830	0	0
	At the end of the year					0	0
16	MANJUSHREE BANGUR*	670	0.0003			670	0.0003
	Transfer			26 Oct 2018	-670	0	0
	At the end of the year					0	0
17	KRISHNA KUMAR BANGUR*	335	0.0002			335	0.0002
	Transfer			26 Oct 2018	-335	0	0
	At the end of the year					0	0
18	THE BOND COMPANY LTD*	250	0.0001			250	0.0001
	Transfer			26 Oct 2018	-250	0	0
	At the end of the year					0	0
19	KRISHNA KUMAR BANGUR*	170	0.0001			170	0.0001
	Transfer			26 Oct 2018	-170	0	0
	At the end of the year					0	0

*Note : These Promoter shareholder/s had around 1994-95 sold shares of Graphite Vicarb India Limited (GVIL) in the physical mode, GVIL was amalgamated with GIL., Pursuant there-to in June,1995 equity shares of GIL was allotted to GVIL shareholders. The purchasers of some GVIL shares as mentioned above did not lodge the shares for transfer. As a result, 2255 shares of GIL allotted against the said un-lodged physical shares of GVIL still appeared in the said promoter names. Since 7 years dividend has now remained outstanding on said shares, these shares have been transferred to IEPF in November, 2018

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

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at end of the year 31.03.2019	
		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	**L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND**	8440595	4.3202			8440595	4.3202
	Transfer			06 Apr 2018	75000	8515595	4.3586
	Transfer			13 Apr 2018	50000	8565595	4.3842
	Transfer			25 May 2018	425600	8991195	4.602
	Transfer			01 Jun 2018	50000	9041195	4.6276
	Transfer			08 Jun 2018	300000	9341195	4.7811
	Transfer			13 Jul 2018	21000	9362195	4.7919

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at end of the year 31.03.2019	
		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
	Transfer			20 Jul 2018	31881	9394076	4.8082
	Transfer			03 Aug 2018	21500	9415576	4.8192
	Transfer			17 Aug 2018	-30386	9385190	4.8037
	Transfer			21 Sep 2018	-709287	8675903	4.4406
	Transfer			05 Oct 2018	298900	8974803	4.5936
	Transfer			12 Oct 2018	50000	9024803	4.6192
	Transfer			19 Oct 2018	62753	9087556	4.6513
	Transfer			26 Oct 2018	112247	9199803	4.7088
	Transfer			07 Dec 2018	-233503	8966300	4.5893
	Transfer			14 Dec 2018	-72892	8893408	4.552
	Transfer			25 Jan 2019	-238708	8654700	4.4298
	Transfer			01 Feb 2019	-710721	7943979	4.066
	Transfer			08 Feb 2019	-100000	7843979	4.0148
	Transfer			15 Feb 2019	-1527346	6316633	3.2331
	At the end of the year					6316633	3.2331
2	**LIFE INSURANCE CORPORATION OF INDIA**	3650377	1.8684			3650377	1.8684
	At the end of the year					3650377	1.8684
3	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	2277960	1.1659			2277960	1.1659
	Transfer			25 May 2018	-40000	2237960	1.1455
	Transfer			01 Jun 2018	-10000	2227960	1.1403
	Transfer			15 Jun 2018	-105833	2122127	1.0862
	Transfer			22 Jun 2018	-28000	2094127	1.0718
	Transfer			17 Aug 2018	-37854	2056273	1.0525
	Transfer			24 Aug 2018	-23000	2033273	1.0407
	Transfer			31 Aug 2018	-14146	2019127	1.0335
	Transfer			21 Sep 2018	-52851	1966276	1.0064
	Transfer			22 Feb 2019	130000	2096276	1.0729
	Transfer			01 Mar 2019	70000	2166276	1.1088
	Transfer			08 Mar 2019	12000	2178276	1.1149
	At the end of the year					2178276	1.1149
4	**STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL**	650097	0.3327			650097	0.3327
	Transfer			06 Apr 2018	-195381	454716	0.2327
	Transfer			13 Apr 2018	-91045	363671	0.1861
	Transfer			27 Apr 2018	-79203	284468	0.1456
	Transfer			15 Jun 2018	11992	296460	0.1517
	Transfer			06 Jul 2018	-98953	197507	0.1011
	Transfer			13 Jul 2018	-197507	0	0
	Transfer			27 Jul 2018	59521	59521	0.0305
	Transfer			03 Aug 2018	72364	131885	0.0675
	Transfer			10 Aug 2018	112967	244852	0.1253
	Transfer			17 Aug 2018	260094	504946	0.2584
	Transfer			24 Aug 2018	183856	688802	0.3526
	Transfer			31 Aug 2018	128502	817304	0.4183
	Transfer			07 Sep 2018	78092	895396	0.4583
	Transfer			14 Sep 2018	51620	947016	0.4847

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at end of the year 31.03.2019	
		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
	Transfer			21 Sep 2018	44073	991089	0.5073
	Transfer			29 Sep 2018	68874	1059963	0.5425
	Transfer			05 Oct 2018	25161	1085124	0.5554
	Transfer			19 Oct 2018	28286	1113410	0.5699
	Transfer			02 Nov 2018	40629	1154039	0.5907
	Transfer			09 Nov 2018	-63320	1090719	0.5583
	Transfer			16 Nov 2018	90661	1181380	0.6047
	Transfer			30 Nov 2018	53433	1234813	0.632
	Transfer			07 Dec 2018	-17973	1216840	0.6228
	Transfer			14 Dec 2018	28543	1245383	0.6374
	Transfer			11 Jan 2019	5297	1250680	0.6401
	Transfer			18 Jan 2019	7992	1258672	0.6442
	Transfer			15 Feb 2019	-55223	1203449	0.616
	Transfer			01 Mar 2019	76035	1279484	0.6549
	At the end of the year					1279484	0.6549
5	**CD EQUIFINANCE PRIVATE LIMITED**	1030041	0.5272			1030041	0.5272
	Transfer			08 Jun 2018	456272	1486313	0.7607
	Transfer			29 Sep 2018	-10000	1476313	0.7556
	Transfer			05 Oct 2018	-32493	1443820	0.739
	Transfer			12 Oct 2018	-43846	1399974	0.7166
	Transfer			16 Nov 2018	26	1400000	0.7166
	Transfer			30 Nov 2018	1500	1401500	0.7173
	Transfer			07 Dec 2018	-315000	1086500	0.5561
	Transfer			01 Feb 2019	1000	1087500	0.5566
	Transfer			15 Feb 2019	22000	1109500	0.5679
	Transfer			15 Mar 2019	3674	1113174	0.5698
	Transfer			29 Mar 2019	2000	1115174	0.5708
	At the end of the year					1115174	0.5708
6	**LAZARD EMERGING MARKETS SMALL CAP EQUITY TRUST**	0	0			0	0
	Transfer			12 Oct 2018	336380	336380	0.1722
	Transfer			19 Oct 2018	124450	460830	0.2359
	Transfer			30 Nov 2018	172778	633608	0.3243
	Transfer			14 Dec 2018	79783	713391	0.3651
	Transfer			11 Jan 2019	116509	829900	0.4248
	Transfer			15 Mar 2019	247767	1077667	0.5516
	At the end of the year					1077667	0.5516
7	**IDFC STERLING VALUE FUND**	898679	0.46			898679	0.46
	Transfer			06 Apr 2018	-219045	679634	0.3479
	Transfer			13 Apr 2018	159716	839350	0.4296
	Transfer			04 May 2018	25000	864350	0.4424
	Transfer			18 May 2018	-116142	748208	0.383
	Transfer			01 Jun 2018	-54370	693838	0.3551
	Transfer			30 Jun 2018	12162	706000	0.3614
	Transfer			06 Jul 2018	-20000	686000	0.3511
	Transfer			13 Jul 2018	-49973	636027	0.3255

Sl. No.	Name & type of transaction	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding at end of the year 31.03.2019	
		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
	Transfer			27 Jul 2018	-63975	572052	0.2928
	Transfer			31 Aug 2018	10000	582052	0.2979
	Transfer			29 Sep 2018	90000	672052	0.344
	Transfer			05 Oct 2018	16143	688195	0.3522
	Transfer			12 Oct 2018	13857	702052	0.3593
	Transfer			19 Oct 2018	-89052	613000	0.3138
	Transfer			02 Nov 2018	25000	638000	0.3266
	Transfer			09 Nov 2018	15000	653000	0.3342
	Transfer			16 Nov 2018	-84149	568851	0.2912
	Transfer			23 Nov 2018	-53329	515522	0.2639
	Transfer			30 Nov 2018	-22541	492981	0.2523
	Transfer			14 Dec 2018	17768	510749	0.2614
	Transfer			21 Dec 2018	25000	535749	0.2742
	Transfer			28 Dec 2018	50000	585749	0.2998
	Transfer			04 Jan 2019	70000	655749	0.3356
	Transfer			11 Jan 2019	40000	695749	0.3561
	Transfer			18 Jan 2019	17871	713620	0.3653
	Transfer			25 Jan 2019	30000	743620	0.3806
	Transfer			01 Feb 2019	117418	861038	0.4407
	Transfer			08 Feb 2019	90141	951179	0.4868
	Transfer			15 Feb 2019	70000	1021179	0.5227
	Transfer			22 Feb 2019	30000	1051179	0.538
	At the end of the year					1051179	0.538
8	**GOLDMAN SACHS INDIA LIMITED**	0	0			0	0
	Transfer			25 May 2018	918102	918102	0.4699
	Transfer			08 Jun 2018	229902	1148004	0.5876
	Transfer			12 Oct 2018	-79909	1068095	0.5467
	Transfer			21 Dec 2018	-31994	1036101	0.5303
	Transfer			28 Dec 2018	-5897	1030204	0.5273
	At the end of the year					1030204	0.5273
9	**GOVERNMENT PENSION FUND GLOBAL**	96365	0.0493			96365	0.0493
	Transfer			20 Jul 2018	-96365	0	0
	Transfer			25 Jan 2019	194574	194574	0.0996
	Transfer			15 Feb 2019	245351	439925	0.2252
	Transfer			22 Feb 2019	311652	751577	0.3847
	Transfer			01 Mar 2019	160511	912088	0.4668
	Transfer			08 Mar 2019	104793	1016881	0.5205
	At the end of the year					1016881	0.5205
10	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	640209	0.3277			640209	0.3277
	Transfer			24 Aug 2018	31752	671961	0.3439
	Transfer			19 Oct 2018	40243	712204	0.3645
	Transfer			22 Mar 2019	212038	924242	0.4731
	Transfer			29 Mar 2019	91228	1015470	0.5198
	At the end of the Year					1015470	0.5198

IV (v) Shareholding of Directors & Key Managerial Personnel

Sr. No.		Shareholding at the beginning of the year 01.04.2018		Cumulative shareholding Shareholding during the year - 31.03.2019	
		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	0.1021	199505	0.1021
2	Mr.Krishna Kumar Bangur (HUF)	50500	0.0258	50500	0.0258
3	Mr.Krishna Kumar Bangur	1656386	0.8478	1656386	0.8478
4	Mr.P K Khaitan	0	0.0000	0	0.0000
5	Mr.N S Damani	0	0.0000	0	0.0000
6	Mr.A V Lodha	0	0.0000	0	0.0000
7	Dr.R Srinivasan	0	0.0000	0	0.0000
8	Mr.Gaurav Swarup	0	0.0000	0	0.0000
9	Ms.Shalini Kamath	0	0.0000	0	0.0000
10	Mr.J D Curravala	4750	0.0024	4750	0.0024
11	Mr.N Venkataramani	4200	0.0021	7000	0.0036
12	Mr.M B Gadgil	2000	0.0010	2000	0.0010
13	Mr.Krishna Kumar Bangur	830	0.0000	0	0.0000
14	Mr.Krishna Kumar Bangur	335	0.0000	0	0.0000
15	Mr.Krishna Kumar Bangur	170	0.0000	0	0.0000
	Key Managerial Personnel				
1	Mr.S.W.Parnerkar	250	0.0000	250	0.0000
2	Mr.B.Shiva	416	0.0000	416	0.0000

V INDEBTEDNESS

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

Rs. in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2018)				
i) Principal Amount	94.53	60.77	–	155.30
ii) Interest due but not paid	–	0.09	–	0.09
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**94.53**	**60.86**	**–**	**155.39**
Change in Indebtedness during the financial year				
- Increased/(Reduction)	58.52	146.63	–	205.14
Indebtedness at the end of the financial year (31/03/2019)				
i) Principal Amount	153.05	206.55	–	359.59
ii) Interest due but not paid	–	0.94	–	0.94
iii) Interest accrued but not due			–	–
Total (i + ii + iii)	**153.05**	**207.49**	**–**	**360.53**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. in Crores

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	1.23	1.23
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.21	0.21
	(c) Profits in lieu of salary under section 17(3) Income -tax Act,1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of Profit-Others, please specify	4.00	4.00
5	Others, please specify	0.22	0.22
	Total (A)	**5.66**	**5.66**
	Ceiling as per the Act	193.99	193.99

B. Remuneration to Other Directors

Rs. in Crores

Sl. 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. Venkata-ramani	Mrs. Shalini Kamath	
1	**Independent Directors**										
	Fees for attending board/ committee meeting	–	0.02	0.01	0.02	0.01	–	0.01	0.02	0.01	0.10
	Commission	–	0.10	0.10	–	0.13	–	0.10	0.25	0.10	0.78
	Others										
	Total (1)	–	**0.12**	**0.11**	**0.02**	**0.14**	–	**0.11**	**0.27**	**0.11**	**0.88**
2	**Other Non-Executive Directors**										
	Fees for attending board/ committee meeting	0.02	–	–	–	–	0.02	–	–	–	0.04
	Commission	20.00	–	–	0.13	–	0.12	–	–	–	20.25
	Others										
	Total (2)	**20.02**	**–**	**–**	**0.13**	**–**	**0.14**	**–**	**–**	**–**	**20.29**
	Total B = (1 + 2)	**20.02**	**0.12**	**0.11**	**0.15**	**0.14**	**0.14**	**0.11**	**0.27**	**0.11**	**21.17**
	Total Managerial Remuneration	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21.03**
	Overall Ceiling as per the Act	–	–	–	–	–	–	–	–	–	232.78

Note : Mr.A.V. Lodha become Non Independent Executive Director w.e.f. 22nd March, 2019

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

Rs. in Crores

Sl. 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	–	0.52	0.42	0.94
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	–	*	0.07	0.07
	(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)	–	0.05	0.04	0.09
	Total (A)	–	**0.57**	**0.53**	**1.10**

* Amound is below the rounding-off norm adopted by the Company.

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.

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

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.

<u>Independent Directors :</u>

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) LODR.

<u>Appointment criteria and qualifications :</u>

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.

<u>Evaluation :</u>

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

<u>Evaluation of Directors :</u>

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.

<u>Evaluation of SMP and KMP :</u>

Criteria for evaluating performance of SMP and KMP (other than Directors) 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 SMP and 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.

The Remuneration and commission to Directors shall be as per the statutory provisions of the Act and the rules made thereunder for the time being in force.

Increments to the existing remuneration/ compensation structure payable to Whole-time Directors, SMP and KMP would be recommended by the Committee to the Board.

Sitting Fees :

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

Remuneration to Other Employees :

The human resources department of the Company 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	2,40,941	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

Annexure 5

FROM 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.172.11 Crores	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs. 1.06 Crores	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. 17.86 Crores	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee Received / Receivable	Valid up to 30th September, 2020	Certain Percentage of Corporate Guarantee amount utilized amounting to Rs. 0.56 Crores	10th November, 2014	Nil
5	Graphite Cova GmbH, Wholly-owned Subsidiary	Recoveries of Claims	Ongoing	Rs. 0.05 Crores	10th November, 2014	Nil
6	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee given	Valid up to 30th September, 2020	Rs. 240.91 Crores	15th December, 2014	NA

On behalf of the Board

Kolkata
May 18, 2019

K. K. Bangur
Chairman

Annexure 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy -

a) Energy conservation measures taken

- Reduction in Specific energy consumption in the graphitization process through optimization of Firing code and batch weight of the furnace.
- Efficient utilization of power by effective load & power factor management.
- Use of variable Frequency Drives.
- Adoption of zonal temperature control in place of total system control to avoid unwanted over heating of certain zones.
- Use of high efficiency pumps.
- Phase wise replacement of existing low efficiency lamps with LED lamps.
- Commissioning of Effluent treatment plant and usage of treated water for gardening & misc. activity, reducing consumption of raw water
- Decentralization of compressed air system with demand based compressed air units.

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

- Installed roof top Solar Panels (950 KW) to harness solar power to replace grid power.
- Started conducting feasibility study at other sites to harness more solar energy as an alternative to grid energy.
- Encouraging renewable energy generators (wind as well as Mini hydel) by purchasing power from them to replace use of grid power.

c) Additional investment proposal on energy conservation

- Decentralization of higher capacity Air Compressors with localized lower capacity air compressors for efficient utilization of compressed air wherever applicable.
- Incorporation of Variable Frequency Drives.
- Replacement office fluorescent tube lights & street lights with LED lights – phase wise
- Replacement of conventional pumps with High efficiency low energy consuming pumps.

(B) Technology absorption –

i) The efforts made towards technology absorption

- Development of Length wise graphitization for various products.
- Development of certain specialty Carbon products.

ii) The benefits derived as result of above efforts

- Improved product quality.
- Reduction in specific Energy Consumption / cost.
- Conservation of resources. .

iii) No technology was imported during last three years.

iv) Expenditure incurred on R&D : Rs. 0.18 Crore

(C) Foreign Exchange earnings : Rs. 2,569.24 Crore

Foreign Exchange outgo : Rs. 1,754.71 Crore

Annexure 7

ANNUAL REPORT (2018-2019) 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.

   (c) Any other activity as permitted under the CSR rules.

   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 (2015-2016 to 2017-2018) :** Rs. 524.66 Crore

4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above) :** Rs. 10.49 Crore

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

   (a) Total amount to be spent for the financial year: Rs 22.75 Crore (including of previous year)

   (b) Amount unspent, if any: Refer Note 6 (Rs. 0.47 Crore)

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

(Rs. in Crores)

(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	3.50	1.45	–	3.48	Through B D Bangur Endowment
2	Promoting healthcare	Health care	Kolkata & Durgapur in West Bengal and Nashik in Maharashtra	1.00	0.19	–	0.62	– do –
3	Low Cost Housing project @, Water pumps, sanitation units, kitchen garden, etc.	Rural Development	Durgapur in West Bengal & Titilagarh at Odisha	0.75	0.59**	–	0.68	– do –
3	Autism related (setting up of vocational training centre and setting up of "India Autism Centre")	Healthcare, Special education and employment enhancing vocational skills amongst differently abled		20.00	20.00	–	20.00	Through Amrit Somani Memorial Trust
	Sub-total			25.25	22.23	–	24.78	
	Overheads			–	0.05	–	0.18	
	Total CSR spend			25.25	22.28	–	24.96	

@ B D Bangur Endowment with Habitat for Humanity India Trust (for implementation)

*Contribution of the Company lying unspent with BD Bangur Endowment as on 31.3.19 – **Rs.0.01 Crore** not included.
** Includes Rs. 1.66 lakhs spent for installation of 2 handpumps in Kanksa block – Titilagarh. Project not successful as water stopped coming after a month due to rocky surface.

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 :** Insignificant - will be spent in the next year.
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, 2019

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under :

Sl. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
		Rs. in Crores		
1	Krishna Kumar Bangur (Non-Executive Chairman)	20.02	99.82%	251.08
2	Pradip Kumar Khaitan (Non-Executive Director)	0.12	25.77%	1.53
3	Nandan Surajratan Damani (Non-Executive Director)	0.11	29.41%	1.38
4	Aditya Vikram Lodha (Non-Executive Director)	0.15	22.22%	1.93
5	Raghavachari Srinivasan (Non-Executive Director)	0.14	10.48%	1.72
6	Jemi Dorabji Curravala (Non-Executive Director)	0.14	18.97%	1.73
7	Nayankankuppam Venkataramani (Non-Executive Director)	0.27	22.94%	3.36
8	Gaurav Swarup (Non-Executive Director)	0.11	32.53%	1.38
9	Shalini Kamath (Non-Executive Director)	0.11	29.41%	1.38
10	Makarand Balachandra Gadgil (Whole-time Director)	5.66	40.81%	70.99
11	Sanjay Wamanrao Parnerkar (Chief Financial Officer)	0.53	39.47%	Not Applicable
12	Shiva Balan (Company Secretary)	0.57	33.26%	Not Applicable

(ii) During the financial year, the median remuneration of employees increased by 23.48%.

(iii) There were 1,965 permanent employees on the rolls of Company as on March 31, 2019.

(iv) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2018-19 was 29.78% whereas the increase in the managerial remuneration for the same financial year was -79.18%.

(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 MENAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.

(Rs. in Crores)

Sl. No.	Name	Remuneration	Designation	Nature of Employment	Qualification & Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
1	Mr. M. B. Gadgil	5.66	Executive Director	Contractual	B.E.(Mech.), M.B.A. & (43 Years)	06.02.1978	66	Assistant Officer (Material Planning) - Motor Industries Company Ltd.
2	Mr. B. Shiva	0.57	Sr. Vice President (Legal & Secretarial) & Company Secretary	Permanent	B.Com., L.L.B., F.C.S. & (41 Years)	26.07.1993	60	Joint Secretary - Shree Digivijay Cement Company Ltd.
3	Mr. A. Dixit	0.55	President	Permanent	B. Tech(Mech), MBA & (26 Years)	13.11.2017	48	President - Usha Martin Limited
4	Mr. A. K. Dutta	0.54	Sr. Vice President - Marketing	Permanent	B.E.(Elec), PGM (IIM - C) & (36 Years)	18.01.2006	59	Head (Technical Marketing and Development) - Phoenix Yule
5	Mr. S. W. Parnerkar	0.53	Sr. Vice President - Finance	Permanent	M.Com., L.L.B., F.C.S., F.C.M.A. & (37 Years)	01.02.1994	56	Assistant Manager (Accounts & Administration) - Stovec Inds. Ltd.
6	Mr. J. S. Khosla	0.48	Assistant Vice President - Works (Satpur)	Permanent	B.E.(Mech) & (26 Years)	11.07.2017	49	Head (Operations) - HEG Ltd.
7	Mr S. P. Kshatriya	0.47	Vice President - I.G.E. Divn.	Permanent	B. Chem.(Engg.) & (34 Years)	24.02.1985	58	Management Traniee - Carbon Corporation Ltd.
8	Mr. S. G. Khune	0.46	Executive Vice President - Works (Durgapur)	Permanent	M. Chem. Engg, I.C.W.A.(Intermediate), Total Quality Management (6 months course) & (29 Years)	19.03.1990	51	Not Applicable
9	Mr. N. S. Deshpande	0.46	Executive Vice President - Operations	Permanent	D.M.E., A.M.I.E.(Section B) & (33 Years)	10.10.1997	52	Assistant Manager (Mechanical Maintenance) - LML Ltd.
10	Ms. M. Saha	0.41	Vice President - IT	Permanent	M. Sc. (Stat) & (37 Years)	23.05.2005	62	General Manager - Tega Industries Ltd.

Notes :

1 None of the above persons are realted to any Director, nor hold by themselves or along with their spouse and dependent childern, two percent or more of the equity share 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 then Rs 0.09 Crore 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, 2019.

The strength of the Board of Directors as on 31st March, 2019 was ten comprising the non-executive Chairman (promoter director), one Executive Director, eight non-executive directors of whom six are independent. None of the directors are related inter-se. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of management.

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	3	–	–
P. K. Khaitan	INED	8	2	5
N S Damani	INED	5	1	4
A V Lodha *	Non-Executive	2	–	–
Dr. R Srinivasan **	INED	5	3	6
Gaurav Swarup	INED	6	2	5
N Venkataramani	INED	1	–	–
J D Curravala	Non-Executive	1	–	–
Shalini Kamath (Mrs.)	INED	1	–	2
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.

* Mr. A V Lodha informed vide letter dated 22/03/2019 of his non fulfilment of requirements prescribed under Companies Act, 2013 for being classified as an Independent Director. The Board took note that he ceased to be an Independent director and his designation stood changed as non-executive non independent from 22/03/2019 up to 31/03/2019.

** Ceased to be a director after expiry of his five year term on 31.03.2019.

Details of other directorships in Listed companies with category of Company's directors attached – Enclosure - 1

List of Core Skills / Expertise / Competencies of directors

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under :-

(1)	Industry	(a) Experience in and knowledge of the industry in which the Company operates (b) Experience and knowledge of broader industry environment and business planning
(2)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.

(3)	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.
(4)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.

The aforesaid core skills/ expertise / competencies are available with the Board of the Company.

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 11th May, 2018, 06th August, 2018, 06th November 2018 06th February 2019. 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, and appropriate steps taken by the Company, where applicable.

Attendance Record

Names of Directors	Number of Board Meetings during April 2018 to March 2019		Attended last Annual General Meeting (AGM) held on 06th August, 2018
	Held	Attended	
K K Bangur	4	4	Yes
P. K. Khaitan	4	4	Yes
N S Damani	4	4	Yes
A V Lodha	4	4	Yes
Dr. R Srinivasan	4	2	No
Gaurav Swarup	4	4	Yes
N Venkataramani	4	4	Yes
J D Curravala	4	4	Yes
Shalini Kamath (Mrs.)	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 during the period 01.04.18 to 29.03.19 comprised of Mr. A. V. Lodha as its Chairman with Dr. R. Srinivasan, Mr. N Venkataramani and Mr. J D Curravala as its members. All of them except Mr. J D Curravala were independent directors. The Audit Committee was reconstituted on 30.03.19 with Mr. N Venkataramani as its Chairman Mr. Gaurav Swarup and Mr A V Lodha as its members. All members of the Audit Committee are non-executive. Mr. N Venkataramani and Mr. Gaurav Swarup are independent directors.

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 11th May, 2018, 06th August, 2018, 06th November 2018, 06th February, 2019.

Name	Position in the Audit Committee	Meeting	
		Held	Attended
N Venkataramani	Chairman @	4	4
A.V. Lodha#	Member	4	4
Dr. R Srinivasan*	Member	4	2
J D Curravala*	Member	4	4
Gaurav Swarup **	Member	–	–

@ Became Chairman w.e.f. 30.03.2019

* Ceased to be member of the Committee w.e.f. 29.03.2019
** Became member of the Committee w.e.f. 30.03.2019
# Mr. A.V. Lodha was independent director and Chairman of the Audit Committee till 21.03.2019. From 22.03.2019 till 31.03.2019 he was a non-independent director.

All members are financially literate and persons of repute and erudition. Mr. A.V. Lodha is an expert in finance and accounts.

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 11th May, 2018 to review and approve the draft annual accounts of financial year 2017- 2018 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.

Mr. A V Lodha (the then Chairman) attended the last Annual General Meeting (AGM) held on 06th August, 2018

IV Nomination and Remuneration Committee

The "Nomination and Remuneration Committee" (NRC) during the period 1st April 2018 to 30th January 2019 comprised Mr. P K Khaitan as its Chairman with Mr. A V Lodha and Dr. R Srinivasan as its members. Vide circular resolution dated 30th January 2019 approved by the directors, Mr. K K Bangur was inducted as a member of NRC by the Board effective 31st January 2019. The NRC was reconstituted on 30th March 2019 with Mr. P K Khaitan as its Chairman and Mr. K K Bangur and Mr. N Venkataramani as its members. The terms of reference include matters included in Section 178(2) to (4) of Companies Act 2013.

The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013.

Name	Position in NRC	Meeting*	
		Held	Attended
P K Khaitan	Chairman	3	3
Dr. R Srinivasan	Member	3	1
A V Lodha	Member	3	3
K.K. Bangur #	Member	1	1
N Venkataramani #	Member	–	–

*Meetings held on 11th May 2018, 06th August 2018, 05th February 2019.
Mr. K.K. Bangur & Mr.N Venkataramani became member on 31/01/2019 and 30/03/2019 respectively.

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 06th August, 2018 authorised the Board of Directors of the Company to pay commission to non-executive directors exceeding 1% of net profits of the Company but within the ceiling of 11% to all directors (including whole time director) for a period of five financial years w.e.f. 1st April, 2018.

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, 2019*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	–	–	–	–	20,00,00,000	1,80,000	19,06,391 @
N S Damani	–	–	–	–	10,00,000	1,00,000	–
A V Lodha	–	–	–	–	12,50,000	2,40,000	–
Dr R Srinivasan	–	–	–	–	12,50,000	1,20,000	–
P K Khaitan	–	–	–	–	10,00,000	2,20,000	–
N Venkataramani	–	–	–	–	25,00,000	1,80,000	7000
J D Curravala	–	–	–	–	12,50,000	1,80,000	4750
Gaurav Swarup	–	–	–	–	10,00,000	1,00,000	–
Shalini Kamath (Mrs.)	–	–	–	–	10,00,000	1,00,000	–
M B Gadgil	78,12,500	26,49,750	44,23,042	17,12,500	4,00,00,000	–	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, 62 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 22nd June, 2018, 28th September, 2018, 31st December, 2018 and 23rd March, 2019.

Name	Position in Stake Holders Relationship Committee	Meeting	
		Held	Attended
K K Bangur	Chairman	4	3
P K Khaitan	Member	4	3
M B Gadgil	Member	4	4

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 individually to the Company Secretary, Mr. B Shiva, and to the Asst. Company Secretary, Mr. S. Marda. The share transfers are approved 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
43rd	2017-2018	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	06.08.2018	2.00 p.m.
42nd	2016-2017	Satyajit Ray Auditorium 9A, Ho Chi Minh Sarani, Kolkata - 700 071	04.08.2017	12.30 p.m.
41st	2015-2016	Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	10.08.2016	3.45 p.m.

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
43rd	Yes	(i) (i) Consent U/s 197 and other provisions of Companies Act, 2013 ("Act") given to Board of Directors to pay remuneration by way of commission at its discretion to one or more or all the Directors, who are neither Managing Directors nor Whole Time Directors of the Company along with managerial remuneration payable to the Managing Director, Whole Time Director and Manager in respect of any financial year to not exceed 11% of the net profits of the Company for a period of five financial years commencing from 01.04.2018. (ii) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds upto Rs. 2000 crore for cash at par on private placement basis.
42nd	Yes	(i) Consent U/s 42 & 71 of Companies Act 2013 to issue and allot Non-Convertible Debentures/bonds upto Rs. 2000 Crores through private placement in domestic/international Markets. (ii) Adoption of new Articles of Association of the Company in substitution of the regulations in the existing Articles of Association, pursuant to Section 14 of Companies Act 2013.
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.

Special Resolutions pertaining to the 43rd AGM mentioned above were 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 –

Item No.	Brief Description of Resolution(s)	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	
(i)	Consent U/s197 and other provisions of Companies Act, 2013 ("Act") given to Board of Directors, pursuant to Section 197 and other provisions of Companies Act, 2013 ("Act") to pay remuneration by way of commission at its discretion to one or more or all the Directors, who are neither Managing Directors now Whole Time Directors of the Company along with managerial remuneration payable to the Managing Director, Whole Time Director and Manager in respect of any financial year to not exceed 11% of the net profits of the Company for a period of five financial years commencing from 01.04.2018	130664839	87.57808	8400457	5.63040	10132808	6.79151	149198114

Item No.	Brief Description of Resolution(s)	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	
(ii)	Consent U/s 42 and 71 of Companies Act, 2013 to issue and allot Non-Convertible Debentures/ Bonds on private placement basis upto limit of Rs. 2000 crore.	149153064	99.96981	44135	0.02958	915	0.00061	149198114

Following resolutions were passed last year through Postal Ballot.

Item No.	Brief Description of Resolution(s)	Total Votes in Favour		Total Votes cast against		No. of votes abstained		Total no of Valid Votes (Excludes invalid votes)
		No of shares	% of votes	No of shares	% of votes	No of shares	% of votes	
1.	Special Resolution for Re-appointment of Mr. P K Khaitan as a Non-Executive Independent Director from 1stApril 2019 till 31st March 2024.	139319457	93.33	9917512	6.64	32832	0.03	149269801
2.	Special Resolution for Continuance of Mr. J D Curravala as a Non-Executive Non-Independent Director from1st April 2019 till date of the next AGM of the Company.	145441049	97.44	3828726	2.56	26	0.00	149269801

Ms. Swati Bajaj, Partner, PS & Associates, Kolkata was appointed as the Scrutinizer for the purpose of carrying out the entire Postal Ballot exercise.

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

Resume and other information regarding the director 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. A. The Company has significant related party transactions with Graphite Cova Gmbh (wholly owned step down German subsidiary), where pricing is arrived at accordance with 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. 40 of the Standalone Financial Statements for the year ended 31st March, 2019 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 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. Familiarisation programme for independent directors and policy for determining 'material' subsidiaries can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx**.

F. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations, 2015.

G. Certificate from Mrs. Swati Bajaj, Partner M/s. PS & Associates, Practising Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority attached – **Enclosure – 2**.

H. The Board has adopted all the recommendations of any committee of the board during the year.

I. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part amounts to Rs. 72,94,564/-.

J. No complaint pertaining to sexual harassment of women employees was received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

K. (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
21.04.2018	Organised by Senior Management	Mumbai
30.04.2018	To meet Investors viz, Mondrian Investment Partners & Artemis Investment Management	London
21.05.2018	To meet Investors viz. DSP Blackrock, HDFC Mutual Fund, Credit Suisse, Reliance Mutual Fund	Mumbai
08.08.2018	Organized by Macquarie Capital Securities	Singapore
13.08.2018/ 14.08.2018	Organized by Centrum Broking	Mumbai
24.08.2018/27.08.2018/ 29.08.2018/30.08.2018	Organized By Macquarie Capital	USA
20.09.2018	Organized by Macquarie Capital	London
28.09.2018	Organized by Centrum	Mumbai
20.11.2018/21.11.2018	Organized by Bank of America Merrill Lynch	Tokyo

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

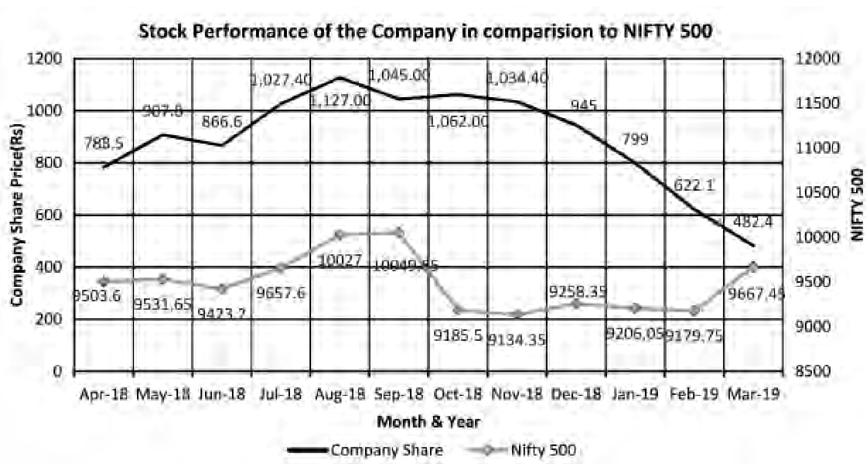
AGM Date, Time and Venue	3rd day of July 2019 at 10.30 a.m. at Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 (Near Rabindra Sadan Metro Station)
Financial Year	1st April to 31st March
Date of Book Closure	Saturday 22nd June 2019 to Friday 28th June 2019 (both days inclusive)
Dividend Payment Date	By 15th July ,2019
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, 2019 to March, 2020 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, 2018	783.50	615.65	October, 2018	1,062.00	765.00
May, 2018	907.80	692.40	November, 2018	1,034.40	918.00
June, 2018	866.60	723.75	December, 2018	945.00	702.30
July, 2018	1,027.40	857.95	January, 2019	799.00	458.30
August, 2018	1,127.00	965.10	February, 2019	622.10	395.10
September, 2018	1,045.00	781.00	March, 2019	482.40	446.90

NIFTY 500

Period	High (Rs.)	Period	High (Rs.)
April, 2018	9503.6	October, 2018	9185.50
May, 2018	9531.65	November, 2018	9134.35
June, 2018	9423.2	December, 2018	9258.35
July, 2018	9657.6	January, 2019	9206.05
August, 2018	10027	February, 2019	9179.75
September, 2018	10049.85	March, 2019	9667.45



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@linkintime.co.in Link Intime India Pvt. Ltd. 59C, Chowringhee Road, 3rd Floor, Kolkata -700 020 Phone : 033 22890540, Fax. : 033 22890539 kolkata@linkintime.co.in
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Company Secretary/Asst Company Secretary, who were severally authorised by the Board of Directors in this regard. Share Transfers are registered and returned within fifteen days from the date of lodgement, if documents are complete in all respects

Distribution of Shareholding as on 31st March, 2019

Slab	No. of Shareholders		No. of Equity Shares	
	Total	**%**	**Total**	**%**
1 – 500	194591	95.6212	11552482	5.9130
501 – 1000	4731	2.3248	3597865	1.8415
1001-2000	2163	1.0629	3160739	1.6178
2001 – 3000	699	0.3435	1755942	0.8988
3001 – 4000	316	0.1553	1118222	0.5723
4001 – 5000	212	0.1042	993533	0.5085
5001 – 10000	360	0.1769	2622814	1.3424
10001 – 20000	169	0.083	2376804	1.2165
20001 – 30000	73	0.0359	1790396	0.9164
30001 – 50000	57	0.028	2290899	1.1726
50001 – 100000	44	0.0216	2983318	1.5270
100001 and above	87	0.0428	161132580	82.4732
Total	**203502**	**100**	**195375594**	**100**
No. of shareholders in Physical mode	29819	0.8407	1642366	0.8407
Electronic Mode	173683	99.1593	193733228	99.1593
Total	**203502**	**100**	**195375594**	**100**

Shareholding Pattern as on 31st March, 2019

Category	No. of Sharers	%
Promoters Holding		
Promoters		
Indian Promoters	125573081	64.27
Foreign Promoters	1842647	0.95
Persons acting in concert	-	-
Sub-Total	**127415728**	**65.22**
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	8921314	4.57
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6181204	3.16
Foreign Portfolio Investor	13825721	7.08
Sub-Total	**28928239**	**14.81**

Category	No. of Sharers	%
Others		
Private Corporate Bodies	8634420	4.42
Indian Public	28164209	14.41
NRI / OCBs	2161442	1.11
Any Other	71556	0.03
Sub-Total	**39031627**	**19.97**
Grand Total	**195375594**	**100.00**
Total Foreign Shareholding		
Foreign Promoters	1842647	0.95
Foreign Portfolio Investor	13825721	7.08
NRIs / OCBs	2161442	1.11
Total	**17829810**	**9.14**

Dematerialisation of shares and liquidity

As on 31st March 2019, 193733228 shares of the Company representing 99.16% 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 risk management policy of the company includes risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The functional heads / location heads are responsible for managing risks on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis. With the constitution of the Risk Management committee, the same would be discussed and then placed before the Board.

There is no hedging mechanism for company's material inputs as well as finished products in terms of price. The suppliers of Calcined Petroleum Needle coke (which is the key input) usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. Therefore, it is not practically possible to provide data as per SEBI's format in this regard. The pricing of electrodes (which is the key finished product) is usually fixed at the time of procuring order and do not vary in normal circumstances. Hence the risk is not material.

Company usually has foreign exchange exposure in the form of export receivables and payables for import, foreign currency loans and certain expenditure. The foreign currency exposures usually gets balanced and the resultant net asset / liability is not material. The position of unhedged currency wise foreign exchange risk exposure as on 31.3.2019 is incorporated in note no.42 to the standalone financial statements.

Credit Ratings

ICRA Ltd. has vide his letter dated April 26, 2019.

Reaffirmed the long term rating outstanding for Rs. 720 Crore Line of Credit of the Company at [ICRA] AA+ (pronounced ICRA double A plus) and assigned a long-term rating of [ICRA] AA+(pronounced ICRA double A plus) to the additional limit of Rs. 280 Crore. The Outlook on the long term rating is stable.

Reaffirmed the short-term rating outstanding for the Rs. 720 Crore Line of Credit at [ICRA]A 1+(pronounced ICRA A one plus) and assigned a short-term rating of [ICRA]A1+(pronounced ICRA A one plus) to the additional limit of Rs. 280 Crore.
Previous ratings for Commercial Paper of Rs. 70 Crore and NCDs of Rs. 100 Crore were withdrawn on our request since there were no out standings there against.

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

Graphite India Limited
31, Chowringhee Road
Kolkata - 700 016
Phone: (033) 40029600
Fax: (033) 40029676/ 22496420
E-Mail ID: corp_secy@graphiteindia.com
investorgrievance@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@linkintime.co.in

Link Intime India Pvt. Ltd.
59C, 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, 2019

K. K. Bangur
Chairman

Declaration

All the Board Members and the Senior Management Personnel have as on 31.03.19 affirmed their compliance of the "Code of Conduct for Directors and Senior Management Personnel dated 09.05.2014".

Kolkata
May 18, 2019

M B Gadgil
Executive Director, Graphite India Limited

Enclosure - 1

Directors List for CG Report 2018-19

Sl No.	Name of the Director	Name of the other Listed Company in which Directorship is held	Designation
1.	Krishna Kumar Bangur	NIL	N.A
2.	Pradip Kumar Khaitan	Odisha Cement Limited *	Independent Non-Executive Director
		Dhunseri Ventures Limited	Non-Executive Director
		India Glycols Limited	Independent Non-Executive Director
		Electro Steel Castings Ltd	Independent Non-Executive Director
		CESC Ltd	Non-Executive Director
		Emami Limited	Independent Non-Executive Director
		Firstsource Solutions Limited	Non-Executive Director
3.	Raghavachari Srinivasan (Term as independent director of the Company ended on 31.03.2019)	Williamson Magor & Co.Ltd.	Independent Non-Executive Director
		Goldiam International Limited	Independent Non-Executive Director
		Mcleod Russel India Limited	Independent Non-Executive Director
		J. Kumar Infraprojects Limited	Independent Non-Executive Director
4.	Aditya Vikram Lodha	Alfred Herbert (India) Ltd	Independent Non-Executive Director
5.	Nandan Surajratan Damani	Simplex Realty Limited	Managing Director
		Amj Land Holdings Limited	Independent Non-Executive Director
		Pudumjee Paper Products Limited	Independent Non-Executive Director
6.	Jemi Dorabji Curravala	GKW Ltd	Managing Director
7.	Nayakankuppam Venkataramani	NIL	N.A
8.	Gaurav Swarup	Avadh Sugar & Energy Limited	Independent Non-Executive Director
		Swadeshi Polytex Ltd	Non-Executive Director
		KSB Limited	Independent Non-Executive Director
		Industrial And Prudential Investment Company Limited	Managing Director
		TIL Limited	Independent Non-Executive Director
9.	Makarand Bhalachandra Gadgil	NIL	N.A
10.	Shalini Kalsi Kamath	Gujarat Borosil Limited	Independent Non-Executive Director

*Name changed to Dalmia Bharat Limited w.e.f. 15.04.2019

Enclosure - 2

TO WHOMSOEVER IT MAY CONCERN

I, Swati Bajaj, Partner of PS & Associates, Practising Company Secretaries do hereby certify that none of the directors on the board of Graphite India Limited have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

This certificate is being issued as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For **PS & Associates**

Sd/- **Swati Bajaj**

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

Place : Kolkata
Date : 02/05/2019

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of Graphite India Limited

Graphite India Limited
31, Chowringhee Road,
Kolkata 700 016

1. The Corporate Governance Report prepared by Graphite India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include :

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held between April 1, 2018 to March 31, 2019:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual General meeting;

(d) Nomination and remuneration committee;

(e) Stakeholders Relationship Committee; and

(f) Independent directors meeting; and

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this Report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanation given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 19060352AAAABB3776

Place of Signature: Kolkata
Date : May 18, 2019

BUSINESS RESPONSIBILITY REPORT

Annexure 12

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 :** 2018-2019
7. **Sector(s) the Company is engaged in (industrial activity code-wise)**

Description	NIC Code
Graphite Electrodes	3297
Impervious Graphite Equipment	3596
High Speed & Alloy Steel	7228
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. 6737.30 Crore
3. **Total profit after taxes (INR) :** Rs. 2805.78 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 0.79%
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, Autism related projects.

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**

Sl. 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

Sl. 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	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	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?*	Principles 1 & 8 approved by Board / Rest by Management signed by Executive Director								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of Conduct and CSR are available on our website. www. graphiteindia.com. (Investor_relations) as per law. The other Policies are made available to respective stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	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	Y	Y	Y	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

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

Sl. 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?

  This Business Responsibility Report would form part of the Annual Report for year ended 31st March 2019 and can be viewed in the Investors Relation Section of the website of the Company.

Section E : Principle-wise performance

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 22 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) High speed & alloy steel

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 2018-2019.

   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, are 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, treated water & 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 :** 1965.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis :** 2072.

3. **Please indicate the Number of permanent women employees :** 31

4. **Please indicate the Number of permanent employees with disabilities :** 7

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.

Sl. 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** 80-85%
- **Permanent Women Employees** 70-75%
- **Casual/Temporary/Contractual Employees** 50-55%
- **Employees with Disabilities** 55-60%

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?**

   Covers only the Company.

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

   No complaints were received.

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.

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 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.**

   Pursuant to order dated 28th January 2019 by Principal Bench – National Green Tribunal, Delhi (NGT) which restored Karnataka State Pollution Control Board (KSPCB) direction dated 30th June 2012 and closure order dated 2nd July 2012 and further withdrawal of consent for operations and closure order dated 14th February 2019 by KSPCB, the Board of Directors on 2nd April 2019 decided to permanently close operations in the Bengaluru Plant in Whitefield within such time as is required by the Company to obtain appropriate consents, approvals, authorizations and no objections. Closure application has been filed with Government of Karnataka.

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 and Amrit Somani Memorial Trust.

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. Construction of low cost housing program has also been initiated.

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.

Annexure 13

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2019
[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 2019, 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, 2019, 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(s) 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.

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 : 02/05/2019

Annexure A

To,

The Members

Graphite India Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PS & Associates

Sd/- Swati Bajaj

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

Place : Kolkata
Date : 02/05/2019

Annexure 14

SECRETARIAL COMPLIANCE REPORT

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]

Secretarial Compliance Report of **Graphite India Limited** for the financial year ended 31st March 2019

I, Swati Bajaj, Partner of PS & Associates, Practising Company Secretaries have examined:

(a) all the documents and records made available to us and explanation provided by Graphite India Limited ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) other document(s)/ filing(s), as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2019 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;

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

and circulars/ guidelines issued thereunder;

and based on the above examination, I, hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

For PS & Associates

Sd/- Swati Bajaj

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

Place : Kolkata
Date : 02/05/2019

FINANCIAL PERFORMANCE FOR 10 YEARS - STANDALONE

(Rs. in Crores)

	IND AS		IGAAP							
Statement of Profit & Loss	**2018-19**	**2017-18**	**2016-17**	**2015-16#**	**2014-15***	**2013-14***	**2012-13***	**2011-12***	**2010-11***	**2009-10^**
Revenue from Operations (Net of Excise duty)	6,737.30	2,958.20	1,305.77	1,346.68	1,497.22	1,768.08	1,764.86	1,670.84	1,225.94	1,131.19
Other Income	196.35	88.89	83.89	46.50	30.74	40.21	26.35	34.62	30.43	30.58
Profit before Interest, Depreciation and Tax (PBIDT)	4,402.39	1,441.43	159.49	196.76	186.02	324.48	305.26	345.87	313.43	409.28
Depreciation	56.01	46.43	41.56	44.42	38.75	53.60	50.04	40.44	39.33	39.54
Profit before Interest and Tax (PBIT)	4,346.38	1,395.00	117.93	152.34	147.27	270.88	255.22	305.43	274.10	369.74
Finance Cost	10.89	6.18	6.50	7.84	12.23	16.96	22.14	14.39	5.55	10.49
Profit before Exceptional Item and Tax	4,335.49	1,388.82	111.43	144.50	135.04	253.92	233.08	291.04	268.55	359.25
Exceptional Item (Gain) / Loss	54.86	-	-	-	5.60	-	-	(29.62)	12.73	-
Profit before Tax (PBT)	4,280.63	1,388.82	111.43	144.50	129.44	253.92	233.08	320.66	255.82	359.25
Provision for Taxation	1,474.88	475.19	(0.85)	39.86	47.25	83.00	70.00	82.77	83.50	127.09
Profit after Tax (PAT)	2,805.75	913.63	112.28	104.64	82.19	170.92	163.08	237.89	172.32	232.16
EPS - Basic (Rs.)	143.61	46.76	5.75	5.36	4.21	8.75	8.35	12.18	9.19	13.58
Balance Sheet										
Fixed Assets	624.08	651.40	648.67	606.37	600.40	641.47	662.57	669.97	536.03	485.48
Investments	2,566.37	1,241.10	663.92	537.35	480.07	500.22	345.74	333.48	272.78	252.76
Other Assets (Current and Non-Current)	2,752.75	1,603.46	1,070.37	1,167.85	1,367.03	1,477.95	1,697.05	1,450.17	1,249.39	1,016.82
Total Assets	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64	2,705.36	2,453.62	2,058.20	1,755.06
Share Capital	39.08	39.08	39.08	39.08	39.08	39.08	39.08	39.08	39.08	34.30
Reserves and Surplus	4,614.34	2,562.71	1,812.78	1,702.25	1,714.53	1,696.83	1,605.92	1,522.84	1,364.42	1,149.22
Borrowings	359.59	155.29	126.82	179.92	185.71	301.02	567.61	461.72	265.16	249.26
Deferred Tax Liabilities (Net)	113.59	94.50	84.03	88.16	82.11	89.67	95.04	70.82	63.02	73.77
Other Liabilities (Current and Non-Current)	816.60	644.38	320.25	302.16	426.07	493.04	397.71	359.16	326.52	248.51
Total Liabilities	**5,943.20**	**3,495.96**	**2,382.96**	**2,311.57**	**2,447.50**	**2,619.64**	**2,705.36**	**2,453.62**	**2,058.20**	**1,755.06**
^ Based on Schedule VI, *Based on Revised Schedule VI/Schedule III, #Figures are restated as per IND AS.										
Key Ratio										
PBIDT / Total Revenue - %	63.49	47.31	11.48	14.12	12.17	17.94	17.04	20.28	24.95	35.23
Net Profit (PAT) / Total Revenue - %	40.47	29.98	8.08	7.51	5.38	9.45	9.10	13.95	13.72	19.98
Finance Cost Cover - Times	404.26	233.24	24.54	25.10	15.21	19.13	13.79	24.03	56.51	39.02
ROCE (PBIT / Capital Employed) - %	86.70	50.60	5.96	7.93	7.36	13.04	11.35	15.09	16.43	25.81
RONW (PAT / Net worth) - %	60.29	35.12	6.06	6.01	4.69	9.85	9.91	15.23	12.28	19.62
Debt Equity Ratio	0.08:1	0.06:1	0.07:1	0.10:1	0.14:1	0.20:1	0.37:1	0.30:1	0.19:1	0.21:1
Equity Dividend per Share (Rs.)	55.00	17.00	2.00	2.00	2.00	3.50	3.50	3.50	3.50	3.50
Book Value per Share (Rs.)	238.18	133.17	94.78	89.13	89.76	88.85	84.20	79.94	71.84	69.01

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the standalone Ind AS financial statements

Opinion

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, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue from sale of products *(As described in Note 2(b) of the standalone Ind AS financial statements)*	
The Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Following procedures have been performed to address this key audit matter: ▪ Considered the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. ▪ Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. ▪ Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. ▪ Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. ▪ Assessed the relevant disclosures made within the standalone Ind AS financial statements.
Pending litigations *(As described in Note 35 of the standalone Ind AS financial statements)*	
As of March 31, 2019, the Company has disclosed contingent liabilities of Rs. 106.36 crores relating to tax and legal claims. Taxation, arbitration and litigation exposures have been identified as a key audit matter due to the uncertainties and timescales involved for the resolution of these claims. Accordingly, there is judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the standalone Ind AS financial statements.	Following procedures have been performed to address this key audit matter: ▪ Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. ▪ Discussed and analysed material legal cases with the Company's legal department. ▪ Analysed the responses obtained from the Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described. ▪ Involved specialists for material ongoing tax proceedings. ▪ Received confirmation obtained by the Company from their legal counsel / consultants on a samples basis. ▪ Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the standalone Ind AS financial statements. ▪ Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

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

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

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

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have 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 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 19 and 35 to the standalone Ind AS financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place of Signature: Kolkata
Date: May 18, 2019

Annexure 1 Referred to In Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date on the standalone Ind AS financial statements of Graphite India Limited

To the members of Graphite India Limited ('the Company')

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

(b) Majority of the fixed assets have been physically verified by the management, during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except seven immovable properties aggregating Rs. 0.24 crores as at March 31, 2019 (details of which are set out in Note 4.6 and Note 4.7 to the standalone Ind AS financial statements).

Particulars	Whether leasehold/ freehold	Gross block (Rs. in crores)	Net block (Rs. in crores)
Five Freehold Land at Nashik and Titilagarh	Freehold Land	0.09	0.09
Two Leasehold Land at Titilagarh	Leasehold Land	0.22	0.15

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon. In respect of investments made and guarantees given, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	0.15	1996-97 and 1999-2000	Assistant Commissioner / Deputy Commissioner of Central Excise
		0.20	2000-01	High Court, Kolkata
		0.58	2010-11 to 2011-12	Commissioner (Appeals)
		3.11	2003-04 to 2012-13	CESTAT
		10.53	2013-14 to 2016-17	Commissioner (Appeals)
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	1.91	2002-03 to 2003-04 and 2005-06 to 2008-09	Sales Tax Tribunal
		0.20	2003-04	High Court, Bombay
		0.001	2005-06	Additional Commissioner of Commercial Taxes
		0.001	2005-06	Additional Commissioner of Commercial Taxes
		0.28	2006-07	Joint Commissioner of Sales Tax (Appeals)
		0.23	2006-07 to 2007-08	Commissioner (Appeals)
		0.001	2009-10	Deputy Commissioner of Sales Tax
		0.001	2011-12	Additional Commissioner, Corporate Division (Appeal)
Karnataka Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.07	2006-07	High Court, Karnataka
		0.08	2008-09	Assistant Commissioner, Commercial Taxes
		0.85	2010-11	Commercial Tax Officer
		0.11	2011-12	Commercial Tax Officer
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.001	2008-09	Commercial Tax Officer
Orissa Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.01	2005-06	Sales Tax Tribunal
Customs Act, 1952	Custom Duty, Interest and Penalty	0.04	1988-89	Chief Metropolitan Magistrate
		0.08	1991-92	CESTAT
		1.59	2007-08 and 2008-09	CESTAT
		0.06	2012-13 and 2013-14	Assistant Commissioner Customs
		0.06	2012-13 and 2013-14	Commissioner (Appeals)
		8.56	2005-06 to 2007-08	Commissioner of Customs
Finance Act,1994	Service Tax, Interest and Penalty	5.84	2004-05 to 2011-12	CESTAT
		1.04	2005-06 to 2007-08	High Court, Bombay
		0.07	2006-07	Assistant / Deputy Commissioner of Central Excise
		3.46	2006-07 to 2015-16	Commissioner (Appeals)
		0.15	2007-08	Additional Commissioner, Central Excise
		1.09	2011-12 to 2015-16	Appeal To be filed with Commissioner Appeals

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	0.001	2013-14	Commissioner of Income Tax (Appeals)
		71.52	2006-07 to 2012-13	Income Tax Appellate Tribunal
		18.77	1991-92 to 1993-94 and 1998-99 to 2005-06	High Court, Kolkata

*Includes disputed amounts pertaining to cases where appellate authority has decided in favour of the Company against which department has made appeal to a higher authority.

(viii) In our opinion and according to information and explanations given by the management, Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place of Signature: Kolkata
Date: May 18, 2019

Annexure 2 to the Independent Auditor's Report of Even Date on the standalone Ind AS financial statements of Graphite India Limited

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

We have audited the internal financial controls over financial reporting of Graphite India Limited ("the Company") as of March 31, 2019 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 With Reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place of Signature: Kolkata
Date: May 18, 2019

STANDALONE BALANCE SHEET as at 31st March, 2019

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2019	As at 31st March, 2018
Non - current Assets			
Property, Plant and Equipment	4.1	606.19	642.61
Capital Work-in-progress	4.2	16.77	8.12
Intangible Assets	5	1.12	0.67
Financial Assets			
Investments	6	574.90	208.26
Loans	10	8.11	7.87
Other Financial Assets	11	0.04	0.08
Other Non-current Assets	13	10.05	12.39
Total Non - current Assets		**1,217.18**	**880.00**
Current Assets			
Inventories	12	1,820.83	669.94
Financial Assets			
Investments	6	1,991.47	1,032.84
Trade Receivables	7	704.52	758.82
Cash and Cash Equivalents	8	22.74	16.08
Other Bank Balances	9	7.46	15.04
Loans	10	4.23	3.56
Other Financial Assets	11	62.63	37.19
Current Tax Assets (Net)		22.71	24.78
Other Current Assets	13	89.43	57.71
Total Current Assets		**4,726.02**	**2,615.96**
TOTAL ASSETS		**5,943.20**	**3,495.96**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14.1	39.08	39.08
Other Equity	14.2	4,614.34	2,562.71
TOTAL EQUITY		**4,653.42**	**2,601.79**
LIABILITIES			
Non - current Liabilities			
Financial Liabilities			
Trade Payables	16		
Total Outstanding Dues of Creditors other than Small Enterprises and Micro Enterprises		-	0.03
Other Financial Liabilities	17	0.01	0.01
Deferred Tax Liabilities (Net)	20	113.59	94.50
Total Non - current Liabilities		**113.60**	**94.54**
Current Liabilities			
Financial Liabilities			
Borrowings	15	359.59	155.29
Trade Payables	16		
Total Outstanding Dues of Small Enterprises and Micro Enterprises		5.73	5.51
Total Outstanding Dues of Creditors other than Small Enterprises and Micro Enterprises		567.03	389.31
Other Financial Liabilities	17	116.04	51.61
Other Current Liabilities	18	39.90	114.54
Provisions	19	34.05	30.90
Current Tax Liabilities (Net)		53.84	52.47
Total Current Liabilities		**1,176.18**	**799.63**
TOTAL LIABILITIES		**1,289.78**	**894.17**
TOTAL EQUITY AND LIABILITIES		**5,943.20**	**3,495.96**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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, 2019

(Rs. in Crores)

	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	21	6,737.30	2,983.43
Other Income	22	196.35	88.89
Total Income		**6,933.65**	**3,072.32**
Expenses			
Cost of Materials Consumed	23	2,100.22	711.45
Purchases of Stock-in-trade	24	-	11.80
Changes in Inventories of Finished Goods and Work-in-progress	25	(679.33)	13.18
Excise Duty on Sale of Goods		-	25.23
Employee Benefits Expense	26	221.64	175.78
Finance costs	27	10.89	6.18
Depreciation and Amortisation Expense	28	56.01	46.43
Other Expenses	29	888.73	693.45
Total Expenses		**2,598.16**	**1,683.50**
Profit before Exceptional Item and Tax		**4,335.49**	**1,388.82**
Exceptional Item (Refer Note 45)		(54.86)	-
Profit before Tax		**4,280.63**	**1,388.82**
Tax Expense	30		
Current Tax		1,468.58	464.72
Deferred Tax Charges/(Credit)		6.30	10.47
Profit for the year		**2,805.75**	**913.63**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements Gains/(Losses) on Defined Benefit Plans	38	(0.63)	1.40
Income Tax effect	30	0.22	(0.49)
Total Other Comprehensive Income, Net of Tax		**(0.41)**	**0.91**
Total Comprehensive Income for the year		**2,805.34**	**914.54**
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	31		
Basic and Diluted (Rs.)		143.61	46.76

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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, 2019

a) Equity Share Capital (Refer Note 14.1) **(Rs. in Crores)**

Equity shares of Rs. 2/- each issued, subscribed and fully paid

At 31st March, 2017	39.08
At 31st March, 2018	39.08
At 31st March, 2019	39.08

b) Other Equity - Reserves and Surplus (Refer Note 14.2) **(Rs. in Crores)**

	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total
As at 31st March, 2017	**0.46**	**5.75**	**200.97**	**1,336.50**	**269.10**	**1,812.78**
Profit for the Year	-	-	-	-	913.63	913.63
Other Comprehensive Income (Net of Tax)						
- Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	0.91	0.91
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**914.54**	**914.54**
Transactions with Owners in their Capacity as Owners:						
Final Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 43(b)]	-	-	-	-	(39.08)	(39.08)
Dividend Distribution Tax on Above	-	-	-	-	(7.95)	(7.95)
Interim Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	-	-	-	(97.69)	(97.69)
Dividend Distribution Tax on Above	-	-	-	-	(19.89)	(19.89)
As at 31st March, 2018	**0.46**	**5.75**	**200.97**	**1,336.50**	**1,019.03**	**2,562.71**
Profit for the Year	-	-	-	-	2,805.75	2,805.75
Other Comprehensive Income (Net of Tax)						
- Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	(0.41)	(0.41)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**2,805.34**	**2,805.34**
Transactions with Owners in their Capacity as Owners:						
Final Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	-	-	-	(234.45)	(234.45)
Dividend Distribution Tax on above	-	-	-	-	(48.19)	(48.19)
Interim Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 43(b)]	-	-	-	-	(390.75)	(390.75)
Dividend Distribution Tax on above	-	-	-	-	(80.32)	(80.32)
As at 31st March, 2019	**0.46**	**5.75**	**200.97**	**1,336.50**	**3,070.66**	**4,614.34**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

S. W. Parnerkar
Sr.Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2019

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash Flows from Operating Activities		
Profit before Tax	4,280.63	1,388.82
Adjustments for:		
Depreciation and Amortisation Expense	56.01	46.43
Finance Costs	10.89	6.18
Bad Debts/Advances Written Off	1.37	0.21
Provision for Doubtful Debts	4.36	0.30
Interest Income classified as Investing Cash Flows	(51.33)	(2.03)
Net Gain on Investments Carried at fair value through Profit or Loss	(102.01)	(52.43)
Liabilities no Longer Required Written Back	(8.10)	(3.73)
Provision for Doubtful Debts Written Back	(0.40)	(4.23)
Allowances Reversed for Expected Credit Losses on Trade Receivables	-	(9.29)
Gain on Disposal of Property, Plant and Equipment (Net)	(1.66)	(0.22)
Write Down of Inventories to Net Realisable Value	0.10	0.26
Foreign Exchange Differences (Net)	(1.70)	0.01
Operating Profit before Changes in Operating Assets and Liabilities	**4,188.16**	**1,370.28**
Changes in Operating Assets and Liabilities:		
Increase in Trade Payables	180.95	184.13
Increase in Other Financial Liabilities	63.79	20.45
Increase/(Decrease) in Provisions	2.54	(1.89)
Increase/(Decrease) in Other Current Liabilities	(69.58)	77.05
(Increase) in Inventories	(1,150.99)	(157.57)
(Increase)/Decrease in Trade Receivables	48.97	(339.00)
(Increase)/Decrease in Loans	(0.91)	0.18
(Increase) in Other Financial Assets	(7.90)	(10.88)
(Increase) in Other Non-current Assets	(1.07)	(0.13)
(Increase) in Other Current Assets	(31.72)	(0.67)
Cash Generated from Operations	**3,222.23**	**1,141.95**
Income Taxes paid (net)	(1,452.16)	(438.30)
NET CASH FROM OPERATING ACTIVITIES	**1,770.07**	**703.65**
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/ Intangible Assets	(27.50)	(50.29)
Proceeds for Disposal of Tangible Fixed Assets	1.87	0.74
Payments for Purchase of Investments	(6,065.71)	(1,524.78)
Proceeds from Sale/ Redemption of Investments	4,842.45	1,001.09
Interest Received	33.83	1.75
Proceeds from Maturity of Fixed Deposits with Banks	11.57	37.00
Investment in Fixed Deposits with Banks	(2.18)	(11.57)
NET CASH USED IN INVESTING ACTIVITIES	**(1,205.67)**	**(546.05)**

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2019

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
C. Cash Flows from Financing Activities		
Dividends Paid	(625.20)	(136.77)
Dividend Distribution Tax Paid	(128.51)	(27.84)
Finance Costs Paid	(10.04)	(6.27)
Short-term Borrowings - Net of Receipts and Payments	206.00	28.48
NET CASH USED IN FINANCING ACTIVITIES	**(557.75)**	**(142.40)**
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	**0.01**	–
NET CASH INFLOW (A+B+C+D)	**6.66**	**15.20**
Cash and Cash Equivalents - At the beginning of the year (Refer Note 8)	**16.08**	**0.88**
Cash and Cash Equivalents - At the end of the year (Refer Note 8)	**22.74**	**16.08**
	6.66	**15.20**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of the standalone financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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 as at and for the year ended 31st March, 2019

1 Corporate Information

Graphite India Limited (the 'Company') is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in 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 39. 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 standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 18th May, 2019.

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

These standalone financial statements comply in all material respect with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The standalone financial statements are presented in Indian Rupee (Rs), which is the Company's functional and presentation currency.

(ii) Basis of Measurement:

These standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value -

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value (refer accounting policy regarding financial Instruments).

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

(iii) Current and 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iv) Rounding of Amounts

All amounts disclosed in these standalone financial statements and notes have been rounded off to crores upto two decimals (Rs. 00,00,000) as per the requirement of Schedule III, unless otherwise stated.

(b) Revenue from contract with customer

Ind AS 115 was issued on 28 March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April, 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 1 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

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 and Merchandise Export from India) 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) Revenue from Construction Contracts

Revenue from construction contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(d) Property, Plant and Equipment

Freehold land is carried at historical cost Capital Work-in-progress is stated at cost, net of accumulated impairment loss, if any. All other items of property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items. Such cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs 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 costs are charged to profit or loss during the reporting period in which they are incurred.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows :

Factory Buildings	–	3 to 30 years
Non-factory 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Advances paid towards the acquistion of property, plant and equipment outstanding at each balance sheet date are 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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.

(f) Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

<u>As a Lessee</u>

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 and are accounted for as follows :

Raw materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Finished goods and work-in-progress: cost includes cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on weighted average basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving 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.

(j) Investments (Other than Investments in Subsidiaries and Associate) 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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:

- **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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. 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 42 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 Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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. Interest income is included in other income in the statement of profit and loss.

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, which is generally when shareholders approve the dividend.

(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.

(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'. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(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 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) 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.

(n) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method. 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 derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

Borrowings are classified as current and non-current liabilities based on repayment schedule agreed with banks.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(o) 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.

(p) Forward Currency Contracts

The Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

q) 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 initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign Currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of Profit and Loss in the period in which they arise.

(q) 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 Financial Liabilities' in the Balance Sheet.

(ii) Post-employment Benefits

I. <u>Defined Benefit Plans</u>

a) Gratuity

Retirement gratuity for employees, is funded through Company's Gratuity Scheme with Life Insurance Corporation of India (LICI). The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain/ loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b) Provident Fund

In respect of certain employees, contributions to the Company's Employees Provident Fund (administered by the Company as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Fund, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Fund and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

II. <u>Defined Contribution Plans</u>

a) Superannuation

Contribution made to Superannuation Fund for certain employees are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Company has no liability for future Superannuation Fund benefits other than its contribution.

b) Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund [in I(b) above] are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

(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. Actuarial gains/losses are immediately recognised in retained earnings through Statement of Profit and Loss in the period in which they occur.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the Company 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.

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

Deferred 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 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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.

(s) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The grant is recognised in the Profit and loss statement over the life of the depreciable asset as a reduced depreciation expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistances received subsequent to the date of transition.

Also refer Note 2(b) relating to recognition of export entitlements, under "Other Operating Revenues".

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. However, this amendment does not have any significant impact on the financial statements.

(t) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Dividend Distribution to Equity-holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity holders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(u) 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

(v) 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 39 for segment information presented.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(w) Use of Estimates

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

(x) Standards issued not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

– Ind AS 116 Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

– Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following :

- Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities

- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. These amendments shall have no material impact on the financial statements of the Company.

– Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

– Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

– Annual improvement to Ind AS (2018)

These improvements include:

> Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

> Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

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 Obligations) – Notes 2(q) and 38

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.

– 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(u) and 35

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.

– Valuation of Deferred Tax Assets – Notes 2(r) and 20

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 41

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 Standalone Financial Statements as at and for the year ended 31st March, 2019

4 Property, Plant and Equipment

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

(Rs. in Crores)

	Freehold Land	Leasehold Land	Buildings @	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Year ended 31st March, 2018								
Gross Carrying Amount								
Opening Balance	22.40	0.77	198.77	470.70	2.39	3.31	1.98	700.32
Additions	-	-	16.48	55.25	0.10	1.34	0.30	73.47
Disposals	-	-	(0.03)	(0.57)	*	(0.12)	(0.01)	(0.73)
Closing Balance	**22.40**	**0.77**	**215.22**	**525.38**	**2.49**	**4.53**	**2.27**	**773.06**
Accumulated Depreciation								
Opening Balance	-	0.04	17.60	63.92	0.68	1.41	1.15	84.80
For the Year	-	0.02	8.83	35.78	0.29	0.58	0.35	45.85
On Disposals	-	-	*	(0.14)	*	(0.05)	(0.01)	(0.20)
Closing Balance	**-**	**0.06**	**26.43**	**99.56**	**0.97**	**1.94**	**1.49**	**130.45**
Net Carrying Amount	**22.40**	**0.71**	**188.79**	**425.82**	**1.52**	**2.59**	**0.78**	**642.61**
Year ended 31st March, 2019								
Gross Carrying Amount								
Opening Balance	22.40	0.77	215.22	525.38	2.49	4.53	2.27	773.06
Additions	-	-	0.27	14.70	0.13	2.33	1.94	19.37
Disposals	*	-	-	(0.21)	*	(0.21)	(0.12)	(0.54)
Closing Balance	**22.40**	**0.77**	**215.49**	**539.87**	**2.62**	**6.65**	**4.09**	**791.89**
Accumulated Depreciation								
Opening Balance	-	0.06	26.43	99.56	0.97	1.94	1.49	130.45
For the Year	-	0.02	11.60	42.13	0.31	0.97	0.55	55.58
On Disposals	-	-	-	(0.05)	*	(0.17)	(0.11)	(0.33)
Closing Balance	**-**	**0.08**	**38.03**	**141.64**	**1.28**	**2.74**	**1.93**	**185.70**
Net Carrying Amount	**22.40**	**0.69**	**177.46**	**398.23**	**1.34**	**3.91**	**2.16**	**606.19**

@ Includes Buildings constructed on Leasehold Land - Gross Carrying Amount Rs. 187.22 Crores (Net Carrying Amount - Rs. 157.52 Crores) [Previous Year - Gross Carrying Amount Rs. 187.09 Crores (Net Carrying Amount - Rs. 165.02 Crores)].

(Rs. in Crores)

4.2 Capital Work-in-progress	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Carrying amount at the beginning of the year	8.12	32.06
Additions during the year	23.62	47.79
Capitalised during the year	(14.97)	(71.73)
Carrying amount at the end of the year	**16.77**	**8.12**

4.3 The Company has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 44 for details).

4.4 Contractual obligations - Refer Note 36(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.5 Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 28).

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

4.6 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 Crores)

Particulars	**Gross Carrying Amount**		**Net Carrying Amount**	
	As at 31st March, 2019	**As at 31st March, 2018**	**As at 31st March, 2019**	**As at 31st March, 2018**
Certain Freehold Land at Nashik and Titilagarh (5 Title Deeds)	0.09	0.09	0.09	0.09
Certain Leasehold Land at Titilagarh (2 Title Deeds)	0.22	0.22	0.15	0.15

4.7 A portion of the land at Titilagarh including Freehold Land mentioned in Note 4.6 above is under dispute on legal ownership - Rs. 2.67 Crores (Previous Year - Rs. 2.67 Crores) disclosed as contingent liability and included under 'Other Matters' in Note 35(i)(h).

(Rs. in Crores)

5 Intangible Assets	**Computer Software - Acquired**
Year ended 31st March, 2018	
Gross Carrying Amount	
Opening Balance	2.21
Additions	0.16
Closing Balance	**2.37**
Accumulated Amortisation	
Opening Balance	1.12
For the Year	0.58
Closing Balance	**1.70**
Net Carrying Amount	**0.67**
Year ended 31st March, 2019	
Gross Carrying Amount	
Opening Balance	2.37
Additions	0.88
Closing Balance	**3.25**
Accumulated Amortisation	
Opening Balance	1.70
For the Year	0.43
Closing Balance	**2.13**
Net Carrying Amount	**1.12**

5.1 The amortisation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 28).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

6 Investments

	Face Value	Number	Ast at 31st March, 2019	As at 31st March, 2018
Unquoted, Fully paid				
Non-current Investments				
Investments in Equity Instruments				
In Subsidiary Companies				
Graphite International B.V. @	Euro 1	1,73,00,000	45.37	45.37
Carbon Finance Limited @	Rs.10	53,00,000	30.04	30.04
In Other Body Corporate # $				
Sai Wardha Power Limited - Class A Equity Shares	Rs.10	24,76,558	-	-
Greenko Bagewadi Wind Energies Private Limited	Rs.10	1,20,000	0.12	0.12
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 Debentures ^			307.70	-
Investments in Mutual Funds #			191.67	132.73
			574.90	**208.26**
Current Investments				
Investments in Commercial Papers ^			24.96	99.33
Investments in Corporate Deposits ^			375.00	-
Investments in Debentures ^			222.00	-
Investments in Mutual Funds #			1,369.51	933.51
			1,991.47	**1,032.84**
			2,566.37	**1,241.10**
Aggregate Amount of Unquoted Investments			2,566.37	1,241.10
@ Investment in subsidiary companies is carried at cost			75.41	75.41
^ Investments carried at Amortised Cost			929.66	99.33
# Investments carried at Fair Value through Profit or Loss			1,561.30	1,066.36
$ Original Share Certificates with the Issuer Company				

6.1 Refer Note 41 for information about fair value measurements and Note 42 for credit risk and market risk on investments.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

7 Trade Receivables ^^	**As at 31st March, 2019**	**As at 31st March, 2018**
Unsecured :		
Considered Good #	704.52	758.82
Considered Doubtful	10.43	6.47
Less: Provision for Doubtful Debts	(10.43)	(6.47)
	704.52	**758.82**
# Includes dues from a Subsidiary	36.86	9.39

7.1 Refer Note 44 for receivables secured against borrowings and Note 42 for information about credit risk and market risk on receivables.

8 Cash and Cash Equivalents ^^

Balances with Banks	22.61	15.97
Cash on Hand	0.13	0.11
	22.74	**16.08**

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 @	5.28	3.47
Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	2.18	11.57
	7.46	**15.04**

@ Earmarked for payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 2.18 Crores (Previous Year - Rs. 1.57 Crores) earmarked against Bank Guarantee and Bank Guarantee Commission.

10 Loans ^^

Non-current		
Unsecured, Considered Good :		
Loans to Employees $	1.34	1.34
Security Deposits	6.77	6.53
	8.11	**7.87**
Current		
Unsecured, Considered Good :		
Loans to Employees $	1.24	2.27
Security and Other Deposits	2.99	1.29
	4.23	**3.56**
	12.34	**11.43**
$ Includes dues from an Officer of the Company	*	0.03
^^ Financial assets carried at amortised cost		

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

11 Other Financial Assets @	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Unsecured, Considered Good:		
Fixed Deposits with Banks	0.04	0.08
(with maturity of more than twelve months)		
(Lodged with Government Authority/Others)		
Accrued Interest on Fixed Deposits	-	*
	0.04	**0.08**
Current		
Unsecured, Considered Good:		
Receivables from a Subsidiary	4.72	2.18
Claims Receivable/Charges Recoverable	1.51	0.71
Export Entitlements Receivable	31.65	23.34
Accrued Interest on Investments	7.24	-
Accrued Interest on Deposits		
with Banks	0.04	0.03
with Others	10.73	0.48
Others	6.74	10.45
	62.63	**37.19**
	62.67	**37.27**

@ Financial Assets carried at Amortised Cost.

12 Inventories

- At Lower of Cost and Net Realisable Value		
Raw Materials	758.61	293.90
Work-in-progress	701.17	299.14
Finished Goods	331.60	54.30
Stores and Spares	28.33	21.88
Loose Tools	1.12	0.72
	1,820.83	**669.94**

12.1 Above includes Inventories-in-transit:

Raw Materials	292.83	106.18
Work-in-progress	6.39	4.35
Finished Goods	20.64	27.64
Stores and Spares	0.75	0.61
12.2 Above includes Inventories carried at Fair Value Less Cost to Sell	0.02	2.52
12.3 Work-in-progress includes Contract Work-in-progress	-	2.45

12.4 Refer Note 44 for Information on Inventories Pledged as Security.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

13 Other Assets

	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Unsecured, Considered Good:		
Capital Advances	3.77	7.18
Balances with Government Authorities @	5.48	4.88
Others		
Prepaid Expenses	0.80	0.33
	10.05	**12.39**
Current		
Unsecured, Considered Good:		
Balances with Government Authorities ^	65.57	23.02
Advance to Suppliers/Service Providers (other than capital)	21.88	31.76
Unbilled Revenue	-	0.52
Prepaid/Advance for Expenses	1.98	2.41
	89.43	**57.71**
	99.48	**70.10**

@ Above represent payments made to various Government Authorities under protest relating to certain indirect tax matters.

^ Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised goods and service tax input credits on purchases. These are generally realised within one year or regularly utilised to offset the goods and service tax liability on goods manufactured/sold by the Company. Accordingly, these balances have been classified as current assets.

14.1 Equity Share Capital

Authorised		
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up @	40.00	40.00
Issued, Subscribed and Paid-up		
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up @	39.08	39.08
Add: Forfeited Shares	*	*
	39.08	**39.08**

@ There were no changes in number of shares during the years ended 31st March, 2019 and 31st March, 2018.

(a) The Company has only 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**
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,95,79,419	11,95,79,419
Shree Laxmi Agents Limited; a Subsidiary of ECPL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECPL	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:	**Number of Shares**	**Number of Shares**
Emerald Company Private Limited	11,95,79,419	11,95,79,419
	(61.20%)	(61.20%)

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

14.2 Other Equity

	As at 31st March, 2019	As at 31st March, 2018
- Reserves and Surplus		
Capital Reserve	0.46	0.46
Capital Redemption Reserve	5.75	5.75
Securities Premium	200.97	200.97
General Reserve	1,336.50	1,336.50
Retained Earnings [Refer (i) below]	3,070.66	1,019.03
	4,614.34	**2,562.71**

(i) Retained Earnings - Movement during the year

Opening Balance	1,019.03	269.10
Profit for the Year	2,805.75	913.63
Items of Other Comprehensive Income recognised directly in Retained Earnings - Remeasurements of Post-employment Defined Benefit Plans (Net of Tax)	(0.41)	0.91
Final Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	(234.45)	-
Dividend Distribution Tax on above	(48.19)	-
Interim Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 43(b)]	(390.75)	-
Dividend Distribution Tax on above	(80.32)	-
Final Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 43(b)]	-	(39.08)
Dividend Distribution Tax on above	-	(7.95)
Interim Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	(97.69)
Dividend Distribution Tax on above	-	(19.89)
Closing Balance	**3,070.66**	**1,019.03**

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 had established this reserve pursuant to the redemption of preference shares issued in earlier years.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

15 Borrowings	As at 31st March, 2019	As at 31st March, 2018
Current		
Secured*		
Bill Discounting Facilities	0.74	10.47
Loans Repayable on Demand from Banks		
- Cash Credit/Export Credit Facilities	152.31	73.20
Unsecured		
Bill Discounting Facilities	-	10.85
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	105.72	57.89
Buyer's Credit	100.82	2.88
	359.59	**155.29**
Aggregate Secured Loans	153.05	83.67
Aggregate Unsecured Loans	206.54	71.62

*Secured -

(a) By a first pari passu charge by way of hypothecation of inventories and book debts of the Company, both present and future; and

(b) By a second pari passu charge on the Company's movable fixed assets.

15.1 Refer Note 44 for details of carrying amount of assets pledged as security for secured borrowings and Note 42 for information about liquidity risk and market risk on borrowings.

16 Trade Payables		
Non-current		
Trade Payables		
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises	-	0.03
	-	**0.03**
Current		
Trade Payables		
Total Outstanding dues of Small Enterprises and Micro Enterprises (Refer Note 32)	5.73	5.51
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises @	567.03	389.31
	572.76	**394.82**
	572.76	**394.85**
@ Includes dues to a Subsidiary	-	14.18

16.1 Refer Note 42 for information about liquidity risk and market risk on trade payables.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

17 Other Financial Liabilities	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Security Deposits	0.01	0.01
	0.01	**0.01**
Current		
Employee Benefits Payable	80.56	24.62
Interest Accrued	0.94	0.09
Unpaid Dividends	5.28	3.47
Capital Liabilities	5.07	7.08
Claims/Charges Payable #	2.79	5.19
Security Deposits	0.37	0.36
Remuneration Payable to Non-executive Directors	21.03	10.80
	116.04	**51.61**
	116.05	**51.62**
# Includes Dues to a Subsidiary	0.11	0.24

18 Other Current Liabilities

Current		
Dues Payable to Government Authorities @	20.25	52.30
Advances from Customers	19.65	62.24
	39.90	**114.54**

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

19 Provisions

Current		
Provisions for Employee Benefits (Refer Note 38)	21.99	18.53
Provision for Litigations/Claims	12.06	12.37
	34.05	**30.90**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

20 Deferred Tax Liabilities (Net)

Significant components and movement in Deferred Tax Assets and Liabilities during the year

(Rs. in Crores)

	As at 31st March, 2018	Recognised in Profit or Loss	As at 31st March, 2019
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	107.25	(1.03)	106.22
Financial Assets at Fair Value through Profit or Loss - Investments	17.09	14.52	31.61
Total Deferred Tax Liabilities	**124.34**	**13.49**	**137.83**
Deferred Tax Assets			
Provision for Employee Benefits	6.06	0.48	6.54
Employee Benefits Payable	0.15	(0.01)	0.14
Dues Payable to Government Authorities	8.12	(5.88)	2.24
Trade Receivables	2.26	1.39	3.65
Provision towards Voluntary Retirement Scheme	-	11.67	11.67
Tax Credits Carry Forward	13.25	(0.46)	12.79
Total Credit Utilised	-	-	(12.79)
Total Deferred Tax Assets	**29.84**	**7.19**	**24.24**
Deferred Tax Liabilities (Net)	**94.50**	**6.30**	**113.59**

	As at 31st March, 2017	Recognised in Profit or Loss	As at 31st March, 2018
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	102.43	4.82	107.25
Financial Assets at Fair Value through Profit or Loss - Investments	16.90	0.19	17.09
Short-term Borrowings	0.07	(0.07)	-
Total Deferred Tax Liabilities	**119.40**	**4.94**	**124.34**
Deferred Tax Assets			
Provision for Employee Benefits	5.81	0.25	6.06
Employee Benefits Payable	0.16	(0.01)	0.15
Dues Payable to Government Authorities	7.49	0.63	8.12
Trade Receivables	6.81	(4.55)	2.26
Tax Credits Carry Forward	15.10	(1.85)	13.25
Total Deferred Tax Assets	**35.37**	**(5.53)**	**29.84**
Deferred Tax Liabilities (Net)	**84.03**	**10.47**	**94.50**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

21 Revenue from Operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of Products (Refer Note 21.1 below)		
Graphite Electrodes and Miscellaneous Graphite Products*	6,139.05	2,572.20
Carbon Paste	16.54	11.40
Calcined Petroleum Coke*	82.83	68.31
Impervious Graphite Equipment and Spares	163.66	116.89
GRP/FRP Pipes and Tanks	43.86	74.73
High Speed Steel	114.89	70.45
Alloy Steel	3.80	3.68
Electricity	1.14	0.53
Others	28.46	18.89
Sale of Services (Processing/Service Charges)	2.87	4.28
Contract Revenue (Supply and Laying of Pipes, etc.)	0.46	-
Other Operating Revenues		
Export Entitlement	121.88	37.47
Royalty	17.86	4.60
	6,737.30	**2,983.43**
*Includes Sale of Trading Goods -		
Graphite Electrodes and Miscellaneous Graphite Products	-	9.86
Calcined Petroleum Coke	-	6.04

21.1 In accordance with the requirements of Ind AS, Revenue from Sale of Products for the period after 30th June, 2017 is net of Goods and Services Tax (‘GST’). However, Revenue for the period up to 30th June, 2017 is inclusive of Excise Duty.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

22 Other Income	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income		
From Financial Assets at Amortised Cost		
- Investments	28.87	1.07
- Loans and Deposits	22.46	0.96
- Trade Receivables	10.25	7.52
From Income-tax/Other Government Authorities	10.38	1.93
	71.96	**11.48**
Others		
Net Gain on Investments Carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arisen during the year of Rs. 74.92 Crores (Previous Year - Rs. 38.34 Crores)]	102.01	52.43
Guarantee Fee (Refer Note 40)	0.56	1.40
Liabilities no longer required Written Back	8.10	3.73
Provision for Doubtful Debts Written Back	0.40	4.23
Reversal of Allowance for Credit Losses on Trade Receivables	-	9.29
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.06 Crores (Previous Year - Rs. 0.38 Crores)]	1.66	0.22
Net Gain on Foreign Currency Transactions and Translation	6.88	2.28
Other Non-operating Income	4.78	3.83
	124.39	**77.41**
	196.35	**88.89**

23 Cost of Materials Consumed		
Opening Inventory	293.90	129.42
Add : Purchases	2,564.93	875.93
	2,858.83	1,005.35
Less: Closing Inventory	758.61	293.90
	2,100.22	**711.45**

24 Purchases of Stock-in-trade		
Graphite Electrodes and Miscellaneous Graphite Products	-	6.45
Calcined Petroleum Coke	-	5.35
	-	**11.80**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

25 Changes in Inventories of Finished Goods and Work-in-progress	Year ended 31st March, 2019	Year ended 31st March, 2018
Finished Goods		
Closing Stock	331.60	54.30
Deduct: Opening Stock	54.30	59.53
	(277.30)	**5.23**
Work-in-progress		
Closing Stock	701.17	299.14
Deduct: Opening Stock	299.14	307.09
	(402.03)	**7.95**
	(679.33)	**13.18**

25.1 Write-downs of inventories to net realisable value amounted to Rs. 0.10 Crores (Previous Year – Rs. 0.26 Crores). These were recognised as an expense and included in Changes in Inventories of Finished Goods and Work-in-progress above.

26 Employee Benefits Expense

Salaries, Wages and Bonus	200.06	155.94
Contribution to Provident and Other Funds (Refer Note 38)	11.88	11.47
Staff Welfare Expenses	9.70	8.37
	221.64	**175.78**

27 Finance Costs

Interest Expense on		
- Borrowings from Banks	10.02	5.42
- Others	0.56	0.33
Other Borrowing Costs	0.31	0.43
	10.89	**6.18**

28 Depreciation and Amortisation Expense

Depreciation of Tangible Assets (Refer Note 4.1)	55.58	45.85
Amortisation of Intangible Assets (Refer Note 5)	0.43	0.58
	56.01	**46.43**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

29 Other Expenses	Year ended 31st March, 2019	Year ended 31st March, 2018
Consumption of Stores and Spare Parts (Refer Note 29.1)	219.25	160.71
Power and Fuel	328.75	299.23
Rent	2.03	1.69
Repairs and Maintenance :		
- Buildings	6.09	4.00
- Plant and Machinery	27.49	18.36
- Others	5.27	3.57
Insurance	11.00	5.38
Rates and Taxes	2.75	6.17
Freight and Forwarding Charges	62.06	77.36
Commission to Selling Agents	67.90	24.15
Travelling and Conveyance	4.73	4.72
Directors' Remuneration (Other than Executive Director)	21.17	10.95
Excise Duty on Stocks etc. (Refer Note 29.2)	-	(3.95)
Bad Debts/Advances Written Off	1.37	0.21
Provision for Doubtful Debts	4.36	0.30
Processing Charges	5.33	3.59
Contractors' Labour Charges	60.64	41.12
Expenditure towards Corporate Social Responsibility Activities (Refer Note 29.3)	22.28	0.73
Payment to Auditors (Refer Note 29.4)	0.73	0.50
Miscellaneous Expenses	35.53	34.66
	888.73	**693.45**

29.1 Consumption of Stores and Spare Parts includes:

Packing Materials	17.35	17.09
Loose Tools	3.28	3.38

29.2 Represents the difference between excise duty on opening and closing stock of finished goods, etc.

29.3 Corporate Social Responsibility Expenditure:

(a) Gross amount required to be spent by the Company during the year	10.49	2.35
(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 0.05 Crores (Previous Year - Rs. 0.03 Crores), amount paid to B D Bangur Endowment towards construction/acquisition of assets Rs. 0.72 Crores (Previous Year - Rs. 0.05 Crores) and for other purposes Rs. 1.51 Crores (Previous Year - Rs. 0.65 Crores) and amount paid to Amrit Somani Memorial Trust for projects relating to autistic childrens Rs. 20.00 Crores (Previous Year - Rs. Nil).	22.28	0.73

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

29.4 Payment to Auditors @ -

	Year ended 31st March, 2019	Year ended 31st March, 2018
As Auditor -		
Audit Fee	0.38	0.30
Limited Review	0.31	0.15
In Other Capacity -		
Other Services (Certification Fees)	0.01	0.03
Reimbursement of Expenses	0.03	0.02
	0.73	**0.50**

@ Including Rs. Nil (Previous Year - Rs. 0.13 Crores) paid to the preceeding auditor.

30 Tax Expense

A. Tax Expense Recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	1,489.22	467.70
Adjustment for Current Tax of Earlier Years	(20.64)	(2.98)
	1,468.58	**464.72**
Deferred Tax		
Origination and Reversal of Temporary Differences	6.30	10.47
Tax Expense	**1,474.88**	**475.19**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	**0.22**	**(0.49)**

30.1 Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

Profit before Income Tax Expense	4,280.63	1,388.82
Enacted Statutory Income Tax Rate in India applicable to the Company	34.944%	34.608%
Computed expected Income Tax Expense	**1,495.82**	**480.63**
Adjustments:-		
Expenses not Deductible for Tax Purposes	8.37	8.03
Income Exempt from Income Taxes	-	(0.26)
Impact of Long-term Capital Gains on Investments	(9.26)	(11.18)
Unrealised Exchange Differences Capitalised earlier realised during the year	-	0.95
Others	0.59	-
Adjustment for Current Tax of earlier years	(20.64)	(2.98)
Income Tax Expense	**1,474.88**	**475.19**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

31	Earnings per Equity Share	Year ended 31st March, 2019	Year ended 31st March, 2018
	(A) Basic and Diluted Earning		
	(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	2
	(v) Profit after Tax available for Equity Shareholders		
	Profit for the Year (Rs. in Crores)	2,805.75	913.63
	(vi) Basic and Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	143.61	46.76

32 Information relating to Micro and Small Enterprises (MSEs)

(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	5.71	5.50
Interest	-	-
(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	0.01	0.10
Interest	0.01	*
(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	7.45	5.28
Interest	0.02	0.01
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	0.02	0.01
(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	-	-
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.		

33 Research and Development Expenditure

Research and Development Expenditure of revenue nature recognised in profit or loss during the year	0.18	0.17

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

34 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. 2.03 Crores (Previous Year - Rs. 1.69 Crores).

(Rs. in Crores)

35 Contingencies	**As at 31st March, 2019**	**As at 31st March, 2018**
(i) Claims against the Company not acknowledged as debts : Taxes, duties and other demands (under appeal/dispute)		
(a) Excise Duty	3.90	2.51
(b) Customs Duty	10.39	11.83
(c) Service Tax	11.68	13.10
(d) Sales Tax/Value Added Tax	4.98	5.46
(e) Entry Tax	1.50	1.50
(f) Income Tax	47.90	8.86
(g) Labour Related Matters	9.12	9.12
(h) Other Matters (Property, Rental, etc.)	3.19	3.19
(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. 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.	13.70	13.70
(iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company believes that it does not have any significant impact on a prospective basis from the date of the SC order. The Company will revisit its position, on receiving further clarity on the subject.		

36 Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.25	11.60
(b) Guarantees		
Corporate Guarantees given to banks / others to secure the financial assistance/ accommodation extended to a Subsidiary Company.	240.91	221.68

37 Information relating to Contract Work-in-progress

(i) Aggregate amount of cost incurred and recognised profits less recognised losses	-	88.36
(ii) The amount of customer advances	-	*
(iii) The amount of retentions due from customers	0.77	7.73
(iv) Gross amount due from customers for contract work as an asset	-	2.41
(v) Gross amount due to customers for contract work as a liability	-	-

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

38 Employee Benefits:

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act,1972 without ceiling limit, except Rs. 0.20 crores for powmex division. 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(q)(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 Crores)

		Year ended 31st March, 2019	Year ended 31st March, 2018
(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	35.73	34.81
	Current Service Cost	2.45	2.29
	Interest Cost	2.57	2.35
	Remeasurements Losses		
	Actuarial (Gains)/Losses arising from Changes in Financial Assumptions	(0.16)	(1.21)
	Actuarial Losses arising from Changes in Experience Adjustments	0.78	0.08
	Benefits Paid	(2.00)	(2.59)
	Present Value of Obligation at the end of the year	**39.37**	**35.73**
(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	34.83	29.80
	Interest Income	2.54	2.18
	Remeasurements Gains		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.02)	0.27
	Contributions by Employer	1.05	5.17
	Benefits Paid	(2.00)	(2.59)
	Fair Value of Plan Assets at the end of the year	**36.40**	**34.83**
(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	39.37	35.73
	Fair Value of Plan Assets at the end of the year	36.40	34.83
	Liabilities Recognised in the Balance Sheet	**2.97**	**0.90**
(d)	**Actual Return on Plan Assets**	**2.52**	**2.45**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements Losses (Net)	0.63	(1.40)
		0.63	**(1.40)**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

		Year ended 31st March, 2019	Year ended 31st March, 2018
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	2.45	2.29
	Net Interest Cost	0.03	0.17
	Total @	**2.48**	**2.46**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.		
(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.66	99.57
	Cash and Cash Equivalents	0.34	0.43
		100	**100**

		31st March, 2019	31st March, 2018
(h)	**Principal Actuarial Assumptions:**		
	Discount Rate	7.45%	7.40%
	Salary Growth Rate	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.

(i) Sensitivity Analysis

	Change in Assumption	Impact on defined benefit obligation (2018-19)	Impact on defined benefit obligation (2017-18)
Discount Rate	Increase by 1%	Decrease by Rs. 2.97 Crores	Decrease by Rs. 2.74 Crores
	Decrease by 1%	Increase by Rs. 3.42 Crores	Increase by Rs. 3.16 Crores
Salary Growth Rate	Increase by 1%	Increase by Rs. 3.40 Crores	Increase by Rs. 3.14 Crores
	Decrease by 1%	Decrease by Rs. 3.00 Crores	Decrease by Rs. 2.77 Crores

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.

(j) The Company expects to contribute Rs. 5.60 Crores (Previous year - Rs. 3.51 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation as at 31st March, 2019 is 9.34 years (Previous year – 9.56 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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. 0.32 Crores (Previous year - Rs. 0.25 Crores) 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.0.32 Crores (Previous year – Rs. 0.34 Crores) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

	31st March, 2019	31st March, 2018
Principal Actuarial Assumptions		
Discount Rate	7.05% & 6.70%	7.20% & 6.95%
Expected Return on Exempted Fund	8.04% & 7.75%	8.65% & 7.99%
Guranteed Interest Rate	8.65%	8.55%

(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. 9.09 Crores (Previous year - Rs. 8.67 Crores) 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. 18.72 Crores and Rs.17.36 Crores as at 31st March, 2019 and 31st March, 2018 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 as at and for the year ended 31st March, 2019

(Rs. in Crores)

	31st March, 2019	31st March, 2018
Leave provision not expected to be settled within the next 12 months	16.69	15.36

(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 increase 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 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.

39 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 two reportable segments:

a) **Graphite and Carbon Segment,** engaged in the production of Graphite Electrodes, Other Miscellaneous Graphite and Carbon Products and related Processing/Service Charges.

b) **Others Segment** engaged in manufacturing/laying of GRP Pipes, and in manufacturing of High Speed Steel and 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 as at and for the year ended 31st March, 2019

B. Segment Revenues, Segment Result and Other Information as at/for the year:-

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue from Operations						
External Sales	6,433.32	2,790.92	164.24	150.44	6,597.56	2,941.36
Other Operating Revenues	139.73	42.06	0.01	0.01	139.74	42.07
	6,573.05	**2,832.98**	**164.25**	**150.45**	**6,737.30**	**2,983.43**
Inter Segment Sales	1.52	0.12	0.20	0.16	1.72	0.28
Segment Revenues	**6,574.57**	**2,833.10**	**164.46**	**150.61**	**6,739.02**	**2,983.71**
Segment Results	**4,251.28**	**1,377.08**	**4.15**	**11.22**	**4,255.43**	**1,388.30**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					102.01	52.43
Finance Costs					(10.89)	(6.18)
Interest Income					60.86	3.40
Other Unallocable Expenditure (Net)					(71.92)	(49.13)
Profit before Exceptional item and Tax					**4,335.49**	**1,388.82**
Exceptional item					(54.86)	-
Profit before Tax					**4,280.63**	**1,388.82**
Depreciation and Amortisation	**52.04**	**42.02**	**2.46**	**2.98**	**54.50**	**45.00**
Unallocable					1.51	1.43
Total					**56.01**	**46.43**
Non-cash Expenses other than Depreciation and Amortisation	**1.88**	**0.98**	**5.06**	**0.17**	**6.94**	**1.15**
Unallocable					*	*
Total					**6.94**	**1.15**
Interest Income	**9.52**	**7.24**	**1.58**	**0.84**	**11.10**	**8.08**
Unallocable					60.86	3.40
Total					**71.96**	**11.48**
Capital Expenditure	**24.66**	**47.32**	**0.42**	**0.95**	**25.08**	**48.27**
Unallocable					3.83	1.42
Total					**28.91**	**49.69**
Segment Assets	**3,159.13**	**2,033.64**	**139.93**	**156.31**	**3,299.06**	**2,189.95**
Reconciliation to Total Assets:						
Investments					2,566.37	1,241.10
Current Tax Assets (Net)					22.71	24.78
Other Unallocable Assets					55.06	40.13
Total					**5,943.20**	**3,495.96**
Segment Liabilities	**692.95**	**527.41**	**31.59**	**42.45**	**724.54**	**569.86**
Reconciliation to Total Liabilities:						
Borrowings					359.59	155.29
Current Tax Liabilities (Net)					53.84	52.47
Deferred Tax Liabilities (Net)					113.59	94.50
Other Unallocable Liabilities					38.21	22.05
Total					**1,289.77**	**894.17**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

C. Entity-wide Disclosures **(Rs. in Crores)**

		2018-19	2017-18
(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 :		
	(Excluding other operating revenues)		
	India	3,539.46	2,022.44
	Rest of the World	3,058.10	918.92
		6,597.56	**2,941.36**

(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, 2019 and 31st March, 2018.

40 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists	
Emerald Company Private 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
Where control does not exists:	
General Graphene Corporation^	Associate Company of GIBV
#Principal place of business - India	
##Principal place of business - Netherlands	
@Principal place of business - Germany	
^ Principal place of business - The United States of America.	
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 Bangur, Mr. Siddhant Bangur and Ms. Rukmani Devi Bangur.	Relatives of UCP
GKW Limited, B.D. Bangur Endowment, Emerald Family Trust and K.K.Bangur Family Trust	Entities under significant influence of UCP
Mr. M. B. Gadgil	Key Management Personnel (KMP) - 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	Key Management Personnel - Non-executive Directors (NED)
Mr. S.W. Parnerkar	Key Management Personnel - Chief Financial Officer (CFO)
Mr. B.Shiva	Key Management Personnel - Company Secretary (CS)
Khaitan & Co LLP- New Delhi & Kolkata, Khaitan & Co AOR- New Delhi, Khaitan & Co.- Mumbai, Firm in which a Director is a Partner	Entities under significant influence of NED
OCL India Limited, Company in which a Director is on Board	Entities under significant influence of NED
First Capital Consultants LLP, Kolkata, Firm in which relative of a Director is Partner	Relatives of 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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	

(Rs. in Crores)

(ii) Particulars of transactions during the year

	Year ended 31st March, 2019	Year ended 31st March, 2018
(A) Immediate and Ultimate Parent Company		
Dividend Paid	382.65	83.71
(B) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Sale of Goods	172.11	55.85
Purchase of Materials	1.06	22.97
Royalty Income	17.86	4.60
Guarantee Fee Income	0.56	1.40
Recoveries / (Reimbursement) of Expenses (Net)	(0.05)	(0.15)
Corporate Guarantee Renewed	-	205.56
Corporate Guarantee Released	27.21	-
Corporate Guarantee Given	54.34	16.12
Carbon Finance Limited		
Rent Expense	1.10	1.11
Total	**274.19**	**307.46**
(C) Fellow Subsidiary		
Dividend Paid	2.83	0.62
(D) Associate of ECL		
Dividend Paid	1.24	0.27
(E) UCP		
Dividend Paid	6.10	1.33
Sitting Fees	0.02	0.02
Commission	20.00	10.00
Total	**26.12**	**11.35**
(F) Relatives of UCP		
Dividend Paid		
Ms. Manjushree Bangur	0.80	0.17
Ms. Divya Bagri	0.54	0.12
Ms. Aparna Bangur	0.60	0.13
Mr. Siddhant Bangur	*	-
Ms. Rukmani Devi Bangur	0.18	0.04
Total	**2.12**	**0.46**
(G) Entities under significant influence of UCP		
Dividend Paid		
GKW Limited	12.80	2.80
Emerald Family Trust	*	-
K.K.Bangur Family Trust	*	-
Contributions made		
B. D. Bangur Endowment	2.24	0.70
Total	**15.04**	**3.50**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(ii) Particulars of transactions during the year (Contd.)

(Rs. in Crores)

(H) KMP	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
ED		
Dividend Paid	0.01	*
Remuneration		
- Short-term Employee Benefits	5.40	3.78
- Post Employment Benefits	0.26	0.24
Total	**5.67**	**4.02**
CFO		
Dividend Paid	*	-
Loan Recovered	0.03	0.04
Remuneration		
- Short-term Employee Benefits	0.49	0.34
- Post Employment Benefits	0.04	0.04
Total	**0.56**	**0.42**
(I) NED		
Dividend Paid		
Mr. N. Venkataramani	0.01	*
Mr. J. D. Curravala	0.02	*
Sitting Fees		
Mr. N.S. Damani	0.01	0.01
Mr. A.V. Lodha	0.02	0.03
Dr. R. Srinivasan	0.01	0.02
Mr. P.K. Khaitan	0.02	0.02
Mr. N. Venkataramani	0.02	0.02
Mr. J. D. Curravala	0.02	0.02
Mr. Gaurav Swarup	0.01	*
Ms. Shalini Kamath	0.01	0.01
Commission		
Mr. N.S. Damani	0.10	0.08
Mr. A.V. Lodha	0.13	0.10
Dr. R. Srinivasan	0.13	0.10
Mr. P.K. Khaitan	0.10	0.08
Mr. N. Venkataramani	0.25	0.20
Mr. J. D. Curravala	0.12	0.10
Mr. Gaurav Swarup	0.10	0.07
Ms. Shalini Kamath	0.10	0.07
Total	**1.18**	**0.93**
(J) Entities under significant influence of NED		
Professional Fees		
Khaitan & Co LLP, New Delhi	0.28	0.40
Khaitan & Co AOR, New Delhi	0.18	-
Khaitan & Co LLP, Kolkata	0.24	0.26
Khaitan & Co LLP, Mumbai	0.92	0.73
Purchase of Stores		
OCL India Limited	0.14	0.47
Total	**1.76**	**1.86**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(ii) Particulars of transactions during the year (Contd.)

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
(K) Relatives of NED		
First Capital Consultants LLP	-	0.31
Dividend Paid		
Ms. Amrutha Venkataramani N.	0.01	*
Ms. Yasmin Jemi Curravala	*	*
Total	**0.01**	**0.31**
(L) KMP of ECL		
Remuneration		
Mr. M.C. Darak	0.25	0.20
Mr. S. Marda	0.30	0.22
Mr. B. Shiva	0.57	0.42
Dividend Paid		
Mr. M.C. Darak	*	*
Mr. S. Marda	*	*
Mr. B. Shiva	*	*
Total	**1.12**	**0.84**
(M) Relative of KMP of ECL		
Remuneration		
Mr. R.G. Darak	0.23	0.17
Dividend Paid		
Mr. R.G. Darak	*	*
Total	**0.23**	**0.17**
(N) PEBP		
Contributions Made		
Graphite India Limited Employees' Gratuity Fund	0.80	2.28
Graphite Vicarb India Limited Employees' Gratuity Fund	0.02	0.75
Graphite India Limited (PSD) Employees' Gratuity Fund	0.03	0.29
Graphite India Employees Group Gratuity Scheme	0.20	1.85
Graphite India Limited Senior Staff Superannuation Fund	1.12	1.49
Graphite India Employees Group Superannuation Scheme	1.08	1.06
Graphite India Limited Provident Fund	0.07	0.06
GIL Officers Provident Fund	0.25	0.24
Total	**3.57**	**8.02**

(Rs. in Crores)

(iii) Balances Outstanding	As at 31st March, 2019	As at 31st March, 2018
(A) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Trade Receivables	36.86	9.39
Other Financial Assets	4.72	2.18
Trade Payables	-	14.18
Other Financial Liabilities	0.11	0.24
Outstanding Corporate Guarantees	240.91	221.68
Graphite International B.V.		
Investments in Shares	45.37	45.37
Carbon Finance Limited	-	-
Investments in Shares	30.04	30.04
Total	**358.01**	**323.07**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

(iii) Balances Outstanding	**As at 31st March, 2019**	**As at 31st March, 2018**
(B) UCP		
Other Current Liabilities	20.00	10.00
(C) KMP		
Other Current Liabilities		
E D	4.19	2.69
CFO	0.07	0.06
C S	0.08	0.06
Total	**4.34**	**2.81**
Financial Assets - Loan		
CFO	*	0.03
(D) NED		
Other Current Liabilities		
Mr. N.S. Damani	0.10	0.08
Mr. A.V. Lodha	0.13	0.10
Dr. R. Srinivasan	0.13	0.10
Mr. P.K. Khaitan	0.10	0.08
Mr. N. Venkataramani	0.25	0.20
Mr. J. D. Curravala	0.12	0.10
Mr. Gaurav Swarup	0.10	0.08
Ms. Shalini Kamath	0.10	0.08
Total	**1.03**	**0.80**
(E) Relatives of NED		
Other Current Liabilities		
Khaitan & Co LLP, Kolkata	0.01	0.07
(F) PEBP		
Other Current Liabilities		
Graphite India Limited Provident Fund	0.07	0.06
GIL Officers Provident Fund	0.06	0.05
Total	**0.13**	**0.11**

(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 36(b) for corporate guarantees provided for a subsidiary company.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

41 Fair Value Measurements

(Rs. in Crores)

(i) Financial Instruments by Category

	Note No.	31st March, 2019 Carrying Amount/ Fair Value	31st March, 2018 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
-Equity Instruments	6	0.12	0.12
-Mutual Funds	6	1,561.18	1,066.24
Assets Carried at Amortised Cost			
Investments			
-Commercial Papers, Corporate Deposits and Debentures	6	929.66	99.33
Trade Receivables	7	704.52	758.82
Cash and Cash Equivalents	8	22.74	16.08
Other Bank Balances	9	7.46	15.04
Loans	10	12.34	11.43
Other Financial Assets	11	62.67	37.27
Total Financial Assets		**3,300.69**	**2,004.33**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including current maturities and interest accrued)	15,17	360.53	155.38
Trade Payables	16	572.76	394.85
Other Financial Liabilities	17	115.11	51.53
Total Financial Liabilities		**1,048.40**	**601.76**

(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, 2018.

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 management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, other financial assets, investments in Commercial Papers, Corporate Deposits and Debentures, trade payables, borrowings and other financial liabilities, 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 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.

(c) 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 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.

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, 2019 and 31st March, 2018.

(Rs. in Crores)

		31st March, 2019			31st March, 2018		
		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	-	1,561.18	-	-	1,066.24	-
	- Unquoted Equity Investments	-	-	0.12	-	-	0.12
		-	**1,561.18**	**0.12**	**-**	**1,066.24**	**0.12**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	-Commercial Papers, Corporate Deposits and Debentures	-	929.66	-	-	99.33	-
		-	**929.66**	**-**	**-**	**99.33**	**-**

^ Amortised cost approximates the fair value as on the date of reporting.

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.

42. 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.

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 comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers and Debentures.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

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 established 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.

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, corporate deposits 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, 2019 and 31st March, 2018 is the carrying amounts as disclosed below except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 42(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, 2019, and 31st March, 2018. Of the total trade receivables, Rs. 536.60 Crores as at 31st March, 2019, and Rs. 584.22 Crores as at 31st March, 2018 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 Crores)

Period (in days)	31st March, 2019	31st March, 2018
1-90	141.32	162.06
91-180	26.30	8.05
More than 180	0.30	4.49
	167.92	**174.60**

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.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

(Rs. in Crores)

Reconciliation of Provision for Doubtful Debts — Trade Receivables	31st March, 2019	31st March, 2018
Opening Balance	6.47	10.40
Provision made during the year	4.36	0.30
Provision written back during the year	(0.40)	(4.23)
Closing Balance	**10.43**	**6.47**

(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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(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 Crores)

	31st March, 2019	31st March, 2018
Floating Rate		
- Expiring within one year (working capital facilities)	-	274.71
	-	**274.71**

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.

Working Capital facility limits for 2018-19 is under assessment with the lead Bank as on 31st March, 2019.

(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 Crores)

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 years	Total
31st March, 2019			
Borrowings	359.59	-	359.59
Trade Payables	572.76	-	572.76
Other Financial Liabilities #	120.81	0.01	120.82
Total	**1,053.16**	**0.01**	**1,053.17**
31st March, 2018			
Borrowings	155.29	-	155.29
Trade Payables	394.82	0.03	394.85
Other Financial Liabilities #	53.73	0.01	53.74
Total	**603.84**	**0.04**	**603.88**

Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 4.76 Crores and Rs. 2.12 Crores as at 31st March, 2019 and 31st March, 2018 respectively.

(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 as at and for the year ended 31st March, 2019

(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 Crores)

	31st March, 2019		31st March, 2018	
	USD	Euro	USD	Euro
Financial Assets				
Trade Receivables	315.76	6.58	150.13	19.77
Bank Balance in EEFC Accounts	7.31	-	-	-
Other Financial Assets	-	4.72	-	2.18
Net Exposure to Foreign Currency Risk (Assets)	**323.07**	**11.30**	**150.13**	**21.95**
Financial Liabilities				
Borrowings	100.83	-	9.45	-
Trade Payables	406.16	1.69	217.73	17.50
Other Financial Liabilities	5.53	0.19	1.78	0.39
Net Exposure to Foreign Currency Risk (Liabilities)	**512.52**	**1.88**	**228.96**	**17.89**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**(189.45)**	**9.42**	**(78.83)**	**4.06**

(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 Crores)

	Impact on profit before tax	
	31st March, 2019	31st March, 2018
USD Sensitivity		
INR/USD -Increase by 7%*	(13.26)	(5.52)
INR/USD -Decrease by 7%*	13.26	5.52
Euro Sensitivity		
INR/EUR-Increase by 7%*	(0.67)	(0.28)
INR/EUR-Decrease by 7%*	0.67	0.28

* Holding all other variables constant

(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 comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers, Corporate Deposits and Debentures 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 Crores)

	31st March, 2019	31st March, 2018
Variable Rate Borrowings	249.03	112.76
Fixed Rate Borrowings	110.56	42.53
Total Borrowings	**359.59**	**155.29**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

(Rs. in Crores)

	31st March, 2019			31st March, 2018		
	Weighted average interest rate (%)	**Balance**	**% of Total Loans**	**Weighted average interest rate (%)**	**Balance**	**% of Total Loans**
Cash Credit/Export Credit Facilities	6.15%	249.03	72%	6.24%	112.76	73%

An analysis by maturities is provided in Note 42(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 Crores)

	Impact on Profit before Tax	
	31st March, 2019	**31st March, 2018**
Interest Rates — Increase by 100 basis points (100 bps) *	(2.49)	(1.13)
Interest Rates — Decrease by 100 basis points (100 bps) *	2.49	1.13

* 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 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.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises primarily from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss (Note 41).

(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 Crores)

	Impact on Profit before Tax	
	31st March, 2019	**31st March, 2018**
NAV - Increase by 1%*	15.61	10.66
NAV - Decrease by 1%*	(15.61)	(10.66)

* Holding all other variables constant

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(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.

43 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 Crores)

	31st March, 2019	31st March, 2018
Total Borrowings	359.59	155.29
Less: Cash and Cash Equivalents	(22.74)	(16.08)
Net Debt	**336.85**	**139.21**
Equity	**4,653.42**	**2,601.79**
Total Capital (Equity+ Net Debt)	**4,990.27**	**2,741.00**
Net Debt to Equity Ratio	**0.072**	**0.054**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2019 and 31st March, 2018.

(b) Dividends on Equity Shares

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Dividend declared and paid during the year		
Final dividend for the year ended 31st March, 2018 of Rs. 12/- (31st March, 2017 – Rs. 2/-) per fully paid share.	234.45	39.08
Dividend Distribution Tax on above	48.19	7.95
Interim dividend for the year ended 31st March, 2019 of Rs. 20/- (Previous year – Rs. 5/-) per fully paid share	390.75	97.69
Dividend Distribution Tax on above	80.32	19.89
	753.71	**164.61**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
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.35/- per fully paid share (Previous year – Rs. 12/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	683.81	234.45
Dividend Distribution Tax on above	140.56	48.19

44 Assets Pledged as Security

The carrying amounts of assets pledged as security/collateral for borrowings are:

(Rs. in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Current		
First Charge		
Financial Assets		
Trade Receivables under Bill Discounting (Refer below)	0.74	21.32
Other Trade Receivables	703.78	737.50
Non-financial Assets		
Inventories	1,820.83	669.94
Sub-total	**2,525.35**	**1,428.76**
Non-current		
First Charge / Second Charge #		
Plant and Equipments	398.23	425.82
Furniture and Fixtures	1.34	1.52
Office Equipments	2.16	0.78
Vehicles	3.91	2.59
Sub-total	**405.64**	**430.71**
Total	**2,930.99**	**1,859.47**

Second Charge existed for all the periods presented for loans repayable on demand from banks disclosed under Current Borrowings (Refer Note 15).

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).

45 The Company in October 2018, decided to stop operations in the Bengaluru plant by halting the furnaces in a sequential manner and accelerate the work of revamping of roof sheets in compliance with some observations of Karnataka State Pollution Control Board (KSPCB). Pursuant to the inspection by KSPCB officials KSPCB, on December 15, 2018 renewed the "Consent for operations" for a period up to June 30, 2020 with condition to shift the unit from the existing location. On January 28, 2019, Principal Bench - National Green Tribunal, Delhi (NGT) restored the KSPCB direction dated June

30, 2012, and closure order dated July 02, 2012. Further, NGT directed constitution of a joint committee comprising representatives of CPCB, KSPCB and NEERI, Karnataka to carry out within two months stack monitoring of the industry, ambient air monitoring of the industrial unit and surrounding areas and study on source apportionment of pollution sources. Pursuant thereto, KSPCB withdrew consent for operations and issued closure order dated February 14, 2019.

On April 02, 2019, the Board of Directors of the Company decided to permanently close operations in the Bengaluru Plant in Whitefield within such time as is required by the Company to obtain appropriate consents, approvals, authorizations and no objections. Closure application has been filed with Government of Karnataka and has also stopped the production activities at the plant. KSPCB on April 08, 2019 sought five months time from NGT, to submit project report. KSPCB also informed NGT of the Company's decision to close down the Bengaluru plant permanently. NGT took note of the above and felt that there was no necessity for calling for any further report in this regard and disposed off all the appeals filed before it.

The Company has also fully charged off the net block of all property, plant and equipments aggregating Rs. 10.84 Crores through accelerated depreciation.

The Company has also provided for compensation payable to its employees/workers at Bengaluru unit consequent to closure of operations at Bengaluru, amounting to Rs 54.86 Crores which has been shown as exceptional item.

46 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).

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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

S. W. Parnerkar	**B. Shiva**	**M. B. Gadgil**	**K. K. Bangur**
Sr.Vice President-Finance	Company Secretary	Executive Director	Chairman

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

To the Members of Graphite India Limited

Report on the Audit of the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Graphite India Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate comprising of the consolidated Balance Sheet as at March 31,2019, 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 notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“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 and its associate as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Revenue from Sale of Products</u> (As described in Note 2(c) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Holding Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods.

The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115.

Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</td><td>Following procedures have been performed to address this key audit matter:
▪ Considered the Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.
▪ Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.
▪ Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognized as per the incoterms / when the conditions for revenue recognitions are satisfied.
▪ Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to the underlying documents.
▪ Assessed the relevant disclosures made within the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2"><u>Pending Litigations</u> (As described in Note 35 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As of March 31, 2019, the Holding Company has disclosed contingent liabilities of Rs. 106.36 Crores relating to tax and legal claims.

Taxation, arbitration and litigation exposures have been identified as a key audit matter due to the uncertainties and timescales involved for the resolution of these claims.

Accordingly, judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the consolidated Ind AS financial statements.</td><td>Following procedures have been performed to address this key audit matter:
▪ Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls.
▪ Discussed and analysed material legal cases with the Holding Company's legal department.
▪ Analysed the responses obtained from the Holding Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described.
▪ Involved specialists for material ongoing tax proceedings.
▪ Received confirmation obtained by the Holding Company from their legal counsel/ consultants on a samples basis.
▪ Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the consolidated Ind AS financial statements.
▪ Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.</td></tr>
</table>

Other Information

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor’s Responsibilities for the Audit of the consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 1 subsidiary and consolidated financial statements of 1 subsidiary including its 4 subsidiaries and 1 associate, whose Ind AS financial statements reflects total assets of Rs.1091 crores as at March 31, 2019, and total revenues of Rs.1313 crores and net cash inflows of Rs. 353 crores for the year ended on that date. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 3 crores for the year ended March 31, 2019, in respect of 1 associate, as considered in the consolidated Ind AS financial statements of 1 subsidiary. These Ind AS financial statement and other financial information have been audited by other auditors, which Ind AS financial statements, other financial information and auditor's reports have been furnished to us by the management. 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 associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion above 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports 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 consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act of its subsidiary company, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to the subsidiary incorporated in India for the year ended March 31, 2019.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other Matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 20 and 35 to the consolidated Ind AS financial statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

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, 2019. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place of Signature: Kolkata
Date: May 18, 2019

Annexure 1 to the Independent Auditor's Report of Even Date on the consolidated Ind AS financial statements of Graphite India Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Graphite India Limited as of and for the year ended March 31, 2019, 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

The respective Board of Directors of the Holding Company and its subsidiary company and, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar 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 subsidiary incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place of Signature: Kolkata
Date: May 18, 2019

CONSOLIDATED BALANCE SHEET as at 31st March, 2019

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2019	As at 31st March, 2018
Non - current Assets			
Property, Plant and Equipment	5.1	662.03	700.19
Capital Work-in-progress	5.2	16.77	8.12
Goodwill	6	0.63	0.63
Other Intangible Assets	6	1.27	0.75
Financial Assets			
Investments	7	598.05	174.98
Loans	11	8.11	7.87
Other Financial Assets	12	0.04	0.08
Deferred Tax Assets (Net)	21.2	4.72	49.43
Other Non - current Assets	14	16.18	14.11
Total Non - current Assets		**1,307.80**	**956.16**
Current Assets			
Inventories	13	2,160.37	786.44
Financial Assets			
Investments	7	1,991.47	1,032.84
Trade Receivables	8	857.82	823.52
Cash and Cash Equivalents	9	400.39	40.54
Other Bank Balances	10	7.46	15.04
Loans	11	4.23	3.56
Other Financial Assets	12	59.05	36.57
Current Tax Assets (Net)		24.07	24.92
Other Current Assets	14	93.60	60.70
Total Current Assets		**5,598.46**	**2,824.13**
TOTAL ASSETS		**6,906.26**	**3,780.29**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15.1	39.08	39.08
Other Equity	15.2	5,311.50	2,692.74
TOTAL EQUITY		**5,350.58**	**2,731.82**
LIABILITIES			
Non - current Liabilities			
Financial Liabilities			
Trade Payables	17		
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises		-	0.03
Other Financial Liabilities	18	0.01	0.01
Provisions	20	3.07	3.07
Deferred Tax Liabilities (Net)	21.1	113.95	94.50
Total Non - current Liabilities		**117.03**	**97.61**
Current Liabilities			
Financial Liabilities			
Borrowings	16	359.59	272.18
Trade Payables	17		
Total Outstanding dues of Small Enterprises and Micro Enterprises		5.73	5.50
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises		641.14	406.40
Other Financial Liabilities	18	121.42	56.85
Other Current Liabilities	19	44.56	118.36
Provisions	20	34.12	30.96
Current Tax Liabilities (Net)		232.09	60.61
Total Current Liabilities		**1,438.65**	**950.86**
TOTAL LIABILITIES		**1,555.68**	**1,048.47**
TOTAL EQUITY AND LIABILITIES		**6,906.26**	**3,780.29**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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, 2019

(Rs. in Crores)

	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	22	7,857.90	3,291.21
Other Income	23	209.70	88.54
Total Income		**8,067.60**	**3,379.75**
Expenses			
Cost of Materials Consumed	24	2,282.77	752.54
Purchases of Stock-in-trade	25	-	11.80
Changes in Inventories of Finished Goods and Work-in-progress	26	(797.40)	7.54
Excise Duty on Sale of Goods		-	25.23
Employee Benefit Expenses	27	311.49	252.11
Finance Costs	28	11.62	8.08
Depreciation and Amortisation Expense	29	62.47	51.62
Other Expenses	30	1,037.78	797.84
Total Expenses		**2,908.73**	**1,906.76**
Profit before Exceptional Item, Tax and Share of Loss of an Associate		**5,158.87**	**1,472.99**
Share of Loss of an Associate		(3.00)	-
Profit before Exceptional Item and Tax		**5,155.87**	**1,472.99**
Exceptional Item (Refer Note 45)		(54.86)	-
Profit before Tax		**5,101.01**	**1,472.99**
Tax Expense	31		
Current Tax		1,653.88	474.70
Deferred Tax Charges/(Credit)		51.55	(33.71)
Profit for the year		**3,395.58**	**1,032.00**
Other Comprehensive Income			
Items that will be reclassified to Profit or Loss in subsequent periods			
Remeasurements Gains/(Losses) on Defined Benefit Plans	38	(0.65)	1.67
Income Tax effect	31	0.23	(0.56)
		(0.42)	**1.11**
Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange Differences on Translation of Foreign Operations	15.2	(22.69)	5.76
Total Other Comprehensive Income, Net of Tax		**(23.11)**	**6.87**
Total Comprehensive Income for the year		**3,372.47**	**1,038.87**
Attributable to Owners of Graphite India Limited :			
Profit for the year		3,395.58	1,032.00
Other Comprehensive Income for the year		(23.11)	6.87
Total Comprehensive Income for the year		3,372.47	1,038.87
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	32		
Basic and Diluted (Rs.)		173.80	52.81

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2019

a) Equity Share Capital (Refer Note 15.1) **(Rs. in Crores)**

Equity shares of Rs. 2/- each issued, subscribed and fully paid

At 31st March, 2017	39.08
At 31st March, 2018	39.08
At 31st March, 2019	39.08

b) Other Equity (Refer Note 15.2)

(Rs. in Crores)

	Reserve and Surplus						Other Reserve	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Reserve Fund	Retained Earnings	Foreign Currency Translation Reserve	
As at 31st March, 2017	**0.46**	**5.75**	**200.97**	**1,336.50**	**5.39**	**266.46**	**2.95**	**1,818.48**
Profit for the Year	-	-	-	-	-	1,032.00	-	1,032.00
Other Comprehensive Income (Net of Tax)								
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	1.11	-	1.11
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	5.76	5.76
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**1,033.11**	**5.76**	**1,038.87**
<u>Transactions with Owners in their Capacity as Owners:</u>								
Final Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 43(b)]	-	-	-	-	-	(39.08)	-	(39.08)
Dividend Distribution Tax on Above	-	-	-	-	-	(7.95)	-	(7.95)
Interim Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	-	-	-	-	(97.69)	-	(97.69)
Dividend Distribution Tax on Above	-	-	-	-	-	(19.89)	-	(19.89)
Transfer from Retained Earnings	-	-	-	-	0.19	(0.19)	-	-
As at 31st March, 2018	**0.46**	**5.75**	**200.97**	**1,336.50**	**5.58**	**1,134.77**	**8.71**	**2,692.74**
Profit for the Year	-	-	-	-	-	3,395.58	-	3,395.58
Other Comprehensive Income (Net of Tax)								
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	(0.42)	-	(0.42)
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	(22.69)	(22.69)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**3,395.16**	**(22.69)**	**3,372.47**
<u>Transactions with Owners in their Capacity as Owners:</u>								
Final Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	-	-	-	-	(234.45)	-	(234.45)
Dividend Distribution Tax on Above	-	-	-	-	-	(48.19)	-	(48.19)
Interim Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 43(b)]	-	-	-	-	-	(390.75)	-	(390.75)
Dividend Distribution Tax on Above	-	-	-	-	-	(80.32)	-	(80.32)
Transfer from Retained Earnings	-	-	-	-	1.01	(1.01)	-	-
As at 31st March, 2019	**0.46**	**5.75**	**200.97**	**1,336.50**	**6.59**	**3,775.21**	**(13.98)**	**5,311.50**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

S. W. Parnerkar
Sr.Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2019

(Rs. in Crores)

		Year ended 31st March, 2019	Year ended 31st March, 2018
A	**Cash Flows from Operating Activities**		
	Profit before Tax	5,101.01	1,472.99
	Adjustments for:		
	Depreciation and Amortisation Expense	62.47	51.62
	Finance Costs	11.62	8.08
	Bad Debts/Advances Written Off	1.41	4.51
	Provision for Doubtful Debts	4.36	0.30
	Interest Income Classified as Investing Cash Flows	(53.10)	(2.03)
	Net Gain on Investments Carried at Fair Value through Profit or Loss	(107.44)	(51.88)
	Liabilities No Longer Required Written Back	(8.26)	(3.98)
	Provision for Doubtful Debts Written Back	(0.40)	(4.23)
	Allowance Reversed for Expected Credit Losses on Trade Receivables	-	(9.29)
	Gain on Disposal of Property, Plant and Equipment (Net)	(1.74)	(0.23)
	Write Downs of Inventories to Net Realisable Value	0.10	0.26
	Share of Loss of an Associate	3.00	-
	Foreign Exchange Differences (Net)	(1.70)	0.01
	Operating Profit before Changes in Operating Assets and Liabilities	**5,011.33**	**1,466.13**
	Changes in Operating Assets and Liabilities:		
	Increase in Trade Payables	242.75	189.16
	Increase in Other Financial Liabilities	69.18	15.04
	Increase/(Decrease) in Provisions	2.63	(1.79)
	Increase/(Decrease) in Other Current Liabilities	(73.63)	77.00
	(Increase) in Inventories	(1,381.61)	(175.35)
	(Increase) in Trade Receivables	(47.18)	(357.12)
	(Increase)/Decrease in Loans	(0.91)	0.18
	(Increase) in Other Financial Assets	(4.69)	(9.94)
	(Increase) in Other Non-current Assets	(1.07)	(0.13)
	(Increase) in Other Current Assets	(33.06)	(2.81)
	Cash Generated from Operations	**3,783.74**	**1,200.37**
	Income Taxes Paid (net)	(1,461.22)	(440.76)
	NET CASH FROM OPERATING ACTIVITIES	**2,322.52**	**759.61**
B	**Cash Flows from Investing Activities**		
	Payments for Acquisition of Property, Plant and Equipment/ Intangible Assets	(38.48)	(58.26)
	Proceeds on Disposal of Property, Plant and Equipment	1.94	0.82
	Payments for Purchase of Investments	(6,087.01)	(1,571.24)
	Proceeds from Sale/Redemption of Investments	4,863.32	1,046.31
	Payment made for Investment in Associate	(55.66)	-
	Interest Received	35.30	2.82
	Proceeds from Maturity of Fixed Deposits with Banks	11.57	37.00
	Investments in Fixed Deposits with Banks	(2.18)	(11.57)
	NET CASH USED IN INVESTING ACTIVITIES	**(1,271.20)**	**(554.12)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2019

(Rs. in Lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
C. Cash Flows from Financing Activities		
Dividend Paid	(625.20)	(136.77)
Dividend Distribution Tax Paid	(128.51)	(27.84)
Finance Costs Paid	(10.77)	(8.17)
Short-term Borrowings - Net of Receipts and Payments	88.59	(6.07)
NET CASH USED IN FINANCING ACTIVITIES	**(675.89)**	**(178.85)**
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	**(15.58)**	**2.54**
NET CASH INFLOW (A+B+C+D)	**359.85**	**29.18**
Cash and Cash Equivalents - At the beginning of the year (Refer Note 9)	**40.54**	**11.36**
Cash and Cash Equivalents - At the end of the year (Refer Note 9)	**400.39**	**40.54**
	359.85	**29.18**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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 Consolidated Financial Statements as at and for the year ended 31st March, 2019

1 Group Background

Graphite India Limited (the 'Parent Company') is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable 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') and an associate are mainly engaged in the business of manufacturing and selling of graphite & carbon and other products as detailed under segment information in Note 39.

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, 2019.

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 the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. These consolidated financial statements are presented in Indian Rupees (Rs.), which is the Parent Company's functional and presentation currency.

(ii) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value -

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value (Refer accounting policy regarding financial instruments)

- 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Parent Company has identified twelve months as its operating cycle.

(iv) Rounding of Amounts

All amounts disclosed in these consolidated financial statements and notes have been rounded off to crores upto two decimals (Rs. 00,00,000) as per the 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. 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.

(iv) Associates

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting [see (v) below], after initially being recognised at cost.

(v) Equity method

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate is recognised as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate is eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee has been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Revenue from Contract with Customer

Ind AS 115 was issued on 28 March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April, 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

<u>Sale of Products</u>

Revenue from sale of goods is recognised at the point

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

in time when control of the goods is transferred to the customer. The normal credit term is 1 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

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) 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.

Operating revenues of subsidiaries are considered to be operating revenues in the consolidated financial statements.

(d) Revenue from Construction Contracts

Revenue from construction contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(e) Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All other items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items. Such costs also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them seperately based on their specific useful lives. Likewise, when a major inspection is peformed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs 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 costs are charged to profit or loss during the reporting period in which they are incurred.

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. The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Estimated useful lives of the assets are as follows:

Factory Buildings	-	3 to 30 years
Non-factory Buildings	-	3 to 60 years
Plant and Equipments	-	5 to 40 years
Furniture and Fixtures	-	10 years
Vehicles	-	7 to 10 years
Office Equipments	-	3 to 7 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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.

(g) Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of

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the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 and are accounted for as follows:

Raw materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Finished goods and work-in-progress: cost includes cost of 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.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving 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 in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate' in the statement of profit or loss.

(k) 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.

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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 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. 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 42 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

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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.

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. Interest income is included in other income in the statement of profit and loss.

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.

(l) 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'. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(m) 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 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.

(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) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of

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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.

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method. 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 derecognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

(p) 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.

(q) Forward Currency Contracts

The Parent Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

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 initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign Currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of Profit and Loss in the period in which they arise.

(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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

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.

(r) 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 Financial Liabilities' in the Balance Sheet.

(ii) Post-employment Benefits

I. Defined Benefit Plans

a) Gratuity

Retirement gratuity for employees, is funded through Parent Company's Gratuity Scheme with Life Insurance Corporation of India (LIC). The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain/loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b) Provident Fund

In respect of certain employees, contributions to the Parent Company's Employees Provident Fund (administered by the Parent Company as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Fund, the Parent Company has an obligation to make good the shortfall, if any, between the return from the investments of the Fund and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

c) Pension Fund

Retirement Pension for employees, is un-funded. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain/loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

II. Defined Contribution Plans

a) Superannuation

Contribution made to Superannuation Fund for certain employees are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Parent Company has no liability for future Superannuation Fund benefits other than its contribution.

b) Provident Fund

Contributions in respect of Employees who are not covered by Parent Company's Employees Provident Fund [in I(b) above] are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Parent Company has no obligation other than the contribution payable to the Regional Provident fund.

(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. Acturial gains/losses are immediately recognised in retained earnings through Statement of Profit and Loss in the period in which they occur.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the group 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.

(s) 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 liabilities are not recognised for taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. 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.

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.

(t) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

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When the grant relates to revenue, it is deducted from the related expense on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related cost, which they are intended to compensate.

When the Parent Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistances received subsequent to the date of transition.

Also refer note 2(c) relating to recognition of export entitlements, under “Other Operating revenue”.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. However, this amendment does not have any significant impact on the financial statements.

(u) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Dividend Distribution to Equity-holders

The Parent Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(v) 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

(w) 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 39 for segment information presented.

(x) Use of Estimates

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

(y) Standards issued not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

- **Ind AS 116 Leases**

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities

- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. These amendments shall have no material impact on the financial statements of the Company.

- Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:
- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

- **Annual improvement to Ind AS (2018)**

These improvements include:

> Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

> **Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

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.

The areas involving critical estimates or judgements are:

– **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2(r) and 38**

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 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.

– **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(v) and 35**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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.

– **Valuation of Deferred Tax Assets - Notes 2(s) 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. Further the Group does not recognise deferred tax liability with respect to unremitted retained earnings wherever it controls the 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(k)(vi) and 41**

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 as at and for the year ended 31st March, 2019

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
		2018-19	2017-18	
Indian:				
Carbon Finance Limited	India	100%	100%	To invest in securities
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
General Graphene Corporation #	United States of America	26.68%	-	To develop Graphene sheets for commercial use

@ Wholly owned subsidiaries of GIBV.

Associate 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 Crores)		As % of Consolidated Profit or Loss		Amount (Rs. in Crores)		As % of Consolidated Other Comprehensive Income		Amount (Rs. in Crores)		As % of Consolidated Total Comprehensive Income		Amount (Rs. in Crores)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Parent																
Graphite India Limited	86.97%	95.24%	4,653.42	2,601.79	82.63%	88.53%	2,805.75	913.63	1.77%	13.25%	(0.41)	0.91	83.18%	88.03%	2,805.34	914.54
Subsidiaries																
Indian																
Carbon Finance Limited	1.16%	2.09%	62.26	57.22	0.15%	0.06%	5.04	0.58	-	-	-	-	0.15%	0.06%	5.04	0.58
Foreign																
Graphite International B.V. #	13.48%	5.77%	721.38	157.49	17.36%	11.56%	589.60	119.28	0.04%	2.91%	(0.01)	0.20	17.48%	11.50%	589.59	119.48
General Graphene Corporation	-	-	-	-	(0.09%)	-	(3.00)	-	-	-	-	-	(0.09%)	-	(3.00)	-
Sub-total			**5,437.06**	**2,816.50**			**3,397.39**	**1,033.49**			**(0.42)**	**1.11**			**3,396.97**	**1,034.60**
Elimination/ Adjustments on Consolidation	(1.61%)	(3.10%)	(86.48)	(84.68)	(0.05%)	(0.15%)	(1.81)	(1.49)	98.19%	83.84%	(22.69)	5.76	(0.72%)	0.41%	(24.50)	4.27
Grand Total			**5,350.58**	**2,731.82**			**3,395.58**	**1,032.00**			**(23.11)**	**6.87**			**3,372.47**	**1,038.87**

including its wholly owned subsidiaries

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

5 Property, Plant and Equipment

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

(Rs. in Crores)

	Freehold Land	Leasehold Land	Buildings@	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Year ended 31st March, 2018								
Gross Carrying Amount								
Opening Balance	27.44	0.77	216.86	502.76	2.39	5.06	3.57	758.85
Additions	2.87	-	16.88	58.43	0.10	1.51	0.42	80.21
Exchange Differences (Refer Note 5.3)	0.90	-	0.59	5.61	-	0.30	0.25	7.65
Disposals	-	-	(0.03)	(0.81)	-	(0.12)	(0.24)	(1.20)
Closing Balance	**31.21**	**0.77**	**234.30**	**565.99**	**2.49**	**6.75**	**4.00**	**845.51**
Accumulated Depreciation								
Opening Balance	-	0.04	18.59	70.46	0.68	1.65	1.89	93.31
For the Year	-	0.02	9.36	39.81	0.29	0.75	0.73	50.96
Exchange Differences (Refer Note 5.3)	-	-	0.09	1.39	-	0.05	0.13	1.66
On Disposals	-	-	-	(0.33)	-	(0.05)	(0.23)	(0.61)
Closing Balance	**-**	**0.06**	**28.04**	**111.33**	**0.97**	**2.40**	**2.52**	**145.32**
Net Carrying Amount	**31.21**	**0.71**	**206.26**	**454.66**	**1.52**	**4.35**	**1.48**	**700.19**
Year ended 31st March, 2019								
Gross Carrying Amount								
Opening Balance	31.21	0.77	234.30	565.99	2.49	6.75	4.00	845.51
Additions	0.17	-	0.53	18.75	0.13	2.37	3.63	25.58
Exchange Differences (Refer Note 5.3)	(0.29)	-	(0.17)	(1.64)	-	(0.08)	(0.13)	(2.31)
Disposals	*	-	-	(0.29)	*	(0.25)	(0.12)	(0.66)
Closing Balance	**31.09**	**0.77**	**234.66**	**582.81**	**2.62**	**8.79**	**7.38**	**868.12**
Accumulated Depreciation								
Opening Balance	-	0.06	28.04	111.33	0.97	2.40	2.52	145.32
For the Year	-	0.02	12.18	47.48	0.31	1.15	0.81	61.95
Exchange Differences (Refer Note 5.3)	-	-	(0.04)	(0.65)	-	(0.02)	(0.05)	(0.76)
On Disposals	-	-	-	(0.11)	*	(0.20)	(0.11)	(0.42)
Closing Balance	**-**	**0.08**	**40.18**	**158.05**	**1.28**	**3.33**	**3.17**	**206.09**
Net Carrying Amount	**31.09**	**0.69**	**194.48**	**424.76**	**1.34**	**5.46**	**4.21**	**662.03**

@ Includes Buildings constructed on Leasehold Land - Gross Carrying Amount Rs. 187.22 Crores (Net Carrying Amount - Rs. 157.52 Crores) [Previous Year - Gross Carrying Amount Rs. 187.09 Crores (Net Carrying Amount - Rs. 165.02 Crores)]

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

(Rs. in Crores)

5.2 Capital Work-in-progress	Year ended 31st March, 2019	Year ended 31st March, 2018
Carrying amount at the beginning of the year	8.12	32.06
Additions during the year	28.10	54.24
Capitalised during the year	(19.45)	(78.18)
Carrying amount at the end of the year	**16.77**	**8.12**

5.3 Represents exchange differences on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

5.4 The Group has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 44 for details).

5.5 Contractual obligation-Refer Note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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

5.7 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 Crores)

Particulars	Gross Carrying Amount		Net Carrying Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Certain Freehold Land at Nashik and Titilagarh (5 Title Deeds)	0.09	0.09	0.09	0.09
Certain Leasehold Land at Titilagarh (2 Title Deeds)	0.22	0.22	0.15	0.15

5.8 A portion of the land at Titilagarh including Freehold Land mentioned in Note 5.7 above is under dispute on legal ownership amounting to Rs. 2.67 Crores (Previous Year - Rs. 2.67 Crores) disclosed as contingent liability and included under 'Other Matters' in Note 35(i)(h).

(Rs. in Crores)

6 Intangible Assets	**Goodwill (Refer Note 6.1)**	**Computer Software - Acquired**
Year ended 31st March, 2018		
Gross Carrying Amount		
Opening Balance	0.63	2.90
Additions	-	0.18
Exchange Differences (Refer 6.2)	-	0.11
Closing Balance	**0.63**	**3.19**
Accumulated Amortisation		
Opening Balance	-	1.68
For the Year	-	0.66
Exchange Differences (Refer 6.2)	-	0.10
Closing Balance	**-**	**2.44**
Net Carrying Amount	**0.63**	**0.75**
Year ended 31st March, 2019		
Gross Carrying Amount		
Opening Balance	0.63	3.19
Additions	-	1.04
Exchange Differences (Refer 6.2)	-	(0.04)
Closing Balance	**0.63**	**4.19**
Accumulated Amortisation		
Opening Balance	-	2.44
For the Year	-	0.52
Exchange Differences (Refer 6.2)	-	(0.04)
Closing Balance	**-**	**2.92**
Net Carrying Amount	**0.63**	**1.27**

6.1 Represents 'Goodwill arising on consolidation', out of which Rs. 0.55 Crores pertains to Carbon Finance Limited (a wholly owned subsidiary company engaged in the business of investment in securities).

6.2 Represents exchange differences on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

7 Investments	Face Value	Number	Ast at 31st March, 2019	As at 31st March, 2018
Non-current Investments				
Quoted, Fully paid:				
Investments in Equity Instruments				
In Other Body Corporate #				
Aditya Birla Capital Limited	Rs.10	3,360	0.03	0.05
Excel Crop Care Limited	Rs.5	84,366	30.50	21.11
Astra Microwave Products Limited	Rs.2	1,97,989	1.96	-
Future Retail Ltd	Rs.2	1,65,000	7.49	-
Unquoted, Fully paid:				
Investments in Equity Instruments				
In Associate ^				
General Graphene Corporation-Series B Preferred Stock		4,69,842	50.56	-
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	0.12	0.12
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 Debentures @			307.70	-
Investments in Mutual Funds#			199.69	153.70
			598.05	**174.98**
Current Investments				
Unquoted, Fully paid:				
Investments in Commercial Papers @			24.96	99.33
Investments in Corporate Deposits @			375.00	-
Investments in Debentures @			222.00	-
Investments in Mutual Funds #			1,369.51	933.51
			1,991.47	**1,032.84**
			2,589.52	**1,207.82**
Aggregate Amount of Unquoted Investments			2,549.54	1,186.66
Aggregate Amount of Quoted Investments			39.98	21.16
@Investments carried at Amortised Cost			929.66	99.33
#Investments carried at Fair Value through Profit or Loss			1,609.30	1,108.49
^ Investment in Associate is carried at Cost			50.56	-
$ Original Share Certificates with the Issuer Company				

7.1 Refer Note 41 for information about fair value measurements and Note 42 for credit risk and market risk on investments.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

8	**Trade Receivables #**	**As at 31st March, 2019**	**As at 31st March, 2018**
	Unsecured :		
	Considered Good	857.82	823.52
	Considered Doubtful	10.43	6.47
	Less: Provision for Doubtful Debts	(10.43)	(6.47)
		857.82	**823.52**

8.1 Refer Note 44 for receivables secured against borrowings and Note 42 for information about credit risk and market risk on receivables.

9 Cash and Cash Equivalents #

Balances with Banks	400.12	40.41
Cash on Hand	0.27	0.13
	400.39	**40.54**

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 @	5.28	3.47
Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months)^	2.18	11.57
	7.46	**15.04**

@ Earmarked for Payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 2.18 Crores (Previous Year - Rs. 1.57 Crores) earmarked against Bank Guarantee and Bank Guarantee Commission

11 Loans #

Non-current		
Unsecured, Considered Good :		
Loans to Employees $	1.34	1.34
Security Deposits	6.77	6.53
	8.11	**7.87**
Current		
Unsecured, Considered Good :		
Loans to Employees $	1.24	2.27
Security and Other Deposits	2.99	1.29
	4.23	**3.56**
	12.34	**11.43**
$ Includes Dues from an Officer of the Parent Company	*	0.03

Financial assets carried at amortised cost

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

12 Other Financial Assets @	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Unsecured, Considered Good :		
Fixed Deposits with Banks	0.04	0.08
(with Maturity of more than twelve months)		
(Lodged with Government Authority / Others)		
Accrued Interest on Fixed Deposits	-	*
	0.04	**0.08**
Current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	2.36	2.27
Export Entitlements Receivable	31.65	23.34
Accrued Interest on Investments	7.24	-
Accrued Interest on Deposits		
with Banks	0.33	0.03
with Others	10.73	0.48
Others	6.74	10.45
	59.05	**36.57**
	59.09	**36.65**

@ Financial Assets carried at Amortised Cost

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

13 Inventories		
- At Lower of Cost and Net Realisable Value		
Raw Materials	905.27	336.36
Work-in-progress	840.56	356.05
Finished Goods	379.76	66.87
Stores and Spares	33.66	26.44
Loose Tools	1.12	0.72
	2,160.37	**786.44**

13.1 Above includes Inventories in Transit:		
Raw Materials	292.83	106.18
Work-in-progress	6.39	4.35
Finished Goods	20.64	27.64
Stores and Spares	0.75	0.61
13.2 Above includes Inventories carried at Fair Value Less Cost to Sell	0.02	2.52
13.3 Work-in-progress includes Contract Work-in-progress	-	2.45
13.4 Refer Note 44 for Information on Inventories Pledged as Security		

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

14 Other Assets

	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Unsecured, Considered Good :		
Capital Advances	9.90	8.90
Balances with Government Authorities @	5.48	4.88
Others		
Prepaid Expenses	0.80	0.33
	16.18	**14.11**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities #	68.59	25.14
Advance to Suppliers/Service Providers (other than capital)	22.88	32.15
Unbilled Revenue	-	0.52
Prepaid/Advance for Expenses	2.13	2.89
	93.60	**60.70**
	109.78	**74.81**

@ Above represent payments made to various Government Authorities under protest relating to indirect tax matters.

Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised goods and service tax input credits on purchases. These are generally realised within one year or regularly utilised to offset the goods and service tax liability on goods manufactured/sold by the Parent Company. Accordingly, these balances have been classified as current assets.

15.1 Equity Share Capital

Authorised		
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up@	40.00	40.00
Issued, Subscribed and Paid-up		
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up@	39.08	39.08
Add : Forfeited Shares	*	*
	39.08	**39.08**

@ There were no changes in number of shares during the years ended 31st March, 2019 and 31st March, 2018.

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

(a) The Parent Company has only 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
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,95,79,419	11,95,79,419
Shree Laxmi Agents Limited; a Subsidiary of ECPL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECPL	3,86,645	3,86,645

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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
Emerald Company Private Limited	11,95,79,419	11,95,79,419
	(61.20%)	(61.20%)

(Rs. in Crores)

15.2 Other Equity	**As at 31st March, 2019**	**As at 31st March, 2018**
- Reserves and Surplus		
Capital Reserve	0.46	0.46
Capital Redemption Reserve	5.75	5.75
Securities Premium	200.97	200.97
General Reserve	1,336.50	1,336.50
Reserve Fund [Refer (i) below]	6.59	5.58
Retained Earnings [Refer (ii) below]	3,775.21	1,134.77
	5,325.48	**2,684.03**
- Other Reserve		
Foreign Currency Translation Reserve [Refer (iii) below]	(13.98)	8.71
	5,311.50	**2,692.74**

(i) Reserve Fund - Movement during the year

Opening Balance	5.58	5.39
Transfer from Retained Earnings	1.01	0.19
Closing Balance	**6.59**	**5.58**

(ii) Retained Earnings - Movement during the year

Opening Balance	1,134.77	266.46
Profit for the Year	3,395.58	1,032.00
Items of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurements on Post-employment Defined Benefit Plans (Net of Tax)	(0.42)	1.11
Final Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	(234.45)	-
Dividend Distribution Tax on Above	(48.19)	-
Interim Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 43(b)]	(390.75)	-
Dividend Distribution Tax on Above	(80.32)	-
Final Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 43(b)]	-	(39.08)
Dividend Distribution Tax on Above	-	(7.95)
Interim Dividend on Equity Shares for the Financial Year 2017-18 [Refer Note 43(b)]	-	(97.69)
Dividend Distribution Tax on Above	-	(19.89)
Transfer to Reserve Fund	(1.01)	(0.19)
Closing Balance	**3,775.21**	**1,134.77**

(iii) Foreign Currency Translation Reserve - Movement during the year

Opening Balance	8.71	2.95
Exchange Differences on Translation of Foreign Operations during the year	(22.69)	5.76
Closing Balance	**(13.98)**	**8.71**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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 had established this reserve pursuant to the redemption of preference shares issued in earlier years.

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 differences arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2(q)(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

(Rs. in Crores)

16 Borrowings	**As at 31st March, 2019**	**As at 31st March, 2018**
Current		
Secured*		
Bill Discounting Facilities	0.74	10.47
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	152.31	73.20
Unsecured		
Bill Discounting Facilities	-	10.86
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	105.72	174.77
Buyer's Credit	100.82	2.88
	359.59	**272.18**
Aggregate Secured Loans	153.05	83.67
Aggregate Unsecured Loans	206.54	188.51

*Secured -

(a) By a first pari passu charge by way of hypothecation of inventories and book debts of the Parent Company, both present and future; and

(b) By a second pari passu charge on the Parent Company's movable fixed assets.

16.1 Refer Note 44 for details of carrying amount of assets pledged as security for secured borrowings and Note 42 for information about liquidity risk and market risk on borrowings.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

		As at 31st March, 2019	As at 31st March, 2018
17	**Trade Payables**		
	Non-current		
	Trade Payables		
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	-	0.03
		-	**0.03**
	Current		
	Trade Payables		
	Total Outstanding Dues of Micro Enterprises and Small Enterprises	5.73	5.50
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	641.14	406.40
		646.87	**411.90**
		646.87	**411.93**

17.1 Refer Note 42 for information about liquidity risk and market risk on trade payables.

18	**Other Financial Liabilities**		
	Non-current		
	Security Deposits	0.01	0.01
		0.01	**0.01**
	Current		
	Employee Benefits Payable	85.99	30.03
	Interest Accrued	0.94	0.09
	Unpaid Dividend	5.28	3.47
	Capital Liabilities	5.07	7.08
	Claims/Charges Payable	2.68	4.97
	Security Deposits	0.43	0.41
	Remuneration Payable to Non-executive Directors	21.03	10.80
		121.42	**56.85**
		121.43	**56.86**

19	**Other Current Liabilities**		
	Dues Payable to Government Authorities @	24.45	54.46
	Advances from Customers	20.11	63.90
		44.56	**118.36**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

20 Provisions	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Provisions for Employee Benefits (Refer Note 38)	3.07	3.07
	3.07	**3.07**
Current		
Provisions for Employee Benefits (Refer Note 38)	22.07	18.59
Provision for Contingencies	12.05	12.37
	34.12	**30.96**
	37.19	**34.03**

21 Deferred Tax Assets/Liabilities (Net)

21.1 Deferred Tax Liabilities (Net)

Significant Components and Movement in Deferred Tax Liabilities during the year

(Rs. in Crores)

	As at 31st March, 2018	Recognised in Profit or Loss	As at 31st March, 2019
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	107.25	(1.03)	106.22
Financial Assets at Fair Value through Profit or Loss - Investments	17.40	14.63	32.03
Total Deferred Tax Liabilities	**124.65**	**13.60**	**138.25**
Set-off pursuant to set-off provisions	**(30.15)**	**5.85**	**(24.30)**
Deferred Tax Liabilities (Net)	**94.50**	**19.45**	**113.95**

(Rs. in Crores)

	As at 31st March, 2017	Recognised in Profit or Loss	As at 31st March, 2018
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	102.43	4.82	107.25
Financial Assets at Fair Value through Profit or Loss - Investments	17.88	(0.48)	17.40
Short-term Borrowings	0.07	(0.07)	-
Total Deferred Tax Liabilities	**120.38**	**4.27**	**124.65**
Set-off pursuant to set-off provisions	**(35.37)**	**5.22**	**(30.15)**
Deferred Tax Liabilities (Net)	**85.01**	**9.49**	**94.50**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

21.2 Deferred Tax Assets (Net)

Significant components and Movement in Deferred Tax Assets during the year

(Rs. in Crores)

	As at 31st March, 2018	Recognised in Profit or Loss	As at 31st March, 2019
Deferred Tax Assets			
Provisions for Employee Benefits	6.06	0.48	6.54
Employee Benefits Payable	0.15	(0.01)	0.14
Dues Payable to Government Authorities	8.12	(5.88)	2.24
Trade Receivables	2.26	1.39	3.65
Provision towards Voluntary Retirement Scheme	-	11.67	11.67
Tax Credits Carry Forward	13.25	(0.40)	12.85
Carry Forward Business Loss	47.46	(46.93)	0.71#
Financial Assets at Fair Value through Profit or Loss - Investments	0.47	(0.47)	-
Tax Credit Utilised	-	-	(12.79)
Inventories	1.81	2.20	4.01
Total Deferred Tax Assets	**79.58**	**(37.95)**	**29.02**
Set-off pursuant to set-off provisions	**(30.15)**	**5.85**	**(24.30)**
Deferred Tax Assets (Net)	**49.43**	**(32.10)**	**4.72**

	As at 31st March, 2017	Recognised in Profit or Loss	As at 31st March, 2018
Deferred Tax Assets			
Provisions for Employee Benefits	5.81	0.25	6.06
Employee Benefits Payable	0.16	(0.01)	0.15
Dues payable to Government Authorities	7.49	0.63	8.12
Trade Receivables	6.81	(4.55)	2.26
Tax Credits Carry Forward	15.10	(1.85)	13.25
Carry Forward Business Loss	0.64	43.52	47.46#
Financial Assets at Fair Value through Profit or Loss - Investments	-	0.47	0.47
Inventories	2.29	(0.48)	1.81
Total Deferred Tax Assets	**38.30**	**37.98**	**79.58**
Set-off pursuant to set-off provisions	**(35.37)**	**5.22**	**(30.15)**
Deferred Tax Assets (Net)	**2.93**	**43.20**	**49.43**

After considering Rs. 0.18 Crore (Previous Year Rs. 3.30 Crore) on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

21.3 Tax Losses	As at 31st March, 2019	As at 31st March, 2018
Relating to Overseas Subsidiaries		
Unused tax losses for which no deferred tax asset has been recognised	2.55	2.21
Potential tax benefit @ 27.03% (Previous year - 27.03%)	0.69	0.60
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	-	0.95
Potential tax benefit @ Nil (Previous year - 27.5525%)	-	0.26
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 :		
Up to 31st March, 2019	*	0.01
Up to 31st March, 2021	*	0.39
Up to 31st March, 2022	*	0.03
Up to 31st March, 2023	*	*
Up to 31st March, 2025	*	0.52

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

22 Revenue from Operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of Products (Refer Note 22.1 below)		
Graphite Electrodes and Miscellaneous Graphite Products*	7,250.21	2,876.22
Carbon Paste	16.54	11.40
Calcined Petroleum Coke*	82.83	68.31
Impervious Graphite Equipment and Spares	163.66	116.89
GRP/FRP Pipes and Tanks	43.86	74.73
High Speed Steel	114.89	70.45
Alloy Steel	3.80	3.68
Electricity	1.14	0.53
Others	28.46	18.89
Sale of Services (Processing/Service Charges)	24.47	12.19
Contract Revenue (Supply and Laying of Pipes, etc.)	0.46	-
Other Operating Revenues		
Export Entitlements	121.88	37.47
Others #		
Interest Income on Loans Carried at Amortised Cost	0.20	0.43
Dividend on Investments Carried at Fair Value through Profit or Loss	0.07	0.02
Net Gain on Investments Carried at Fair Value through Profit or Loss (including Fair Value Gains of Rs. Nil in Previous Year)	5.43	-
	7,857.90	**3,291.21**
*Includes Sale of Trading Goods		
Graphite Electrodes and Miscellaneous Graphite Products	-	9.86
Calcined Petroleum Coke	-	6.04
# Relates to a subsidiary engaged in investing/financing activities		

22.1 In accordance with the requirements of IND AS, Revenue from Sale of Products for the period after 30th June, 2017 is net of Goods and Services Tax ('GST'). However, Revenue for the period up to 30th June, 2017 is inclusive of excise duty.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

23 Other Income

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income		
From Financial Assets at Amortised Cost		
- Investments	28.87	1.07
- Loans and Deposits	24.23	0.96
- Trade Receivables	10.25	7.52
From Income-tax/Other Government Authorities	10.39	1.93
	73.74	**11.48**
Others		
Net Gain on Investments Carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. 74.92 Crores (Previous Year- Rs. 38.34 Crores)]	102.01	52.43
Liabilities No Longer Required Written Back	8.26	3.98
Provision for Doubtful Debts Written Back	0.40	4.23
Reversal of Allowance for Credit Losses on Trade Receivables	-	9.29
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.06 Crores (Previous Year - Rs. 0.38 Crores)]	1.74	0.23
Net Gain on Foreign Currency Transactions and Translation	14.57	-
Other Non-operating Income	8.98	6.90
	135.96	**77.06**
	209.70	**88.54**

24 Cost of Materials Consumed

Opening Inventory	336.36	150.89
Add: Purchases	2,851.68	938.01
	3,188.04	1,088.90
Less: Closing Inventory	905.27	336.36
	2,282.77	**752.54**

25 Purchases of Stock-in-trade

Graphite Electrodes and Miscellaneous Graphite Products	-	6.45
Calcined Petroleum Coke	-	5.35
	-	**11.80**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

26	Changes in Inventories of Finished Goods and Work-in-progress	Year ended 31st March, 2019	Year ended 31st March, 2018
	Finished Goods		
	Closing Stock	379.76	66.87
	Deduct: Opening Stock	66.87	77.43
		(312.89)	**10.56**
	Work-in-progress		
	Closing Stock	840.56	356.05
	Deduct: Opening Stock	356.05	353.03
		(484.51)	**(3.02)**
		(797.40)	**7.54**

26.1 Write-downs of inventories to net realisable value amounted to Rs. 0.10 Crores (Previous Year - Rs. 0.26 Crores). 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 Benefit Expense	Year ended 31st March, 2019	Year ended 31st March, 2018
	Salaries and Wages	274.62	219.71
	Contribution to Provident and Other Funds (Refer Note 38)	25.09	22.76
	Staff Welfare Expenses	11.78	9.64
		311.49	**252.11**
28	**Finance Costs**		
	Interest Expense on		
	- Borrowings from Banks	10.56	7.19
	- Others	0.73	0.42
	Other Borrowing Costs	0.33	0.47
		11.62	**8.08**
29	**Depreciation and Amortisation Expense**		
	Depreciation of Tangible Assets (Refer Note 5.1)	61.95	50.96
	Amortisation of Intangible Assets (Refer Note 6)	0.52	0.66
		62.47	**51.62**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

30 Other Expenses	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Consumption of Stores and Spare Parts (Refer Note 30.1)	240.87	176.04
Power and Fuel	386.64	333.91
Rent	2.15	2.50
Repairs and Maintenance:		
-Buildings	6.83	4.66
-Plant and Machinery	48.56	32.76
-Others	5.27	3.57
Insurance	15.69	8.06
Rates and Taxes	5.40	7.45
Freight and Transport	71.33	87.45
Commission to Selling Agents	86.46	29.50
Travelling and Conveyance	5.19	5.25
Directors' Remuneration (Other than Executive Director)	21.17	10.95
Excise Duty on Stocks etc. (Refer Note 30.2)	-	(3.95)
Bad Debts/Advances Written Off	1.41	4.51
Provision for Doubtful Debts	4.36	0.30
Processing Charges	5.60	3.61
Net Loss on Foreign Currency Transactions and Translation	-	1.40
Contractors' Labour Charges	60.64	41.12
Fair Value Loss on Investments (net of gain on sale of Non-current investments)	-	0.55
Expenditure towards Corporate Social Responsibility Activities (Refer Note 30.3)	22.28	0.82
Miscellaneous Expenses	47.93	47.38
	1,037.78	**797.84**

30.1 Consumption of Stores and Spare Parts includes:

Packing Materials	19.98	19.31
Loose Tools	3.28	3.38

30.2 Represents the difference between excise duty on opening and closing stock of finished goods, etc. relating to the Parent Company.

30.3 Corporate Social Responsibility Expenditure:

(a) Gross amount required to be spent by the Parent Company and its Subsidiary incorporated in India during the year	10.49	2.40
(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 0.05 Crores (Previous Year - Rs. 0.03 Crores) and amount paid to B D Bangur Endowment towards construction/acquisition of assets Rs. 0.72 Crores (Previous Year - Rs. 0.05 Crores) and for other purposes Rs. 1.51 Crores (Previous Year - Rs. 0.74 Crores) and amount paid to Amrit Somani Memorial Trust for projects relating to autistic childrens Rs. 20.00 Crores (Previous Year - Rs. Nil) respectively.	22.28	0.82

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

31 Tax Expense	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Tax Expense Recognised in Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the year	1,674.44	477.69
Adjustment for Current Tax of Earlier Years	(20.56)	(2.99)
	1,653.88	**474.70**
Deferred Tax		
Origination and Reversal of Temporary Differences (Refer Note 21)	51.55	(33.71)
Tax Expense	**1,705.43**	**440.99**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	0.23	0.56
	0.23	**0.56**

31.1 Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

Profit before Income Tax Expense	5,101.01	1,472.99
Enacted Statutory Income Tax Rate in India applicable to the Parent Company	34.944%	34.608%
Computed Expected Income Tax Expense	**1,782.50**	**509.77**
Adjustments:-		
Expenses Not Deductible for Tax Purposes	16.39	8.38
Income Exempt from Income Taxes	1.33	(0.27)
Impact of Long-term Capital Gains on Investments	(9.26)	(11.18)
Unrealised Exchange Differences Capitalised Earlier Realised during the Year	-	0.95
Difference in Tax Rates applicable for Subsidiaries	(67.27)	(6.00)
Deferred Tax Assets Created on Tax Losses of Earlier Years	-	(43.52)
Previously unrecognised Tax Losses used to reduce Current Tax Expense	-	(11.92)
Others	2.30	(2.23)
Adjustment for Current Tax of Earlier Years	(20.56)	(2.99)
Tax Expense	**1,705.43**	**440.99**

32 Earnings per Equity Share

Basic and Diluted			
(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	2
(v)	Profit Attributable to the Equity Shareholders of the Parent Company Profit for the Year (Rs. in Crores)	3,395.58	1,032.00
(vi)	Basic/Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	173.80	52.81

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

33 Research and Development Expenditure	Year ended 31st March, 2019	Year ended 31st March, 2018
Research and Development Expenditure of revenue nature recognised in profit or loss during the year	0.18	0.17

34 Particulars of Operating Leases -

34.1 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. 1.00 Crores (Previous Year - Rs. 0.78 Crores).

34.2 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 Crores)

Minimum lease payments:	As at 31st March, 2019	As at 31st March, 2018
i. Not later than one year	0.66	0.73
ii. Later than one year but not later than five years	1.91	0.32
iii. Later than five years	0.22	-
	2.79	**1.05**

The lease expenses recognised during the year in this regard amount to Rs. 1.15 Crores (Previous Year - Rs. 1.72 Crores).

35 Contingencies -

(i) Claims not acknowledged as debts:		
Taxes, duties and other demands (under appeal/dispute)		
(a) Excise Duty	3.90	2.51
(b) Customs Duty	10.39	11.83
(c) Service Tax	11.68	13.10
(d) Sales Tax / Value Added Tax	4.98	5.46
(e) Entry Tax	1.50	1.50
(f) Income Tax	47.90	8.89
(g) Labour Related Matters	9.12	9.12
(h) Other Matters (Property, Rental, etc.)	3.19	3.19
(ii) Potential Obligation under Public Law of Germany in respect of environment	15.22	15.86
(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. 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.	13.70	13.70
(iv) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Parent Company believes that it does not have any significant impact on a prospective basis from the date of the SC order. The Parent company will revisit its position, on receiving further clarity on the subject.		

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

36 Commitments	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.19	18.22

37 Information relating to Contract Work-in-progress

(i)	Aggregate amount of cost incurred and recognised profits less recognised losses	-	88.36
(ii)	The amount of customer advances	-	*
(iii)	The amount of retentions due from customers	0.77	7.73
(iv)	Gross amount due from customers for contract work as an asset	-	2.41
(v)	Gross amount due to customers for contract work as a liability	-	-

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

38 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. The gratuity plan is governed by the Payment of Gratuity Act, 1972 without ceiling limit, except Rs 0.20 Crores for Powmex Division . 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(q)(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 Crores)

	As at 31st March, 2019	As at 31st March, 2018
(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	35.73	34.81
Current Service Cost	2.45	2.29
Interest Cost	2.57	2.35
Remeasurements Losses		
- Actuarial Losses arising from Changes in Financial Assumptions	(0.16)	(1.21)
- Actuarial Losses arising from Changes in Experience Adjustments	0.78	0.08
Benefits Paid	(2.00)	(2.59)
Present Value of Obligation at the end of the year	**39.37**	**35.73**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

		As at 31st March, 2019	As at 31st March, 2018
(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	34.83	29.80
	Interest Income	2.54	2.18
	Remeasurements Gains		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.02)	0.27
	Contributions by Employer	1.05	5.17
	Benefits Paid	(2.00)	(2.59)
	Fair Value of Plan Assets at the end of the year	**36.40**	**34.83**
(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	39.37	35.73
	Fair Value of Plan Assets at the end of the year	36.40	34.83
	Liabilities Recognised in the Balance Sheet	**2.97**	**0.90**
(d)	**Actual Return on Plan Assets**	**2.52**	**2.45**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses (Net)	0.63	(1.40)
		0.63	**(1.40)**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	2.45	2.29
	Net Interest Cost	0.03	0.17
	Total @	**2.48**	**2.46**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.		
(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.66	99.57
	Cash and Cash Equivalents	0.34	0.43
		100.00	**100.00**

		31st March, 2019	31st March, 2018
(h)	**Principal Actuarial Assumptions:**		
	Discount Rate	7.45%	7.40%
	Salary Growth Rate	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.

(i)	**Sensitivity Analysis**	**Change in Assumption**	**Impact on defined benefit obligation (2018-19)**	**Impact on defined benefit obligation (2017-18)**
	Discount Rate	Increase by 1%	Decrease by Rs. 2.97 Crores	Decrease by Rs. 2.74 Crores
		Decrease by 1%	Increase by Rs. 3.42 Crores	Increase by Rs. 3.16 Crores
	Salary Growth Rate	Increase by 1%	Increase by Rs. 3.40 Crores	Increase by Rs. 3.14 Crores
		Decrease by 1%	Decrease by Rs. 3.00 Crores	Decrease by Rs. 2.77 Crores

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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.

(j) The Parent Company expects to contribute Rs. 5.60 Crores (Previous Year - Rs. 3.51 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation is 9.34 years (Previous Year – 9.56 years).

(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. 0.32 Crores (Previous Year - Rs. 0.25 Crores) 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. 0.32 Crores (Previous year – Rs. 0.34 Crores) 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 -

	31st March, 2019	31st March, 2018
Principal Actuarial Assumptions		
Discount Rate	7.05% & 6.75%	7.20% & 6.95%
Expected Return on Exempted Fund	8.04% & 7.75%	8.65% & 7.99%
Guaranteed Interest Rate	8.65%	8.55%

(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 as at and for the year ended 31st March, 2019

The following Table sets forth the particulars in respect of the Pension Plan (unfunded) of the Group for the year ended 31st March, 2019:

(Rs. in Crores)

		As at 31st March, 2019	As at 31st March, 2018
(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	3.13	2.85
	Exchange Differences	(0.11)	0.46
	Current Service Cost	0.05	0.06
	Interest Cost	0.05	0.04
	Remeasurements Losses		
	Actuarial Losses arising from Changes in Financial Assumptions	0.02	(0.27)
	Benefits Paid	(0.01)	(0.01)
	Present Value of Obligation at the end of the year	**3.13**	**3.13**
(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	3.13	3.13
	Fair Value of Plan Assets at the end of the year	-	-
	Liabilities Recognised in the Balance Sheet	**(3.13)**	**(3.13)**
(c)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses	0.02	(0.27)
		0.02	**(0.27)**
(d)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	0.05	0.06
	Interest Cost	0.05	0.04
	Total @	**0.10**	**0.10**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.		
(e)	**Principal Actuarial Assumptions:**		
	Discount Rate	1.50%	1.70%
	Pension in Payment Increase Rate	1.50%	1.50%

Assumptions regarding future mortality experience are based on mortality tables of 'Mortality Heubeck 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.

(f) Sensitivity Analysis	**Change in Assumption**	**Impact on defined benefit obligation (2018-19)**	**Impact on defined benefit obligation (2017-18)**
Discount Rate	Increase by 1%	Decrease by Rs 0.52 Crores	Decrease by Rs. 0.53 Crores
	Decrease by 1%	Increase by Rs 0.68 Crores	Increase by Rs. 0.69 Crores
Pensions in Payment Rate	Increase by 1%	Increase by Rs 0.50 Crores	Increase by Rs. 0.50 Crores
	Decrease by 1%	Decrease by Rs 0.41 Crores	Decrease by Rs. 0.41 Crores

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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.

(g) The weighted average duration of the defined benefit obligation is 24 years (Previous Year – 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. 9.09 Crores (Previous Year - Rs. 8.67 Crores) 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. 13.10 Crores (Previous Year - Rs. 11.19 Crores) 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 as on reporting date is Rs. 18.72 Crores (Previous Year- Rs.17.36 Crores). 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 Crores)

	31st March, 2019	**31st March, 2018**
Leave provision not expected to be settled within the next 12 months	16.69	15.36

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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 increase 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.

39 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) **Others Segment** engaged in manufacturing/laying of GRP Pipes, and 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 as at and for the year ended 31st March, 2019

B. Segment Revenues, Segment Result and Other Information as at/for the year:-

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue from Operations						
External Sales	7,566.08	3,102.85	164.24	150.44	7,730.32	3,253.29
Other Operating Revenues	121.86	37.46	5.72	0.46	127.58	37.92
	7,687.94	3,140.31	169.96	150.90	7,857.90	3,291.21
Inter Segment Sales	1.52	0.12	0.20	0.16	1.72	0.28
Segment Revenues	**7,689.46**	**3,140.43**	**170.16**	**151.06**	**7,859.62**	**3,291.49**
Segment Results	**5,070.56**	**1,465.08**	**9.44**	**10.56**	**5,080.00**	**1,475.64**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					102.01	52.43
Interest Income					60.86	3.40
Finance Costs					(11.62)	(8.08)
Other Un-allocable Expenditure (Net)					(72.38)	(50.40)
Profit before Exceptional Item,Tax and share of profit/(loss) of an Associate					**5,158.87**	**1,472.99**
Share of Profit/(Loss) of an Associate					(3.00)	-
Profit before Exceptional Item and Tax					**5,155.87**	**1,472.99**
Exceptional Item					(54.86)	-
Profit before Tax					**5,101.01**	**1,472.99**
Depreciation and Amortisation	**58.22**	**46.94**	**2.74**	**3.25**	**60.96**	**50.19**
Unallocable					1.51	1.43
Total					**62.47**	**51.62**
Non-cash Expenses other than Depreciation and Amortisation	**2.12**	**5.18**	**5.06**	**0.17**	**7.18**	**5.35**
Unallocable					*	*
Total					**7.18**	**5.35**
Interest Income	**11.29**	**7.24**	**1.59**	**0.84**	**12.88**	**8.08**
Unallocable					60.86	3.40
Total					**73.74**	**11.48**
Capital Expenditure	**30.87**	**54.06**	**0.42**	**0.95**	**31.29**	**55.01**
Unallocable					3.83	1.42
Total					**35.12**	**56.43**
Segment Assets	**4,077.85**	**2,286.67**	**202.51**	**213.27**	**4,280.36**	**2,499.94**
Reconciliation to Total Assets:						
Investments					2,541.52	1,165.70
Current Tax Assets (Net)					24.07	24.92
Deferred Tax Assets (Net)					4.72	49.43
Other Unallocable Assets					55.59	40.30
Total					**6,906.26**	**3,780.29**
Segment Liabilities	**780.14**	**556.64**	**31.65**	**42.50**	**811.79**	**599.14**
Reconciliation to Total Liabilities:						
Borrowings					359.59	272.18
Current Tax Liabilities (Net)					232.09	60.61
Deferred Tax Liabilities (Net)					113.95	94.50
Other Unallocable Liabilities					38.26	22.04
Total					**1,555.68**	**1,048.47**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

C. Entity-wide disclosures

(Rs. in Crores)

	2018-19	2017-18
(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 (excluding Other Operating Revenue):		
India	3,539.46	2,022.44
Rest of the World	4,190.86	1,230.85
	7,730.32	**3,253.29**

	31st March, 2019	31st March, 2018
(ii) Non-current assets (excluding Financial Assets and Deferred Tax Assets) by location of assets is shown below:		
India	648.36	678.20
Rest of the World	48.52	45.60
	696.88	**723.80**

(iii) No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31st March, 2019 and 31st March, 2018 respectively.

40 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists:	
Emerald Company Private Limited, India (ECPL)	Immediate and Ultimate Holding Company of the Parent Company
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECPL that gives him control over the Group, Ultimate Controlling Party (UCP)
Where control does not exist:	
General Graphene Corporation	Associate of the Group
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 ECPL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Bangur, Mr. Siddhant Bangur and Ms. Rukmani Devi Bangur.	Relatives of UCP
GKW Limited, Salasar Towers Private Limited, B.D. Bangur Endowment, Emerald Family Trust and K.K.Bangur Family Trust.	Entities under significant influence of UCP
Mr. M.B. Gadgil	Key Management Personnel (KMP)- 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.	KMP- Non-executive Directors (NED)
Mr.S.W. Parnerkar	KMP - Chief Financial Officer (CFO)
Mr.B.Shiva	KMP - Company Secretary (CS)
Khaitan & Co LLP- New Delhi & Kolkata, Khaitan & Co AOR- New Delhi, Khaitan & Co.- Mumbai, Firm in which a Director is a Partner	Entities under significant influence of NED
OCL India Limited, Company in which a Director is on Board	
First Capital Consultants LLP, Kolkata, Firm in which relative of a Director is Partner	Relatives of NED
Ms. Amrutha Venkataramani N. and Ms. Yasmin Jemi Curravala	
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	KMP of ECPL
Mr. R.G. Darak	Relative of KMP of ECPL
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 as at and for the year ended 31st March, 2019

(ii) Particulars of transactions during the year

(Rs. in Crores)

		Year ended 31st March, 2019	Year ended 31st March, 2018
(A)	**Immediate and Ultimate Holding Company of the Parent Company**		
	Dividend Paid	382.65	83.71
(B)	**Fellow Subsidiary of the Parent Company**		
	Dividend Paid	2.83	0.62
(C)	**Associate of ECPL**		
	Dividend Paid	1.24	0.27
(D)	**Associate of Group**		
	Investment in Shares		
	General Graphene Corporation	55.66	-
(E)	**UCP**		
	Dividend Paid	6.10	1.33
	Sitting Fees	0.02	0.02
	Commission	20.00	10.00
	Total	**26.12**	**11.35**
(F)	**Relatives of UCP**		
	Dividend Paid		
	Ms. Manjushree Bangur	0.80	0.17
	Ms. Divya Bagri	0.54	0.12
	Ms. Aparna Bangur	0.60	0.13
	Mr. Siddhant Bangur	*	-
	Ms. Rukmani Devi Bangur	0.18	0.04
	Total	**2.12**	**0.46**
(G)	**Entities under significant influence of UCP**		
	Dividend Paid		
	GKW Limited	12.80	2.80
	Emerald Family Trust	*	-
	K.K.Bangur Family Trust	*	-
	Rent Expenses		
	Salasar Towers Private Limited	0.07	0.07
	Contributions made		
	B.D. Bangur Endowment	2.24	0.79
	Total	**15.11**	**3.66**
(H)	**KMP**		
	ED		
	Dividend Paid	0.01	*
	Remuneration		
	- Short Term Employee Benefits	5.40	3.78
	- Post Employment Benefits	0.26	0.24
	Total	**5.67**	**4.02**
	CFO		
	Dividend Paid	*	*
	Loan Recovered	0.03	0.04
	Remuneration		
	- Short Term Employee Benefits	0.49	0.34
	- Post Employment Benefits	0.04	0.04
	Total	**0.56**	**0.42**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(ii) Particulars of transactions during the year (Contd.)

(Rs. in Crores)

		Year ended 31st March, 2019	Year ended 31st March, 2018
(I)	**NED**		
	Dividend Paid		
	Mr. N. Venkataramani	0.01	*
	Mr. J. D. Curravala	0.02	*
	Sitting Fees		
	Mr. N.S. Damani	0.01	0.01
	Mr. A.V. Lodha	0.02	0.03
	Dr. R. Srinivasan	0.01	0.02
	Mr. P.K. Khaitan	0.02	0.02
	Mr. N. Venkataramani	0.02	0.02
	Mr. J. D. Curravala	0.02	0.02
	Mr. Gaurav Swarup	0.01	*
	Ms. Shalini Kamath	0.01	0.01
	Commission		
	Mr. N.S. Damani	0.10	0.08
	Mr. A.V. Lodha	0.13	0.10
	Dr. R. Srinivasan	0.13	0.10
	Mr. P.K. Khaitan	0.10	0.08
	Mr. N. Venkataramani	0.25	0.20
	Mr. J. D. Curravala	0.12	0.10
	Mr. Gaurav Swarup	0.10	0.07
	Ms. Shalini Kamath	0.10	0.07
	Total	**1.18**	**0.93**
(J)	**Entities under significant influence of NED**		
	Professional fees		
	Khaitan & Co LLP, New Delhi	0.28	0.40
	Khaitan & Co AOR, New Delhi	0.18	-
	Khaitan & Co LLP, Kolkata	0.24	0.26
	Khaitan & Co, Mumbai	0.92	0.73
	Purchase of Stores		
	OCL India Limited	0.14	0.47
	Total	**1.76**	**1.86**
(K)	**Relatives of NED**		
	Professional fees		
	First Capital Consultants LLP	0.61	0.31
	Dividend Paid		
	Ms. Amrutha Venkataramani N.	0.01	*
	Ms. Yasmin Jemi Curravala	*	*
	Total	**0.62**	**0.31**
(L)	**KMP of ECPL**		
	Remuneration		
	Mr. M.C. Darak	0.25	0.20
	Mr. S. Marda	0.30	0.22
	Mr. B. Shiva	0.57	0.42
	Dividend Paid		
	Mr. M.C. Darak	*	*
	Mr. S. Marda	*	*
	Mr. B. Shiva	*	*
	Total	**1.12**	**0.84**
(M)	**Relative of KMP of ECPL**		
	Remuneration		
	Mr. R.G. Darak	0.23	0.17
	Dividend Paid		
	Mr. R.G. Darak	*	*
	Total	**0.23**	**0.17**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(ii) Particulars of transactions during the year (Contd.)

(Rs. in Crores)

	Year ended 31st March, 2019	Year ended 31st March, 2018
(N) PEBP		
Contribution Made		
Graphite India Limited Employees' Gratuity Fund	0.80	2.28
Graphite Vicarb India Limited Employees' Gratuity Fund	0.02	0.75
Graphite India Limited (PSD) Employees' Gratuity Fund	0.03	0.29
Graphite India Employees Group Gratuity Scheme	0.20	1.85
Graphite India Limited Senior Staff Superannuation Fund	1.12	1.49
Graphite India Employees Group Superannuation Scheme	1.08	1.06
Graphite India Limited Provident Fund	0.07	0.06
GIL Officers Provident Fund	0.25	0.24
Total	**3.57**	**8.02**

(iii) Balances Outstanding

	As at 31st March, 2019	As at 31st March, 2018
(A) UCP		
Other Current Liabilities	20.00	10.00
(B) KMP		
Other Current Liabilities		
ED	4.19	2.69
CFO	0.07	0.06
CS	0.08	0.06
Total	**4.34**	**2.81**
Financial Assets - Loan		
CFO	*	0.03
(C) NED		
Other Current Liabilities		
Mr. N.S. Damani	0.10	0.08
Mr. A.V. Lodha	0.13	0.10
Dr. R. Srinivasan	0.13	0.10
Mr. P.K. Khaitan	0.10	0.08
Mr. N. Venkataramani	0.25	0.20
Mr. J. D. Curravala	0.12	0.10
Mr. Gaurav Swarup	0.10	0.07
Ms. Shalini Kamath	0.10	0.07
Total	**1.03**	**0.80**
(D) Entities under significant influence of NED		
Other Current Liabilities		
Khaitan & Co LLP, Kolkata	**0.01**	**0.07**
(E) PEBP		
Other Current Liabilities		
Graphite India Limited Provident Fund	0.07	0.06
GIL Officers Provident Fund	0.06	0.05
Total	**0.13**	**0.11**
(F) Associate of the Group		
Investment in Shares		
General Graphene Corporation	**50.56**	**-**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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.

41 Fair Value Measurements **(Rs. in Crores)**

(i) Financial Instruments by Category

	Notes	31st March, 2019 Carrying Amount/ Fair Value	31st March, 2018 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Equity Instruments	7	40.10	21.28
- Mutual Funds	7	1,569.20	1,087.21
Assets Carried at Amortised Cost			
Investments			
- Commercial Papers,Corporate Deposits and Debentures	7	929.66	99.33
Trade Receivables	8	857.82	823.52
Cash and Cash Equivalents	9	400.39	40.54
Other Bank Balances	10	7.46	15.04
Loans	11	12.34	11.43
Other Financial Assets	12	59.09	36.65
Total Financial Assets		**3,876.06**	**2,135.00**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	16,18	360.53	272.27
Trade Payables	17	646.87	411.93
Other Financial Liabilities	18	120.49	56.77
Total Financial Liabilities		**1,127.89**	**740.97**

(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, 2018.

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.

(b) The management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, other financial assets, investments in Commercial Papers, Corporate Deposits and Debentures, trade payables, borrowings and other financial liabilities, 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 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.

(c) 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 Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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.

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, 2019 and 31st March, 2018.

(Rs. in Crores)

		31st March, 2019			31st March, 2018		
		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	-	1,569.20	-	-	1,087.21	-
	- Quoted Equity Investments	39.98	-	-	21.16	-	-
	- Unquoted Equity Investments	-	-	0.12	-	-	0.12
		39.98	**1,569.20**	**0.12**	**21.16**	**1,087.21**	**0.12**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets^						
	Investments						
	-Commercial Papers,Debentures and Corporate Deposits	-	929.66	-	-	99.33	-
		-	**929.66**	**-**	**-**	**99.33**	**-**

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.

^Amortise cost approximates the fair value as on the date of reporting.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

42 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 comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers and Debentures.

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.

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, 2019 and 31st March, 2018 is the carrying amounts as disclosed below.

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, 2019 and 31st March, 2018. Of the total trade receivables, Rs. 622.52 Crores as at 31st March, 2019, Rs. 623.90 Crores as at 31st March, 2018 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 ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Crores)

Period (in days)	**As at 31st March, 2019**	**As at 31st March, 2018**
1-90	191.64	187.08
91-180	43.36	8.05
More than 180	0.30	4.49
	235.30	**199.62**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

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 Crores)

Reconciliation of Provision for Doubtful Debts — Trade Receivables	31st March, 2019	31st March, 2018
Opening Balance	6.47	10.40
Provision made during the year	4.36	0.30
Provision written back during the year	(0.40)	(4.23)
Closing Balance	**10.43**	**6.47**

(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 Crores)

	As at 31st March, 2019	As at 31st March, 2018
Floating/Fixed Rate		
-Expiring within one year (working capital facilities)*	186.58	351.29
	186.58	**351.29**

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.

*Working Capital facility for 2018-19 of the Parent Company is under assessment with the lead Bank as on 31st March 2019.

(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 Crores)

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 years	Total
31st March, 2019			
Borrowings	359.59	-	359.59
Trade Payables	646.87	-	646.87
Other Financial Liabilities^	126.18	0.01	126.19
Total	**1,132.64**	**0.01**	**1,132.65**
31st March, 2018			
Borrowings	272.18	-	272.18
Trade Payables	411.90	0.03	411.93
Other Financial Liabilities ^	58.97	0.01	58.98
Total	**743.05**	**0.04**	**743.09**

^Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs.4.76 Crores (Previous Year - Rs. 2.12 Crores).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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.

(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 Crores)

	31st March, 2019		31st March, 2018	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables	343.73	2.81	184.20	10.38
Bank Balance in EEFC Accounts	7.31	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**351.04**	**2.81**	**184.20**	**10.38**
Financial Liabilities				
Borrowings (including current maturities)	100.83	-	9.45	-
Trade Payables	422.85	1.69	219.62	3.32
Other Financial Liabilities	5.53	0.07	1.78	0.15
Net Exposure to Foreign Currency Risk (Liabilities)	**529.21**	**1.76**	**230.85**	**3.47**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**(178.17)**	**1.05**	**(46.65)**	**6.91**

(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 Crores)

	Impact on Profit before Tax	
	31st March, 2019	**31st March, 2018**
USD Sensitivity		
INR/USD - Increase by 7%*	(12.47)	(3.27)
INR/USD - Decrease by 7%*	12.47	3.27
Euro Sensitivity		
INR/EUR - Increase by 7%*	0.07	0.48
INR/EUR - Decrease by 7%*	(0.07)	(0.48)

* Holding all other variables constant

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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 comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers, Corporate Deposits and Debentures 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 Crores)

	31st March, 2019	31st March, 2018
Variable Rate Borrowings	249.03	112.76
Fixed Rate Borrowings	110.56	159.42
Total Borrowings	**359.59**	**272.18**

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding :

(Rs. in Crores)

	31st March, 2019			31st March, 2018		
	Weighted average interest rate (%)	Balance	% of Total Loans	Weighted average interest rate (%)	Balance	% of Total Loans
Cash Credit/ Export Credit Facilities	6.15%	249.03	69%	6.24%	112.76	41%

An analysis by maturities is provided in Note 42(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 Crores)

	Impact on Profit before Tax	
	31st March, 2019	31st March, 2018
Interest Rates — Increase by 100 basis points (100 bps) *	(2.49)	(1.13)
Interest Rates — Decrease by 100 basis points (100 bps) *	2.49	1.13

*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. 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 Consolidated Financial Statements as at and for the year ended 31st March, 2019

(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 41).

(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 Crores)

	Impact on Profit before Tax	
	31st March, 2019	**31st March, 2018**
NAV - Increase by 1%*	15.69	10.87
NAV - Decrease by 1%*	(15.69)	(10.87)

* 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.

43 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 Crores)

	31st March, 2019	**31st March, 2018**
Total Borrowings	359.59	272.18
Less: Cash and Cash Equivalents	(400.39)	(40.54)
Net Debt	**(40.80)**	**231.64**
Equity	**5,350.58**	**2,731.82**
Total Capital (Equity + Net Debt)	**5,309.78**	**2,963.46**
Net Debt to Equity Ratio	**NIL**	**0.08:1**

No changes were made to the objectives, policies or processes for managing capital during the reporting periods.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

(Rs. in Crores)

(b) Dividends on Equity Shares	Year ended 31st March, 2019	Year ended 31st March, 2018
Dividend declared and paid during the year		
Final dividend for the year ended 31st March, 2018 of Rs. 12/- (31st March, 2017 – Rs.2/-) per fully paid share.	234.45	39.08
Dividend Distribution Tax on above	48.19	7.95
Interim dividend for the year ended 31st March, 2019 of Rs. 20/- (Previous Year – Rs. 5/-) per fully paid share	390.75	97.69
Dividend Distribution Tax on above	80.32	19.89
	753.71	**164.61**
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. 35/- per fully paid share (Previous Year – Rs. 12/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	683.81	234.45
Dividend Distribution Tax on above	140.56	48.19

44 Assets Pledged as Security

The carrying amounts of assets pledged as security/collateral for borrowings are:

(Rs. in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Current		
First Charge		
Financial Assets		
Trade Receivables under Bill Discounting (Refer below)	0.74	21.32
Other Trade Receivables @	666.92	728.11
Non-financial Assets		
Inventories	1,820.83	669.94
Sub-total	**2,488.49**	**1,419.37**
Non-current		
First Charge / Second Charge #		
Plant and Equipments	398.23	425.82
Furniture and Fixtures	1.34	1.52
Office Equipments	2.16	0.78
Vehicles	3.91	2.59
Sub-total	**405.64**	**430.71**
Total	**2,894.13**	**1,850.08**

@ Excluding inter-company receivables.

Second Charge existed for all the periods presented for loans repayable on demand from banks disclosed under Current Borrowings (Refer Note 16).

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).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

45 The Parent Company in October 2018, decided to stop operations in the Bengaluru plant by halting the furnaces in a sequential manner and accelerate the work of revamping of roof sheets in compliance with some observations of Karnataka State Pollution Control Board (KSPCB). Pursuant to the inspection by KSPCB officials KSPCB, on December 15, 2018 renewed the "Consent for operations" for a period up to June 30, 2020 with condition to shift the unit from the existing location. On January 28, 2019, Principal Bench - National Green Tribunal, Delhi (NGT) restored the KSPCB direction dated June 30, 2012, and closure order dated July 02, 2012. Further, NGT directed constitution of a joint committee comprising representatives of CPCB, KSPCB and NEERI, Karnataka to carry out within two months stack monitoring of the industry, ambient air monitoring of the industrial unit and surrounding areas and study on source apportionment of pollution sources. Pursuant thereto, KSPCB withdrew consent for operations and issued closure order dated February 14, 2019.

On April 02, 2019, the Board of Directors of the Parent Company decided to permanently close operations in the Bengaluru Plant in Whitefield within such time as is required by the Parent Company to obtain appropriate consents, approvals, authorizations and no objections. Closure application has been filed with Government of Karnataka. KSPCB on April 08, 2019 before NGT sought five months time to submit project report. KSPCB also informed NGT of the Parent Company's decision to close down the Bengaluru plant permanently. NGT took note of the above and felt that there was no necessity for calling for any further report in this regard and disposed off all the appeals filed before it.

The Parent Company has also fully charged off the net block of all property, plant and equipments aggregating Rs. 10.84 crores through accelerated depreciation.

Consequently, the Parent Company has also provided compensation to its Employees/workers under the retirement scheme amounting to Rs 54.86 Crores which has been shown as exceptional item.

46 **Investment in an associate**

During the year, the Group has invested in 26.68% equity shares of General Graphene Corporation, USA consequent to which it has become an associate of the Group with effect from Date for a total consideration of Eur 6.87 Million. General Graphene Corporation is involved in the Graphene business in USA. General Graphene Corporation is not listed on any public exchange. The Group's interest in General Graphene Corporation is accounted for using the equity method in the consolidated financial statements.

The Group has calculated the purchase price allocation in accordance with Ind AS 103 Business Combinations to determine goodwill/capital reserve arising on investment in associate.

The following table illustrates the summarised financial information of the Group's investment in General Graphene Corporation, USA:

(Rs. in Crores)

Particulars	**As at 31st March, 2019**
Current assets	24.67
Non-current assets	18.84
Current liabilities	(11.86)
Intangible assets (fair value adjustment made at the time of acquisition)	26.03
Total	**57.68**
Proportion of the Group's ownership	26.68%
Group's ownership of Net Assets of the Associate	15.39
Goodwill included in the carrying amount of Investement	37.15
Adjustment on account of Foreign Currency Translation	1.98
Carrying Amount of Investment (including share of loss amounting to Euro 370,690.35 till 31st March, 2019)	**50.56**

(Rs. in Crores)

Particulars	**Year ended 31st March, 2019**
Revenue	-
Profit/(loss) before tax	(10.36)
Add: Adjustments for buy back of shares	(0.89)
Profit/(loss) for the year	**(11.25)**
Group's share of profit/(loss) for the year	**(3.00)**

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

47 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).

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
Firm Registration Number - 301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 18th May, 2019

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

S. W. Parnerkar	**B. Shiva**	**M. B. Gadgil**	**K. K. Bangur**
Sr.Vice President-Finance	Company Secretary	Executive Director	Chairman

Route map of AGM Venue of Graphite India Limited
Shripati Singhania Hall, Rotary Sadan,
94/2, Chowringhee Road, Kolkata - 700020

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