Graphite India Limited

Annual Report
2020-21

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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. A Dixit, Executive Director

COMPANY SECRETARY

Mr B Shiva

AUDITORS

S R Batliboi & Co. LLP

SOLICITORS

Khaitan & Co.

BANKERS

Axis Bank Limited

Bank of India

Canara Bank

Citibank N.A.

DBS Bank India Limited

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

UCO Bank

REGISTERED OFFICE

31, Chowringhee Road, Kolkata 700 016

Phone No. : +9133 22265755/2334/4942, 40029600

Fax No. (033)22496420

CIN : L10101WB1974PLC094602

gilro@graphiteindia.com

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 Sixth ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Friday, the 20th day of August, 2021 at 11 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2021 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, 2021 and the Report of the Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March 2021.

3. To appoint a Director in place of Mr. A V Lodha, (DIN: 00036158) who retires by rotation and being eligible, offers himself for re-appointment .

SPECIAL BUSINESS

4. To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT Mr J D Curravala (DIN: 00277426), a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company and the vacancy so caused be not filled.

5. 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, 2021 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, Plant (including captive power generation facility in Mysore (ii) 1.5 MW Link Canal Power plant at Mandya	2,75,000 30,000
Deodhar Joshi & Associates Reg. No. 002146	Satpur, Ambad, and Gonde 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.

6. 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

Mumbai
June 28, 2021

B. Shiva
Company Secretary

NOTES :

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

b. The Company has fixed Tuesday, August 10, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.

c. Dividend on Equity Shares (subject to deduction of tax at source) when sanctioned will be made payable to those shareholders whose names stand on the Company's Register of Members on Tuesday, August 10, 2021 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories for this purpose. Dividend on equity shares, if declared at the AGM will be paid/despatched by 4th September, 2021.

Tax Deducted at source

Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and with the Registrar viz. Link Initime India Pvt. Ltd. (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to our Registrar Link Intime India Pvt. Ltd. at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html by 11:59 p.m. IST on August 12, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on August 12, 2021.

For further details and formats of declaration, please refer to email for Annual Report and Taxation of Dividend Distribution available on the Company's website at http://ir.graphiteindia.com/

d. (i) Members are hereby informed that dividends which remain unclaimed/un encashed 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, 2014 would be transferred to the said fund in the last week of September 2021.

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/Un encashed dividend up to the years ended 31st March, 2013 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.

e. 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 28.07.2020 (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)

f. 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 Room No. 502 and 503, 5th floor, Vaishno Chamber, 6, Brabourne Road, Kolkata – 700 001

g. All the documents referred in the accompanying notice will be available for inspection through electronic mode on all working days till the date of this Annual General Meeting.

h. **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 46th 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 In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

III Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e- voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

IV The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

V The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

VI Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

VII In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.graphiteindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

VII **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

(i) The voting period begins on 17.08.2021 at 9.00 am (IST) and ends on 19.08.2021 at 5 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13.08.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

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

2) Click on “Shareholders” module.

3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

6) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form other than individual 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or Contact Company/RTA.
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 (3).

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(ix) Click on the EVSN for the relevant GRAPHITE INDIA LIMITED on which you choose to vote.

(x) 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.

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

(xii) 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.

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

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

(xv) 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.

(xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at her email address viz; swati@bajajtodi.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance at gilro@graphiteindia.com between 13.08.2021 (9.00 a.m. IST) to 16.08.2021 at (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES :

1) For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA email id : rnt.helpdesk@linkintime.co.in
2) For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP).
3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(XI) 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 21.08.2021 only shall be entitled to avail the facility of e-voting.

(XII) 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” for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.

(XIII) Mrs. Swati Bajaj, Partner Bajaj Todi & Associates Practicing Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(XIV) The Scrutinizer shall after the conclusion of voting at the general meeting, 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 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.

(XV) 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

Mumbai
June 28, 2021

B. Shiva
Company Secretary

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

ITEM NO. 4

Mr J D Curravala (age 81 years), a non executive director of the company who retires by rotation at this AGM is not seeking re appointment .It is not intended to fill up the vacancy so caused. 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 ordinary resolution is accordingly recommended for approval of the members.

ITEM NO. 5

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 ordinary resolution is accordingly recommended for approval of the members.

ITEM No. 6

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 special resolution is accordingly recommended for approval of the members

Details relating to Director proposed to be re-appointed

Mr. A V Lodha, (DIN: 00036158), aged 55 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 32 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.

He is a director of Alfred Herbert (India) Ltd. (listed company) and its Nomination and Remuneration Committee Member and director of Herbert Holdings Ltd. (Unlisted).

DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty Sixth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2021.

Financial Results **Rs. in Crore**

Particulars	2020-21	2019-20	2020-21	2019-20
	Graphite India Limited		Graphite India Limited Consolidated	
Revenue from Operations (Gross)	1839	2875	1958	3094
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Tax and other Comprehensive Income	**322**	**61**	**111**	**95**
Finance Costs	6	17	6	18
Profit before Depreciation and Tax	**316**	**45**	**105**	**77**
Depreciation and Amortisation Expense	45	44	52	51
Profit before Share of Profit/(Loss) of Associate and Tax	**271**	**1**	**53**	**26**
Share of Profit/(Loss) of Associate	**–**	**–**	**(10)**	**(7)**
Profit before Tax	**271**	**1**	**43**	**19**
Tax Expense for the Current Year				
Current Tax	64	2	62	6
Deferred Tax	8	(32)	13	(32)
Profit for the Year	**199**	**31**	**(32)**	**45**
Other Comprehensive Income (net of tax)	(2)	(3)	19	30
Total Comprehensive Income for the year	**197**	**28**	**13**	**75**
Statement of Retained Earnings				
Retained Earnings at the beginning of the year	**2228**	**3071**	**2945**	**3776**
Add Profit for the year	199	31	(32)	45
Add Comprehensive Income	(2)	(3)	(2)	(3)
Less Final Dividend on Equity Shares	–	684	–	684
Less Dividend Distribution Tax on above	–	140	–	141
Less Interim Dividend on Equity Shares	–	39	–	39
Less Dividend Distribution Tax on above	–	8	–	8
Less transfer to Reserve Fund	–	–	5	1
Retained Earnings at the end of the year	**2425**	**2228**	**2906**	**2945**

REVIEW OF THE ECONOMY

FY 2021 was an unprecedented year with outbreak of the Covid-19 pandemic around the world and had brought economies across the globe to a complete standstill for most part of the year 2020. In almost all the countries, manufacturing and other business activities were halted especially during first half of the year due to various lockdown measures implemented in part or full. Worldwide governments' immediate focus was to ensure the well-being of the people and to invest in medical infrastructure. In addition, various central banks and governments together ensured sufficient liquidity in the system to manage the crisis. The US Federal Reserve eased the monetary policy and maintained an accommodative stance by lowering interest rates to 0.25% from 1.25% at the beginning of March, 2020, which has been effectively zero since then, to allow businesses to stay afloat. The central governments too provided economic relief packages to support households, employers, financial markets and state and local governments. During the year, the health crisis quickly morphed into an economic crisis and added further stress to the already weak global demand and trading activities and as a result global economic growth declined substantially for the third consecutive year by (3.3)%.

In the United States, economy contracted by (3.5)% from 2.3% in 2019 due to the outbreak and impact of covid which added pressure to already simmering US-China trade war, slowing investment and exports. The U.S. was one of the worst hit countries in terms of number of covid cases and mortality. The

European economy too contracted by (6.6)% due to impact of covid halting of business activities and falling demand from Asia. The much-awaited Brexit happened in December, 2020 and as a result of which imports and exports for both UK and Europe fell by at least 30%. It is likely to continue for most of 2021 as both economies recover from pandemic related shocks and uncertainties in trade and tariff rules. In Asia, all the key economies registered a decline in its GDP growth except China which registered an increase of 2.3%. China was successful in implementing strict containment measures at the start of the year and its central bank provided liquidity to ensure quicker recovery. Rest of the Asian countries continues to face the pandemic challenges and recovery of the economic activity varies depending upon the severity of the impact of the pandemic in the different countries.

During the third quarter of the year, as the covid related lockdowns started to ease in many countries, the economic activity started to pick-up and recovery in demand was swift due to excess liquidity in the market and higher government spending. The auto and steel sectors saw a pick-up in demand in the third and fourth quarter.

The start of 2021 witnessed a sharp recovery in demand and industrial output due to the widespread optimism surrounding the development of vaccines to curb the rate of infection. Base metal prices were up by 30% between August, 2020 and February, 2021 and steel prices also started to rise in key regions such as China, US and Europe. However, the positive momentum at the start of 2021 was again impacted as economies started to face second and third wave of the pandemic majorly in the Asian countries. Countries around the world are taking all necessary measures to contain the pandemic such as focusing on revamping the healthcare services, implementing micro-lockdowns, organizing mass vaccination drives to slow down the impact of the virus.

India's GDP growth also contracted to (8.0)% in 2020 from 4.2% in 2019 as the country went into strict nationwide lockdown in the second quarter of the year due to the rising number of Covid-19 cases. The economic activity remained subdued due to complete halt in manufacturing activities, fall in consumer demand, plunging auto sales, and halt in construction and real estate sectors. According to the data released by the Ministry of Statistics & Programme Implementation (MOSPI), the Index of Industrial Production, the IIP index declined to (8.6)% compared to (0.8)% in 2019-20 The subdued economic performance resulted in higher unutilized production capacity, lower corporate profits and rising unemployment.

In response to the decelerating economic growth, RBI had taken swift action by providing liquidity in the market in excess of Rs 3.7 lakh crore, providing loan moratorium, and lowering interest rates to help businesses tackle the impact of the pandemic and maintaining an accommodative stance. The government also announced an economic relief package of Rs 1.7 lakh crore for food and direct cash transfers and has also made relaxation in filing of ITR and GST returns. These measures along with lowering of corporate tax announced in 2019, supported the economy and businesses during much of 2020 despite the challenging macro-economic indicators.

The Indian economy started showing signs of steady recovery from October, 2020 as lockdown began easing in several states and economic activities started to pick-up. This resulted in rebound of economic activities due to pent-up demand, excess liquidity and increase in consumer spending. The manufacturing sector witnessed a sequential spike in demand with revival of demand in auto, steel and construction sectors.

The Indian steel industry, which is the second largest steel manufacturer in the world, also witnessed an increase in demand due to increased construction activities and infrastructure spending initiatives undertaken by the government. This pandemic had impacted all industries and sectors, disrupting demand and supply balance, however, as the lockdowns eased, the consumer spending increased due to renewed confidence and optimism on the back of declining covid cases and availability of vaccines. Currently, India is battling the second wave of corona virus which has turned out to be more severe, virulent and has caught the administration off guard. But despite that the businesses and consumers seemed to have well prepared to handle the situation on the economic front. Several states have imposed micro-lockdowns, but the key manufacturing industries continue to remain operational and push economic activity.

GRAPHITE INDIA

The Company's performance for FY 2020-21 was positive compared to FY 2019-20. Although, revenue from operations decreased by 36% to Rs. 1,839 crore for FY 2020-21 as against Rs. 2,875 crore in the previous year, however, PBT increased to Rs. 271 crore as against Rs. 1 crore of previous year which also includes investment income of Rs. 107 crore as against Rs. 45 crore in the last year. The performance of the Company was comparatively better due to higher volume despite continuing trend of lower realizations and lower impact of high cost inventory as compared to last year. The global demand for graphite electrodes continued to be weak till second / third quarter of financial year owing to – (1) continued adverse impact of Covid-19; (2) consumption of electrode inventory built-up by the steel industry during FY 2018-19 when electrode was in short supply; and (3) re-emergence of supply from China due to incremental electrode capacity coming much ahead of expected increase in steel production through EAF route. However, since then demand for Graphite electrodes has revived due to overall recovery of the steel industry. Strong recovery in the major consuming industries such as construction and automobile and recent thrust of all steel consuming nations on infrastructure are expected to augur well for the electrode industry. However, resurgence of Covid-19 variant is quite virulent and is a major concern of all.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 93% of the total revenue.

OVERSEAS SUBSIDIARIES

The performance of the German subsidiaries continued to be dismal during the year due to economic slowdown in the region, lower steel production and consumption of carry forward electrode inventory that was built-up during FY 2018-19 which clearly impacted the demand and prices of electrodes.

DIVIDEND

Dividend @ Rs. 5/- per share on 19,53,75,594 equity shares of Rs. 2/- each for the financial year ended 31st March 2021 has been recommended by the Board of Directors. .

MANAGEMENT DISCUSSION AND ANALYSIS

(i) Industry's structure and developments

A. Graphite and Carbon Segment

Graphite Electrodes

Graphite Electrode is used in electric arc furnace based steel mills for conducting current to melt scrap iron and steel and is a consumable for the steel industry. The principal manufacturers are based in USA, Europe, Middle East, India, China, South East Asia and Japan.

Graphite Electrode demand is primarily linked with the global production of steel in electric arc furnaces which is one of the two basic methods for steel production i.e. – [1] Bessimer Oxygen Furnace (BOF); and [2] Electric Arc Furnace (EAF). According to World Steel Association (WSA), the EAF steel industry has grown at 6.4% compound annual rate since 2015. The fundamental reason behind this recovery has been China beginning to restructure its steel industry, encouraging consolidation and shutting down archaic capacities. China has also begun to comply with environmental regulations to improve air quality impacted by CO_2 emissions associated with the burning of coal in BOF steelmaking. In addition, trade restrictions in developed economies such as North America and Western Europe for protecting their domestic steel industries against imports from BOF steel producing countries, which have resulted in a significant decrease in Chinese steel exports. According to China, Customs and Baiinfo, Chinese steel exports declined from 112 million MT in 2015 to 54 million MT in 2020. This resulted in increased steel production outside of China, benefiting EAF steel production. China's share in EAF production which was only 6% of global steel making till 2014 through EAF had increased to 10.4% upto 2019 and is estimated to be higher going forward.

According to the WSA, since 2000, EAF steelmaking grew at an annual pace of approximately 3%, compared with 1% for steelmaking overall, excluding China. As a result of the increasing global availability of steel scrap and the more resilient, high-variable cost and environmentally friendly EAF model, EAF steel producers are expected to continue to grow at a faster rate than BOF producers globally. Additionally, EAF steel producers are able to use increasingly higher quality of steel scrap and sponge iron, their two primary raw materials, to produce larger volumes.

Calcined Petroleum Coke and Paste

Graphite India's Coke plant 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 the 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 has been satisfactory this year because of improved market condition in its user industries namely steel, aluminium and graphite electrodes.

Impervious Graphite Equipment

IGE Division is in the business of design, manufacture and supply of Impervious Graphite Heat and Mass Transfer Equipment and Turnkey systems. It has an integrated facility under one roof for process/product design, manufacturing, inspection and for providing supervision during erection and commissioning activities.

Impregnated graphite is an ideal material of construction for corrosive applications in sectors like Chloro-Alkali, Crop protection agrochemicals, Chlorinated Organic, speciality & fine Chemicals, Phosphoric Acid, Fertilizers, Rayon, Steel Pickling, Metal Processing, Polymers, Drug Intermediates, Batteries & Gelatine etc.

Over the years, the Company has built the product line into a reliable brand with a reputation for prompt service, good quality and consistent performance by investing in strengthening its core competencies. Division has the capability to meet any country specific design and has obtained many certifications relevant to the product profile. Domestic chemical, specialty chemical, drugs and pharma industries have picked up. Order booking both in domestic and export market has been good.

B. Other Segments

Glass Reinforced Plastic Pipes (GRP)

GRP Division is engaged in manufacturing of large diameter Glass Fibre Reinforced Plastic Pipes suitable for municipal application, seawater, effluent, irrigation, penstock as well as Pipe-liners for rehabilitation of old pipes/ducts by trenchless technology in metro cites. Product is manufactured by the Continuously Advancing Mandrel Filament Winding Process with computerized advanced technology comparable to other plants worldwide. The plant operations are dependent upon tenders floated by government / semi-government authorities which have been absent during the year

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 and broaches. HSS cutting tools are essentially used in – (a) automotive; (b) machine tools; (c) aviation; and (d) retail market. The industry is characterized by a single good quality manufacturer of HSS i.e. PSD which faces competition from small domestic producers and cheap imports from overseas manufacturers.

In the budget for the year 2021-22, the Government of India issued a notification, temporarily suspending Anti-dumping Duty till September, 2021 on imports of HSS products from certain countries who were indulging in unfair competition by dumping these products into India. The Company has represented to the Government for re-imposition of this duty, as HSS is not required for infrastructure projects. The Company is hopeful that this notification would soon be repealed and the buoyancy experienced in plant capacity utilisation in the last few months will get revived.

18 MW Hydel Power Facility

The Company has an installed capacity of 18 MW of power generation through Hydel route. Renewal of Wheeling & Banking Agreement to be effective from August 2020 is pending with Government authorities.

(ii) Opportunities and threats

During fiscal year 2020-21, India continued to maintain its position as the second largest steel producer in the world with crude steel production of 102.5 million tonnes (MT), but registering a decline of 6.1% over 2019-20 mainly attributable to lower demand and closure of factories during the first half of 2020 due to the covid pandemic related production curbs. The production of finished steel also declined by 7.8% to 94.66 MT. India contributes 6% of total world crude steel production. The country exported 10.79 MT of finished steel, up by 29.1% and imported 4.75 MT, down by 29.1% and became net exporter for the fiscal year 2020-21. Per capita finished steel consumption in India was 74.7 Kg for 2019-20 as compared to 75.7 Kg in 2018-19.

The onset of pandemic in early 2020, saw the global steel industry coming to a grinding halt. Infrastructure, real estate and automobile, the biggest consumer of steel had cut their demand as manufacturing was stopped due to lockdown measures put in place to contain the spread of virus. Indian steel industry too was impacted by the pandemic related business disruptions. The steel industry was already under pressure due to cheaper imports from China and weak demand due to slowdown in key sectors. The steel demand was on a declining trend for most part of 2020, however, it gradually started picking up in October with the easing of lockdowns and manufacturing sector started to pick up pace. The auto industry in India saw a sharp rebound in sales from October with onset of festive season in India and pent-up demand which augured well for both auto and steel industry.

The real estate and infrastructure industry too contributed to a sharp rise in demand for the steel partly due to government initiatives towards infrastructure spending as well as excess liquidity driven by lower interest rates. The rising demand lead to investments in the domestic market from SAIL, TATA Steel and other major players. Furthermore, the government of India introduced new vehicle scrapping policy which is expected to significantly reduce its import dependency on China to bridge the gap between demand and supply and in turn will help the domestic steel market.

The key steel consuming sectors such as auto, capital goods, infrastructure which contributes 10%, 11% and 9% of the domestic steel demand, is expected to grow significantly in the range of 11%-15% in the next 5 years. The government of India is also aiming to increase the per capita consumption of steel to 160 Kg by 2030 from existing 75 Kg which is likely to keep the demand steady. The immediate challenge for the industry comes from the ongoing raging second wave and expected third wave in 2021 which can contribute to demand pressure and increase in inventory, steel prices, rising input cost which can hurt margins and a slowdown in implementation of various policies of the government.

China crude steel production increased by 5.2% to 1,053 MT and its share of global crude steel production increased to 56.5% in 2020 as compared to 53.3% in 2019. China was amongst the very few countries in the world to have registered growth in steel output as it was able to contain the spread of covid and restart the economic activities earlier than other countries. As a result, the infrastructure spending increased in the country aided by various stimulus packages by the government of China which increased the demand of steel. China's auto sector, the largest in the world, saw a decline of 2% in sales for the year, however, with sales picking up from December 2020, the demand has been steady which has contributed to the demand for steel.

EAF steelmaking which uses graphite electrodes as an essential consumable is expected to grow significantly in coming years due to recent policy changes in China to move towards EAF steel production from the existing BOF technology to curb emissions. BOF steel production still contributes majorly to the China's steel production capacity, however, as per the latest five-year plan of the Chinese government, policy changes have been introduced to focus on reducing emissions. This has led to introduction of new technologies in existing plants and shift towards EAF from BOF. Between 2015 and 2020, China closed about 200 million tonnes of capacity and upgraded 600 million tonnes of capacity to control emissions. As a result, the demand for graphite electrodes is increasing on an annual basis.

The Company is closely monitoring the recent developments and the impact of second wave of the Coronavirus on the industry and business. Opportunities in the near term include - (a) the pick-up in sales in auto industry, the sustainability of which needs to be watched closely post second wave; (b) introduction of new vehicle scrappage policy by the Indian government to offset the demand from China; (c) The recent government initiatives towards infrastructure spending, 100% FDI in steel industry and existing National Steel Policy, which aspires to achieve 300MT of domestic capacity by 2030 is expected to increase investments and production to sustain the demand and supply of steel; and (d) lower exports from China to the world, especially to the regions such as Europe and North America which has higher EAF capacities, due to restrictive trade policies, will lead to an increased demand in the domestic steel industries and subsequently leading to a higher demand for graphite electrodes.

The threats in the near terms include - (a) fall in demand due to ongoing second wave which has been more severe as compared to the situation in 2020 and expected third wave in future; (b) underutilization of capacity due to volatility in domestic labour markets in terms of availability of manpower and increasing input cost; (c) implication of price fluctuations as steel supply increases from China which is cheaper compared to other global steel manufacturers; and (d) sustainability and pace of recovery of economic activities and economies around the world.

Graphite India is well positioned with its strong balance sheet and longstanding customer relationship. The Company remains fully confident of not only navigating successfully through these unprecedented times but also emerging stronger.

(iii) Segment-wise Performance

Revenue of the Company

The revenue from operations amounted to Rs. 1,839 crore as against Rs. 2,875 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 733 crore as against Rs. 1,345 crore in the previous year.

Graphite and Carbon Segment

The performance of the segment was satisfactory in FY 2020-21 as compared to FY 2019-20 considering impact of Covid-19 on global recovery and weak economic conditions during major part of the year.

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 66,871 Mt against 63,088 Mt in the previous year.

Production of Calcined Petroleum Coke during the year was 32,679 MT as against 27,315 MT in the previous year.

Production of Carbon Paste during the year was 3,210 MT against 4,453 MT in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares during the year was 1,776 MT as against 1,749 MT in the previous year.

The segment revenue decreased to Rs. 1,719 crore from Rs. 2,780 crore in the previous year with decline in domestic and export sales on value terms. Segment recorded profit of Rs. 176 crore in FY 2020-21 from loss of Rs. 77 crore in FY 2019-20.

Other Segments

GRP division produced 1,623 MT pipes as against 1,513 MT in the previous year.

Production of HSS and Alloy Steels was 1,829 MT during the year as against 1,327 MT in the previous year.

Power generated from captive Hydel Power Plant of 18 MW capacity amounted to 54.28 million units during the year as against 49.69 million units in the previous year. Unit sold 39.97 million unit during the year as against 25.20 million unit in 2019-20.

(iv) Outlook

Crude steel production across the globe started to decline at the start of 2020 due to the Covid-19 induced lockdowns resulting in closure of manufacturing facilities. The steel production remained impacted during the first half of the year and started gradual increase in production from May, 2020 onwards with the opening up of the economies. As per WSA, global crude steel production reached 1,864 MT for the CY 2020, marginally down by 0.9% compared to CY 2019. However, global crude steel production excluding China declined significantly by 8.2% in CY 2020.

In China, the government is focusing on reducing carbon emissions in the next 5 years and hence the share of EAF mills is likely to increase. The steel industry is also expected to witness an increase in mergers and acquisitions of state owned mills as well as introduction of new scrappage policies which is likely to increase EAF steel capacity. As a result of these factors, it is expected that total UHP graphite electrode demand in China will continue to increase going forward.

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, overall variable cost structure, lower capital intensity and more environmentally friendly nature. The Company remains confident in the long-term growth propensity of EAF steel production. Global warming and other environmental concerns are critical issues facing the society and companies globally, and the EAF steelmakers are among the largest recycling industry in the world. EAF steel making produces 75% less carbon emissions than traditional BOF steel making.

The recovery of economic activity around the globe from the pandemic slowly started picking up in October, 2020 and has seen a sharp rebound in demand and supply since then. World crude steel production was 486.9 MT between January-March 2021, up by 10% compared to the same period in 2020. Crude steel production increased in all the regions collectively except North America. Asia and Oceania produced 356.9 MT of crude steel and showed double digit growth of 13.2% year on year for the first three months of 2021. The European Union too witnessed a growth of 3.1% in crude steel production to 37.8 MT. China produced 271 MT of crude steel in first quarter of

2021, a sharp increase of 15.6% compared to same period in 2020. India is estimated to have produced 29.6 MT of crude steel in first quarter of 2021, an increase of 10.4% compared to same period in 2020.

The second wave of the virus since the start of March and April 2021 has slowed the demand due to implementation of micro-lockdowns in various regions, however, the recovery in manufacturing sector is expected to be robust compared to other sectors in 2021 as supply chain activities continue to function inspite of the pandemic protocols.

Despite the near-term challenges, the Indian economy is expected to remain resilient, and growth is expected to be in line with global expectations. India is also expected to gain significant market share in exports of manufactured goods due to US-China trade concerns. This will provide a significant boost to the manufacturing sector in terms of production and investments. As such, India has already witnessed a slew of investments by major steel players to ramp up steel production since the start of 2021. With recovery in key sectors such as infrastructure, construction, automobile and mining, the demand for steel in India is expected to grow by 19.8% in 2021. The Indian government's recent vehicle scrappage policies and doubling of ship breaking capacity combined with global price increase of steel is expected to reduce imports. Furthermore, it is expected that EAF production of steel will rise in India, where the consumption of graphite electrodes will also rise which in turn would increase demand for graphite electrodes.

(v) Risks and Concerns

The cyclical nature of steel demand, production through the EAF route and volatility in the cost of input materials has always been key risk and concern for the Company.

Graphite India sells its products to the steel manufacturers using the EAF route. The steel industry historically has been highly cyclical and is affected significantly by macroeconomic conditions. Major customers for the steel industry include companies in the automotive, construction, appliance, machinery, equipment and transportation industries. In the recent past, these industries were negatively impacted by the general economic downturn and the deterioration in the financial markets, including restricted liquidity and credit availability. Customers, including major steel producers, have in the past experienced and may again experience downturns or financial distress that could adversely impact the Company.

Global graphite electrode excess capacity has adversely impacted graphite electrode prices in the past. The pricing had started going down steeply after a sharp upswing seen in 2017, 2018 and partly in 2019, thus, adversely impacting sales, margins and profitability till later part of 2020 but the outlook for 2021 has somewhat improved due to increase in the demand for electrodes with increase in capacity utilisation of steel industry. Therefore the performance of the Company is sensitive to economic conditions and a downturn in economic conditions may adversely affect business.

Petroleum needle coke is the primary raw material used in the production of graphite electrodes. Supply of petroleum needle coke had been limited since the second half of 2017 as the demand had outpaced supply. This was also partly due to the increasing demand of needle coke in the production of lithium-ion batteries used in electric vehicles. The price of needle coke had softened to some extent due to general slowdown in demand from the end user industries. But price and availability may again tighten with increase in demand by electrode industry and the lithium ion battery industry. Therefore 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 margins of the Company.

Exports to specific regions may be severely impacted by trade barriers in the form of crippling import duties, anti-dumping duties, 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.

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

The evolution of the COVID-19 pandemic remains uncertain. The recovery of the global economy could be weaker than expected after the spread of the virus slows down for a number of other reasons. These include lingering uncertainty about contagion, loss of business and consumer confidence, establishment closures and structural shifts in corporate and household behavior, resulting in supply chain disruptions and weakness in aggregate demand.

While the outbreak of Covid-19 had begun to subside in certain areas of the world, the infection rates in some areas have experienced resurgence in the spread of Covid-19 including India and the infection rates in other areas continue to escalate. As a result, we are unable to predict the ultimate impact of the Covid-19 pandemic at this time. The pandemic has adversely affected, and may further adversely affect, business, results of operations, financial position and cash flows. Such effects may be material and the potential impacts include, but are not limited to - 1) adverse impacts on countries of customers, and resultant impacts on demand for our products; 2) disruptions at production facilities, including reductions in operating hours, labour shortages and changes in operating procedures, including additional cleaning and disinfecting procedures; 3) disruptions in supply chain due to transportation delays, travel restrictions, raw material cost increases and shortages, and closures of businesses or facilities; and 4) reductions in operating effectiveness due to workforce disruptions from Covid-19 restrictions and social distancing resulting from, among other things, the unavailability of key personnel necessary to conduct business activities. This situation continues to change rapidly and additional impacts may arise that cannot be currently predicted.

The repercussions of reduced investment and bankruptcies may run more extensively through the economies. Depending on the duration, global business confidence could be severely affected, leading to weaker investment and growth than projected in the baseline. Related to the uncertainty around Covid-19, an extended risk-off episode in financial markets and tightening of financial conditions could cause deeper and longer-lasting downturns in a number of countries.

(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. IT Security Policy is in place to ensure that the risks associated with information gathering, processing and preservation are assessed and adequately managed. The purpose and objective of the policy is to address the risks by defining, developing and implementing adequate controls through proper categorization. An internal committee reviews the adherence and suggests if any changes are required. Independent systems audit is performed by TUV Nord, India. Third party product inspections are performed by SGS.

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

Revenue from Operations recorded Rs. 1,839 crore as against Rs. 2,875 crore in the previous year.

Profit after tax was Rs. 199 crore as against Rs. 31 crore in the previous year. Profit before tax was higher at Rs. 271 crore as compared to Rs. 1 crore in the previous year.

Borrowing at Rs. 223 crore was lower than Rs. 416 crore in the previous year and the Finance Cost decreased to Rs. 6 crore from Rs. 17 crore in the previous year.

Capital expenditure during the year amounted to Rs. 80 crore as against Rs. 32 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) with negative outlook. 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 34** 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 human resources.

The Company continually imparts training across all levels as per annual training calendar and also imparts specialized training, wherever necessary, for upgrading the skill of the concerned employees. The Company also deputes employees to attend various programs/industrial exhibitions on the subject matter relevant to their work areas. It also ensures that workmen are multi-skilled in the different areas of operations through a system of job rotation.

The Company considers that improving employee engagement, which is not an isolated HR process, significantly improves the company’s performance across a number of key areas, such as profitability, productivity, business growth, customer satisfaction, innovation, health and safety, sickness and absence, employee turnover and wellbeing. Towards this end, organization’s engagement efforts have been aligned with overall business strategy. Important issues relating to the plant and actions required to address the same are regularly discussed. The Company involves its teams at various locations in planning ahead, assessing opportunities and discussing ideas for business improvement. Leadership development at middle and senior level is being ensured to prepare future leaders in the organization and ensures smooth and seamless succession.

The Company undertook various workshops in the areas of physical fitness, mental health and well-being of its employees including awareness programs on Covid-19.

The total number of permanent employees in the Company is 1,748 as on 31st March, 2021.

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

(ix) Occupational Health and Safety

Internal Safety Audits are conducted at regular frequency in the plants. Audit observations relating to unsafe acts, practices, conditions are discussed in “Corrective and Preventive Action” meetings. Protection and safety of our personnel and assets are our top priority. We believe in in-depth investigation of unfortunate accidents, if any, so that root causes are identified and corrective and preventive measures are undertaken. Consultation and participation of workers and statutory bodies are encouraged.

Health, Safety, Environment & Quality policies are in place and are audited by external agencies. Safety Audit once in two years, as specified, is carried out by External Safety Auditors. Every year health check-up of all employees is being carried out by competent medical professionals.

(x) COVID-19: Measures Undertaken

After the pandemic struck and lockdown was imposed towards end March 2020, the company started implementing changes to protect its employees though appropriate health and safety protocols, which included canceling travel and eliminating in-person meetings, working from home wherever possible and establishing safety protocols at its sites. The safety procedures included temperature measurements, personal protective equipment, mandatory use of masks/ gloves, social distancing, frequent cleaning and disinfecting and implementation of daily check sheets to ensure team members are highly focused on the new procedures. The above measures still continues to be implemented.

Further the company also contributed in aggregate Rs. 3.20 crore to PM CARES Fund and CM Relief Funds of West Bengal, Maharashtra, Odisha and Bihar towards Covid-19 relief. The Company through an implementing agency engaged in grocery / safety-kit distribution (value Rs. 19.98 lakh) and conducted COVID awareness programs (value Rs. 2.68 lakh) to help the poor and needy.

(xi) 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	2020-21	2019-20	Improvement / (deterioration)
1	Debtors Turnover - (Debtors / Revenue from Operations) - (Days)	72	51	(41)%
2	Interest Coverage Ratio - (Finance cost / PBIDT)%	54.43	3.65	1387%
3	Debt Equity Ratio - (Debts/Total Equity) -Times	0.06	0.11	45%
4	Operating Profit Margin - (PBDIT / Total Revenue)%	15.05	2.06	629%
5	Net Profit Margin - (PAT / Total Revenue)%	9.33	1.03	802%
6	Return on Net worth - (PAT / Net worth)%	4.99	0.82	506%

Explanations :-

The Company had recorded better performance during FY 2020-21 in terms of profitability despite lower turnover. The major reasons are higher volume and lower impact of high cost inventory as compared to last year. The performance has led to improvement in all profitability linked ratios.

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 61.33% of the share capital).

	2020-21 (Rs. Cr.)	**2019-20 (Rs. Cr.)**
Dividend Paid	–	442.44

Research and Development

The Company's R&D efforts are primarily focussed towards developing import substitutes for Aeronautical, Aerospace, Railway and other industrial applications.

Continual process development activities are ongoing for producing superior version of carbon brake pads for aircrafts and helicopters.

Space application components processed at state-of-art facilities were successfully tested by Space Research agencies.

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 29.85 Mn as compared to Euro 51.06 Mn in the previous year. The subsidiaries have not performed well due to adverse demand conditions and consequent decrease in prices resulting in loss of Euro 29.71 Mn as against profit of Euro 0.50 Mn in the previous year.

The Company, by way of Royalty, earned Rs. 2.68 crore during the year, as against Rs. 4.66 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 IndAS 110 forms a part of this Annual Report.

Associate Company

General Graphene Corporation, USA is an associate company. As on 31st March 2021, investment of USD 13.98 million (39.43% of capital) has been made in the company. The investments in General Graphene is accounted for using the equity method as per IndAS 28.

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

Information pursuant to Section 134 of the Companies Act, 2013

a. Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March 2021 is available on the Company's website on **http://ir.graphiteindia.com/**

b. Four meetings of the Board of Directors of the Company were held during the year on 9th June 2020, 12th August 2020, 13th November 2020 and 11th February 2021.

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 2**.

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 3**.

g. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of Companies Act, 2013 is enclosed - **Annexure 4**.

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 5**.

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, livelihood enhancement projects, healthcare initiatives, rural development projects etc. as detailed in the CSR annual report for the year ended 31st March, 2021 which forms part of this report – **Annexure 6**. The CSR policy has been displayed on Company website www.graphiteindia.com and can be viewed on **http://ir.graphiteindia.com/**

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://ir.graphiteindia.com/**

m. The Company does not accept deposits from public.

n. There were no significant and/or 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 7 and 8**.

o. Dividend Distribution Policy is enclosed - **Annexure 9**. The same can also be viewed on **http://ir.graphiteindia.com/**

DIRECTORS

Mr. J. D. Curravala, who retires by rotation in this Annual General Meeting (AGM) is not available for re-appointment. The vacancy so caused is not proposed to be filled up.

Mr. A. V. Lodha retires by rotation in this AGM and being eligible offers himself for re-appointment.

Recognition/Award and Certificates

The Company has received several awards over the years from CAPEXIL and EEPC for export performance. Presently it has acquired certification with the standards ISO:9001 & 14001.

The Company continues to enjoy the status of a Four Star Export 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 10**

Business Responsibility Report (BRR) forms part of our Annual Report. Annexure 11

Auditors

S. R. Batliboi & Co. LLP, Chartered Accountants, was S. R. Batliboi & Co. LLP, Chartered Accountants, was 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 2020-21 who will conduct 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 plant at Durgapur and Power generation facilities at Chunchanakatte & Mandya.
Deodhar-Joshi & Associates	Electrode, IGE and GRP plants at Nashik
B G Chowdhury & Co.	Coke division at Barauni
N Radhakrishnan& Co.	Powmex Steels division at Titilagarh

Consolidated Cost Audit Report for FY 2019-20 was filed with the Ministry of Corporate Affairs, Government of India, on 9th September 2020. The above Cost auditors have been appointed to conduct cost audit for the same divisions as mentioned above for FY 2021-22.

Secretarial Audit/Compliance Report

Secretarial Audit Report and Secretarial Compliance Report for FY 2020-21 received from M/s. Baja Todi & Associates, Practicing Company Secretaries are annexed herewith - **Annexure 12 and 13**.

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

K. K. Bangur
Chairman

June 28, 2021

Annexure 2

NOMINATION AND REMUNERATION POLICY

The objectives of this Policy include the following:

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

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings: “Director” means a Director of the Company.

“Key Managerial Personnel” or “KMP” means -

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary; and

(v) such other officer as may be prescribed under the applicable law.

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

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

Independent Directors :

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made there under (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.

Appointment criteria and qualifications :

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

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

Evaluation of Directors :

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

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

Evaluation of SMP and KMP

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 there under 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 3

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

Name of the Entity	Nature of Relationship	Amount (Rs. in Crores)	Particulars of Loans, Guarantees and Investments
Graphite International B.V. (GIBV)	Wholly-owned Subsidiary	115.88	Fully Paid-up Shares.
Carbon Finance Limited	Wholly-owned Subsidiary	30.04	Fully Paid-up Equity Shares
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	2.48	Fully Paid-up Class A Equity Shares
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	3.12	Fully Paid-up 0.01% Class A Redeemable Preference Shares

Annexure 4

FORM AOC - 2

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

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

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

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

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Graphite Cova GmbH, Wholly-owned Subsidiary	Sale of Goods	Ongoing	Rs.159.79 Crores	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs.1.88 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. 2.68 Crores.	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Recoveries of Claims	Ongoing	Rs.(0.10) Crores	10th November, 2014	Nil

On behalf of the Board

K. K. Bangur
Chairman

June 28, 2021

Annexure 5

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 LWG graphitization process through optimization of Firing code of the furnaces and loaded weight.
- Interconnection of rectifier transformers to increase productivity.
- Modification of Power feeding electrodes of Graphitisation furnaces thereby eliminating need for their periodic replacement.
- Efficient utilization of power by effective load & power factor management.
- Use of variable Frequency Drives for Fans.
- Use of high efficiency pumps.
- Decentralisation of higher capacity compressors with lower capacity efficient compressors.
- Phase wise replacement of existing low efficiency lamps with LED lamps.
- The above has resulted in savings of around 34 lakhs KWH.
- Around 10% Fuel saving achieved in Specialty Baking by a small change in operations.

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

- Feasibility study of replacing grid power partially with solar power.
- Initiated steps for changing over to usage of natural gas in place of LSHS.

c) Additional investment proposal on energy conservation

- Replacement of extrusion pumps with latest pumps along with oil flow arrangement.
- Incorporation of AC Variable Frequency Drives for major Fans,Pumps, compressors etc.
- Replacement office fluorescent tube lights, street lights and high bay fittings with LED lights – phase wise.
- Replacement of conventional pumps with High efficiency low energy consuming pumps.
- Installation of efficient and advanced kiln firing system in place of old firing system in CPC manufacturing.

(B) Technology absorption –

i) The efforts made towards technology absorption

- Development of new Scrubbing system(DISHA) to reduce emissions in graphitization furnaces.
- Development of length wise graphitsation furnaces to reduce specific power consumption and development of packed media suction system to reduce fugitive emission.
- New multitasking machine purchased in IGE division.
- Development of machine for drilling multiple holes in GRP pipes for specific application.
- Hot air blower for curing graphite products.

ii) The benefits derived as result of above efforts

- Reduction in specific energy consumption
- Conservation of resources
- Improved product quality
- Reduced environmental pollution
- Cost saving
- Reduction in human efforts

iii) No technology was imported during last three years

iv) Expenditure incurred on R&D : Rs. 0.05 crore

(C) Environment: Towards a better environment, an amount of around Rs. 7 crore was spent during FY 2020-2021 in the operational areas.

(D) Foreign Exchange earnings : Rs. 714.09 crores

Foreign Exchange outgo : Rs. 307.77 crores

Annexure 6

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

(Pursuant to Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1.	Brief outline on CSR Policy of the Company	:	CSR projects / activities are carried out in the following broad areas:
			(a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, and making available safe drinking water;
			(b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, the elderly and the differently abled and engaging in livelihood enhancement projects;
			(c) Engaging in rural development projects; and,
			(d) Engaging in any other activities as permitted under Schedule VII of the Companies Act, 2013 ("**Companies Act**") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**").
2.	Composition of CSR Committee:		

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. K. K. Bangur	Chairman	2	1
2.	Mr. N. Venkataramani	Independent director	2	2
3.	Mr. A. Dixit	Executive director	2	2

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company		:	
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of Rule 8 (3) of the CSR Rules, if applicable		:	**Not applicable for the financial year under review**
5.	Details of the amount available for set off in pursuance of Rule 7 (3) of the CSR Rules and amount required for set off for the financial year, if any : **Not applicable**			
6.	Average net profit of the company as per Section 135(5) of the Companies Act		:	Rs. 19,08,26,86,021
7.	(a)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act	:	Rs. 38,16,53,720
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	:	–
	(c)	Amount required to be set off for the financial year, if any	:	–
	(d)	Total CSR obligation for the financial year (7a+7b-7c).	:	Rs. 38,16,53,720[1]
8.	(a)	CSR amount spent or unspent for the financial year	:	

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount. (in Rs.)	Date of transfer	Name of the Fund	Amount	Date of transfer
3,08,53,069	71,05,98,989*	30.04.2021	-	-	-

[1] Two per cent of the average of the net profits of the Company made during the three immediately preceding financial years for financial year 2020 – 2021, as per Section 135 (5) of the Companies Act was Rs. 38,16,53,720. However, the Company was required toadditionally spend Rs. 34,97,98,337 during financial year 2020 – 2021, which was the amount unspent carried over from previous years. Therefore, the total amount required to be spent during financial year 2020 – 2021 pursuant to Section 135 (5) of the Companies Act was Rs. 73,14,52,057.

* Rupees One Crore given to PM CARES FUND has been subsequently withdrawn from the Unspent CSR Account with Bank as the same was inadvertently not included in the total amount spent for FY 2020-21 while arriving at the balance of unspent amount.

8.	(b)	Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Companies Act	Local area (Yes /No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
1.	Education Coaching Centre (Nashik)	II	Yes	Maharashtra - Nashik		Continuous		9,47,918	@	No	B D Bangur Endowment	00003287
2.	Education/ Vocational Training (Andul/ Durgapur)	II	Yes	West Bengal - Andul Durgapur		Continuous	5,00,00,000	11,24,003	@	No	B D Bangur Endowment	00003287
3.	Education on Wheels	II	Yes	West Bengal-Kolkata Nashik Durgapur		Continuous		9,61,263	@	No	B D Bangur Endowment	00003287
4.	Low Cost Housing (Nashik)	X	Yes	Maharashtra– Nashik		Continuous	3,96,00,000	61,35,800	@	No	B D Bangur Endowment	00003287
5.	Toilet Construction (Durgapur)	I	Yes	West Bengal - Durgapur		Ongoing	1,08,00,000	21,24,000	@	No	B D Bangur Endowment	00003287
6.	Sports Training	VII	No	Karnataka (Vijayanagar)		Ongoing	1,50,00,000	50,00,000	@	No	JSWFoundation	00003978
7.	PM CARES FUND	I	-	-		-	1,00,00,000	1,00,00,000	@	Yes	-	-
8.	Human care	I	Yes	West Bengal -Kolkata, Durgapur, Andul Maharashtra - Nashik		Ongoing	25,00,00,000	-	@	-	Directly by GIL or through B D Bangur Endowment	00003287
9.	Educate	II	Yes	West Bengal -Kolkata, Durgapur, Andul Maharashtra - Nashik		Ongoing	41,00,00,000	-	@	-	Directly by GIL or through B D Bangur Endowment	00003287
10.	Rural help:Low Cost Housing, livestock management ,sustainable agriculture	X	Yes	West Bengal -Kolkata, Durgapur, Andul Maharashtra - Nashik		Ongoing	42,00,00,000	-	@	-	Directly by GIL or through B D Bangur Endowment	00003287
	Total						**120,54,00,000**	**2,62,92,984**				

@ The proposed allocations exceed the unspent amountconsidering the uncertainties involved over the upcoming three – year period and the amounts allocated are proposed to be spent over the duration of the projects. The total amount to be spent in financial year 2020 – 2021with respect to ongoing projects was Rs. 70,05,98,989, which has been transferred to the unspent CSRaccount maintained by the Company.

8.	(c)	Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Companies Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name.	CSR registration number
1.	Grocery/ Safety Kit Distribution	I	Yes	West Bengal (Kolkata, Durgapur) Maharashtra (Nashik)		19,98,276	No	B D Bangur Endowment	00003287
2.	Tree Plantation	IV	Yes	West Bengal (Kolkata) Maharashtra (Nashik)		59,155	No	B D Bangur Endowment	00003287
3.	Covid Awareness	I	Yes	West Bengal (Kolkata, Durgapur) Maharashtra (Nashik)		2,67,969	No	B D Bangur Endowment	00003287
	Total					**23,25,400**			

8.	(d)	Amount spent in Administrative Overheads	:	9,41,069
	(e)	Amount spent on Impact Assessment, if applicable	:	–
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	:	3,08,53,069 (including Rs. 12,93,616* given by GIL and lying with BDBE)
	(g)	Excess amount for set off, if any	:	**None**

* Amount lying with BDBE as on 31.03.2021 - Rs 14,50,030 (As on 31.03.2020 - Rs. 1,56,414).

9.	(a)	Details of Unspent CSR amount for the preceding three financial years : **Not applicable for this financial year**		
	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Not applicable for this financial year**		
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : **No assets were created or acquired during this financial year**			
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).		:	Due to the onset of the pandemic, the Company was unable to fully undertake and complete the activities which were planned to be undertaken during financial year 2020 – 2021. Moreover, the amounts that were proposed to be spent were voluminous and the Company was faced with logistical difficulties in spending the allocated amounts.

Ashutosh Dixit
Executive Director

K K Bangur
Chairman, CSR Committee

June 28, 2021

Annexure 7

'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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sl. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2020-21	Remuneration of Director / KMP for FY 2019-20	% increase in Remuneration in the FY 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
		Rs. in Crores	Rs. in Crores		
1	Krishna Kumar Bangur (Non-Executive Chairman)	0.02	0.02	-33.33%	0.21
2	Pradip Kumar Khaitan (Non-Executive Director)	0.06	0.02	181.82%	0.81
3	Nandan Surajratan Damani (Non-Executive Director)	0.06	0.01	500.00%	0.78
4	Aditya Vikram Lodha (Non-Executive Director)	0.08	0.01	616.67%	1.12
5	Jemi Dorabji Curravala (Non-Executive Director)	0.06	0.01	650.00%	0.78
6	Nayankankuppam Venkataramani (Non-Executive Director)	0.12	0.03	361.54%	1.56
7	Gaurav Swarup (Non-Executive Director)	0.09	0.02	388.89%	1.15
8	Shalini Kamath (Non-Executive Director)	0.06	0.01	625.00%	0.76
9	Ashutosh Dixit (Whole-time Director)*	1.56	-	100%	20.29
10	Sanjay Wamanrao Parnerkar (Chief Financial Officer)	0.42	0.60	-29.63%	Not Applicable
11	Shiva Balan (Company Secretary)	0.47	0.64	-26.70%	Not Applicable

* Appointed as whole time director w.e.f. 01.04.2020. Prior to such appointment, he was designated as President (not a KMP)

(ii) During the financial year, the median remuneration of employees increase/(decrease) by (13.65%).

(iii) There were 1,748 permanent employees on the rolls of Company as on March 31, 2021.

(iv) Average percentage increase/(decrease) made in the salaries of employees other than managerial personnel in the last financial year i.e. 2020-21 was (0.32%) whereas the increase/(decrease) in the managerial remuneration for the same financial year was (2.51%).

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

Annexure 8

STAEMENT PURSUENT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2021.

(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. A. Dixit	1.56	Executive Director	Permanent	B. Tech(Mech), MBA - 29 Years	13.11.2017	50	President - Usha Martin Limited
2	Mr. B. Shiva	0.47	Sr. Vice President (Legal & Secretarial) & Company Secretary	Permanent	B.Com., L.L.B., F.C.S. - 42 Years	26.07.1993	62	Joint Secretary - Shree Digivijay Cement Company Ltd.
3	Mr. A. K. Dutta	0.44	Sr. Vice President - Marketing	Permanent	B.E.(Elec), PGM (IIM - C) - 37 Years	18.01.2006	61	Head (Technical Marketing and Development) - Phoenix Yule
4	Mr. S. W. Parnerkar	0.42	Sr. Vice President - Finance	Permanent	M.Com., L.L.B., F.C.S., F.C.M.A.- 38 Years	01.02.1994	58	Assistant Manager (Accounts & Administration) - Stovec Inds. Ltd.
5	Mr. S. P. Kshatriya	0.37	Vice President - I.G.E. Divn.	Permanent	B. Chem.(Engg.) - 35 Years	24.02.1985	60	Management Trainee - Carbon Corporation Ltd.
6	Mr. N. S. Deshpande	0.37	Executive Vice President - Operations	Permanent	D.M.E., A.M.I.E.(Section B) - 34 Years	10.10.1997	53	Assistant Manager (Mechanical Maintenance) - LML Ltd.
7	Mr. S. G. Khune	0.35	Executive Vice President - Works (Durgapur)	Permanent	M. Chem. Engg, I.C.W.A.(Intermediate), Total Quality Management (6 months course) - 30 Years	19.03.1990	52	Not Applicable
8	Mr. P. Bhattacharya	0.31	Assistant Vice President - IT	Permanent	B. Sc(H), MBA-IT, PDGCA, Cert. on RDBMS & Oracle - 25 Years	16.03.2020	51	Sr. General Manager (IT) - Birla Corporation Limited
9	Mr. B. K. P. Saha	0.31	Vice President - Marketing	Permanent	B.E. (Mechanical), Diploma in Management - 33 Years	01.10.2003	55	Business Development Manager - TLT Engineering India Private Limited
10	Mr. M. B. Gote	0.31	Vice President - Works (Satpur)	Permanent	D.M.E., B.E.-Mechanical - 24 Years	25.11.1996	48	Not Applicable

Notes :

1 None of the above persons are related to any Director, nor hold by themselves or along with their spouse and dependent children, two percent or more of the equity 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 9

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 fitand 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 10

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, 2021.

The strength of the Board of Directors as on 31st March, 2021 was nine comprising the non-executive Chairman (promoter director), one Executive Director, seven non-executive directors of whom five 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	2	–	–
P. K. Khaitan	INED	7	2	5
N S Damani	INED	5	1	4
A V Lodha	Non-Executive	1	–	–
Gaurav Swarup	INED	6	2	5
N Venkataramani	INED	1	–	–
J D Curravala	Non-Executive	–	–	–
Shalini Kamath (Mrs.)	INED	2	–	3
A.Dixit	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.

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 along with the names of directors possessing the same areas 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	Mr. K K Bangur, Mr. G Swarup, Mr. N S Damani, Mr. N Venkataramani, Mr. A. Dixit
(2)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.	Mr. P K Khaitan ,Mr. A V Lodha, Mr. J D Curravala, Mrs Shalini Kamath

(3)	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.	All non executive directors being director in other companies have requisite experience. Executive director though not a director in other company had adequate knowledge of governance requirements
(4)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.	All directors

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 9th June, 2020, 12th August, 2020, 13th November 2020 and 11th February 2021. 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 2020 to March 2021		Attended last Annual General Meeting (AGM) held on 28th July, 2020
	Held	Attended	
K K Bangur	4	4	Yes
P. K. Khaitan	4	4	Yes
N S Damani	4	4	Yes
A V Lodha	4	3	Yes
Gaurav Swarup	4	4	Yes
N Venkataramani	4	4	Yes
J D Curravala	4	4	Yes
Shalini Kamath (Mrs.)	4	4	Yes
A Dixit	4	4	Yes

Code of Conduct

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

III Audit Committee

Composition and Terms of Reference

The Audit Committee of the Company comprises Mr. N Venkataramani as its Chairman with 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 9th June , 2020, 12th August, 2020, 13th November 2020 and 11th February 2021.

Name	Position in the Audit Committee	Meeting	
		Held	Attended
N Venkataramani	Chairman	4	4
A.V. Lodha	Member	4	4
Gaurav Swarup	Member	4	4

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 9th June, 2020 to review and approve the draft annual accounts of financial year 2019- 2020 for recommendation to the Board. The Audit Committee had also reviewed the unaudited quarterly results during the year before recommending the same to the Board of Directors for adoption and required publication.

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

The Chairman of Audit Committee, Mr. N Venkataramani attended the last Annual General Meeting (AGM) held on 28th July, 2020.

IV Nomination and Remuneration Committee

The "Nomination & Remuneration Committee" (NRC) comprise Mr. P. K. Khaitan as its Chairman with 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.

Name	Position in NRC	Meeting*	
		Held	Attended
P. K. Khaitan	Chairman	1	1
K. K. Bangur	Member	1	1
N. Venkataramani	Member	1	1

* Meeting held on 5th June, 2020.

The performance of Independent Directors are evaluated by the Board 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 and Risk Management 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 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 31.03.2021 *
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	–	–	–	–	–	1,60,000	19,06,391 @
N S Damani	–	–	–	–	5,00,000	1,00,000	–
A V Lodha	–	–	–	–	7,00,000	1,60,000	–
P K Khaitan	–	–	–	–	5,00,000	1,20,000	–
N Venkataramani	–	–	–	–	10,00,000	2,00,000	7000
J D Curravala	–	–	–	–	5,00,000	1,00,000	4750
Gaurav Swarup	–	–	–	–	7,00,000	1,80,000	–
Shalini Kamath (Mrs.)	–	–	–	–	5,00,000	80,000	–
A. Dixit	43,80,000	13,93,177	48,88,627	9,12,500	40,00,000	–	–

*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. A. Dixit, Executive Director Five years from 1st April 2020, 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 role of Stakeholders' Relationship Committee is as specified in Part D of the Schedule II of Listing Regulations, 2015. The Committee comprise - Mr. K. K. Bangur as its Chairman with Mr. P K Khaitan and Mr. A Dixit as its members. Mr B Shiva, the Company Secretary is the Compliance Officer.

During the year, 20 complaints were received from the shareholders, all of which were attended to. The details of shareholders grievances are placed before the Committee. Two meetings of the Committee were held during the year on 30.09.2020 and 17.11.2020.

Name	Position in Stake Holders Relationship Committee	Meeting	
		Held	Attended
K K Bangur	Chairman	2	2
P K Khaitan	Member	2	0
A Dixit	Member	2	2

To speed up issue of duplicate / replacement of share certificates, the Board has authorized severally, Mr. K K Bangur and Mr. A. Dixit 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
45th	2019-2020	Through other audio video means	28.07.2020	11.00 a.m.
44th	2018-2019	Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata- 700 020	03.07.2019	10.30 a.m.
43rd	2017-2018	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	06.08.2018	2.00 p.m.

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
45th	Yes	(i) Re-appointment of Mr. Gaurav Swarup (DIN: 00374298) as a Non-Executive Non-Independent Director for a second term of five (5) consecutive years i.e. from 11th August 2020 up to 10th August 2025
		(ii) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds up to Rs. 5000 crore for cash at par on private placement basis.
		(iii) Consent U/s 180 (1) (a) of Companies Act 2013 for creation of security of up to Rs. 6000 crores.
		(iv) Consent U/s 180 (1)(c) of Companies Act 2013 for borrowings up to Rs. 6000 crores.
44th	Yes	(i) Re-appointment of Mr. J D Curravala (DIN: 00277426) as a Non-Executive Non-Independent Director of the Company who retired by rotation and being eligible, offered himself for re-appointment, pursuant to SEBI (LODR) Regulations, 2018.
		(ii) Re-appointment of Mr. N S Damani (DIN: 00058396) as an Independent Director for a second term of five (5) consecutive years i.e. from 1st April 2019 up to 31st March 2024.
		(iii) Re-appointment of Mr. N Venkataramani (DIN: 00367193) as an Independent Director for a second term of five (5) consecutive years i.e. from 1st April 2019 up to 31st March 2024.

AGM	Whether Special Resolution passed	Details of Special Resolution
		(iv) Approval given to Board of Directors to pay commission of Rs. 20 crore to Mr. K K Bangur, Non Executive Chairman of the Company which was 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.
		(v) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds up to Rs. 5000 crore for cash at par on private placement basis.
43rd	Yes	(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.

Special Resolutions pertaining to the 45th AGM mentioned above were passed through e-voting process. Facility to members attending the AGM to vote through e voting was also provided. Ms. Swati Bajaj, Partner, Bajaj Todi & 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)	Re-appointment of Mr. Gaurav Swarup (DIN: 00374298) as an Independent Director for a second term of five(5) consecutive years i.e. from 11th August 2020 up to 10th August 2025.	136959408	95.39540	6565349	4.57292	45480	0.03168	143570237
(ii)	Consent U/s 42 & 71 of Companies Act 2013 to issue Non-convertible Debentures/ bonds up to Rs. 5000 crore for cash at par on private placement basis.	135424148	94.32606	8100443	5.64215	45646	0.03179	143570237
(iii)	Consent U/s 180 (1)(a) of Companies Act 2013 for creation of security of upto Rs. 6000 crore	135429266	94.32963	8100852	5.64243	40119	0.02794	143570237

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	
(iv)	Consent U/s 180 (1)(c) of Companies Act 2013 for borrowings upto Rs. 6000 crore	135428554	94.32913	8101564	5.64293	40119	0.02794	143570237

No resolution of shareholders was passed through postal ballot during the year under review.

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. 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 38 of the Standalone Financial Statements for the year ended 31st March, 2021 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://ir.graphiteindia.com/** 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://ir.graphiteindia.com/** 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://ir.graphiteindia.com/**

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 Bajaj Todi & 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. 85,08,917.50.

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. Earnings Presentations are posted on the Company's website **http://ir.graphiteindia.com/**.

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 not met any institutional investors during the year.

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

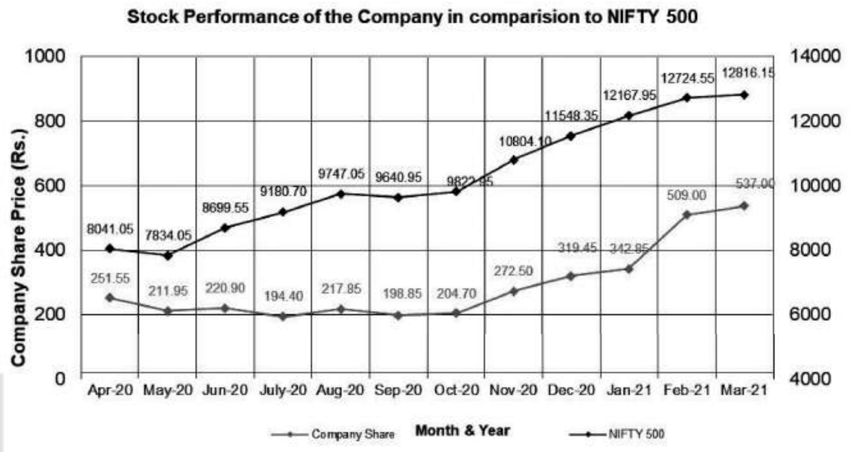
AGM Date, Time and Venue	20TH day of August 2021 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Financial Year	1st April to 31st March
Record Date	Tuesday, the 10th August, 2021
Dividend Payment Date	By 4th September, 2021
Listing on Stock Exchanges	**BSE Limited (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 FY 2020-2021 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, 2020	251.55	133.60	October, 2020	204.70	173.05
May, 2020	211.95	174.50	November, 2020	272.50	172.55
June, 2020	220.90	180.250	December, 2020	319.45	238.00
July, 2020	194.40	161.80	January, 2021	342.85	298.80
August, 2020	217.85	163.80	February, 2021	509.00	308.10
September, 2020	198.85	163.15	March, 2021	537.00	447.00

NIFTY 500

Period	High (Rs.)	Period	High (Rs.)
April, 2020	8041.05	October, 2020	9822.95
May, 2020	7834.05	November, 2020	10804.10
June, 2020	8699.55	December, 2020	11548.35
July, 2020	9180.70	January, 2021	12167.95
August, 2020	9747.05	February, 2021	12724.55
September, 2020	9640.95	March, 2021	12816.15



Registrar and Share Transfer Agents (For both Demat and Physical modes)	Link Intime India Pvt. Ltd. C101, 247 Park LBS Marg, Vikhroli (W), Mumbai 400 083 Phone: 022-49186270, Fax : 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in Link Intime India Pvt. Ltd., Room No. 502 and 503, 5th floor, Vaishno Chamber 6, Brabourne Road, Kolkata – 700 001 Phone : 033-4004 9728/ 033-4073 1698 Fax. : 033 40731698 Email : kolkata@linkintime.co.in
Share Transfer System	All the transfers permitted as per SEBI Regulation 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, 2021

Slab	No. of Shareholders		No. of Equity Shares	
	Total	**%**	**Total**	**%**
1 – 500	197204	95.1009	12993182	6.6504
501 – 1000	5562	2.6823	4292449	2.1970
1001-2000	2538	1.2239	3743903	1.9163
2001 – 3000	792	0.3819	1997532	1.0224
3001 – 4000	345	0.1664	1232621	0.6309
4001 – 5000	247	0.1191	1157732	0.5926
5001 – 10000	333	0.1606	2360510	1.2082
10001 – 20000	151	0.0728	2129659	1.0900
20001 – 30000	39	0.0188	947853	0.4851
30001 – 40000	26	0.0125	904697	0.4631
40001 – 50000	15	0.0072	695045	0.3557
50001 – 100000	37	0.0178	2502672	1.2810
100001 and above	74	0.0357	160417739	82.1074
Total	**207363**	**100**	**195375594**	**100**
No. of shareholders in Physical mode	24673	11.8985	1350672	0.6913
Electronic Mode	182690	88.1015	194024922	99.3087
Total	**207363**	**100.00**	**195375594**	**100**

Shareholding Pattern as on 31st March, 2021

Category	No. of Sharers	%
Promoters Holding		
Promoters		
Indian Promoters	125816998	64.39
Foreign Promoters	1842647	0.95
Persons acting in concert	-	-
Sub-Total	**127659645**	**65.34**
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	7120266	3.64
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6787374	3.47
Foreign Portfolio Investor	14980220	7.67
Sub-Total	**28887860**	**14.79**
Others		
Private Corporate Bodies	4472299	2.29
Indian Public	31952728	16.35
NRI / OCBs	2376900	1.22
Any Other	26162	0.01
Sub-Total	**38828089**	**19.87**
Grand Total	**195375594**	**100.00**
Total Foreign Shareholding		
Foreign Promoters	1842647	0.95
Foreign Portfolio Investor	14980220	7.67
NRIs / OCBs	2376900	1.22
Total	**19199767**	**9.84**

Dematerialisation of shares and liquidity

As on 31st March 2021, 194024922 shares of the Company representing 99.3087% 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 Company has identified Calcined Petroleum Needle coke (key input) and graphite electrode (key output) as commodities and the risk in respect there of as "commodity risk" and import and export respectively of both as regards "foreign exchange risk".

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 after it is discussed by the Risk Management Committee.

There is no hedging mechanism for Needle coke and electrodes in terms of price. The suppliers of Calcined Petroleum Needle coke usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. The pricing of electrodes is usually fixed at the time of procuring order and do not vary in normal circumstances.

Normally ,the prices of needle coke moves in tandem with electrode prices with some time lag, hence the risk is not material It is not practically possible to provide data as per SEBI's format in this regard. Company usually has foreign exchange exposure in the form of receivables for export mainly of electrodes and payables for import mainly for needle coke, foreign currency loans and certain expenditure. The foreign currency exposures usually get balanced and the resultant net asset / liability is not material.

Credit Ratings

ICRA Ltd. has vide its letter dated 7.9.2020:

Reaffirmed the long term rating for Rs. 1,000 Crore Line of Credit for working capital of the Company at [ICRA] AA+ (pronounced ICRA double A plus). The Outlook on the long term rating is Negative.

Reaffirmed the short term rating for Rs. 1,000 Crore Line of Credit for working capital of the Company at [ICRA] A1+ (pronounced ICRA A one plus).

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
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
	88 MIDC Industrial Area, Satpur, Nashik - 422 007 Phone : (0253) 2203300
R & D Centre	88 MIDC Industrial Area, Satpur, Nashik - 422 007 Phone : (0253) 2203300
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: 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.
Vaishno Chamber, 5th Floor, Flat Nos-502 & 503
6, Brabourne Road, Kolkata - 700 001
Phone: +91-033 4004 9728 / 033 4073 1698
Fax: +91-033 - 4073 1698
E-mail: kolkata@linkintime.co.in

On behalf of the Board

K. K. Bangur
Chairman

June 28, 2021

Declaration

All the Board Members and the concerned Management Personnel have as on 31.03.2021 affirmed their compliance of the "Code of Conduct for Directors and Management Personnel dated 06.02.2019".

A Dixit
Executive Director, Graphite India Limited

Kolkata
June 28, 2021

Enclosure - 1

Directors List for CG Report 2020-21

Sl No.	Name of the Director	Name of the other Listed Company in which Directorship is held	Designation
1.	Krishna Kumar Bangur	NIL	Non-Executive Director
2.	Pradip Kumar Khaitan	Dalmia Bharat Limited	Independent Non-Executive Director
		India Glycols Limited	Independent Non-Executive Director
		Electrosteel Castings Ltd	Independent Non-Executive Director
		CESC Ltd	Non-Independent Non-Executive Director
		Emami Limited	Independent Non-Executive Director
		Firstsource Solutions Limited	Non-Independent Non-Executive Director
3.	Aditya Vikram Lodha	Alfred Herbert (India) Ltd	Independent Non-Executive Director
4.	Nandan Surajratan Damani	Simplex Realty Limited	Managing Director
		AMJ Land Holdings Limited	Independent Non-Executive Director
		Pudumjee Paper Products Limited	Independent Non-Executive Director
5.	Jemi Dorabji Curravala	NIL	N.A
6.	Nayakankuppam Venkataramani	NIL	N.A
7.	Gaurav Swarup	Avadh Sugar & Energy Limited	Independent Non-Executive Director
		Swadeshi Polytex Ltd	Non-Executive Director
		KSB Limited	Non-Independent Non-Executive Director
		Industrial And Prudential Investment Company Limited	Managing Director
		TIL Limited	Independent Non-Executive Director
8.	A Dixit	NIL	N.A
9.	Shalini Kalsi Kamath	Borosil Renewables Ltd	Independent Non-Executive Director
		Abbott India Ltd.	Independent Non-Executive Director

Enclosure - 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Graphite India Limited,
31, Chowringhee Road,
Kolkata-700 016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Graphite India Limited** having **CIN L10101WB1974PLC094602** and having registered office at **31, Chowringhee Road, Kolkata 700 016** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN: A013216C000428301

Place : Kolkata
Date : 07/06/2021

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, as amended

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 specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange and to be sent to the Stakeholders 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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes 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 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 procedures performed include :

   i. Read and understood 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 with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 1, 2020 to March 31, 2021 :

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);

      (d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee

(f) Independent Directors meeting, and

(g) Risk Management Committee

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

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

8. 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

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.

11. 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: 21060352AAAABY2028

Place of Signature: Kolkata
Date : June 28, 2021

BUSINESS RESPONSIBILITY REPORT

Annexure 11

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 :** 2020-21
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) High Speed & Alloy Steel
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
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 around 40 countries globally.

Section B: Financial Details of the Company

1. **Paid up Capital (INR) :** Rs. 39.08 Crore
2. **Total Turnover (INR) :** Rs. 1,838.64 Crore
3. **Total profit after taxes (INR) :** Rs. 199.32 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 36.70% (73.15 crores)
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, low cost housing, Training in Olympic sports.

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)**
Provisions are not applicable to the Indian subsidiary company.
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 : 06678944
   - Name : Mr. Ashustosh Dixit, 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 2021 and can be viewed in the Investors Relation Section of the website of the Company.

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

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

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

   The Company has a Code of Conduct for Directors and 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 25 cases of customer complaints related to the products, 23 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 & Misc Graphite products.

   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?**

      Reduction in energy input by 1.1% during graphitization of electrodes in Durgapur. Furnace oil reduction of 10 % achieved in Speciality baking. We have initiated a process to replace graphite products packaging with recyclable material.

   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. Disposal of contaminated packaging is done through Government Authorized agencies in accordance with applicable laws, regulations and material characteristics at time of disposal. Wherever possible, recovery or recycling is done. Intermediate process scrap like Green Scrap, Crushed Baked scrap and CPC fines are reused in the electrode manufacturing process, following due SOP. 50% reduction in water usage observed in Durgapur plant through recycling of water.

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

1. **Please indicate the Total number of employees :** 1748

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis :** 1477

3. **Please indicate the Number of permanent women employees.** 22

4. **Please indicate the Number of permanent employees with disabilities :** 5

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** 78%
   - **Permanent Women Employees** 82%
   - **Casual/Temporary/Contractual Employees** 71%
   - **Employees with Disabilities** 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 and renewable energy. Company has installed roof top solar panels (950KW) to harness solar power in one of its plants. The company also operates a hydel plant. CBM in substitution of furnace oil in baking furnaces is operational in one of its electrode plants. Currently the company is aggressively pursuing use of other renewable energy resources as part of its ongoing efforts to reduce GHC imprint. Regarding Ambient Air Quality & water Quality, we ensure running of Road Sweeping Machines, foggers, have effective Dust collector systems, Incinerators, ESTP, STP ETP etc. We are also planning for wind barriers.

   Tree plantation initiatives are undertaken every year. Replacing hardcopies of documents with softcopies internally and also externally is pursued and implemented wherever possible. Initiative for Replacing wood and thermocol packaging of our electrodes with recyclable material has been implemented and would be scaled up during the year.

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.** Nil

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/ other implementing agencies.

3. **Have you done any impact assessment of your initiative?** In house assessment 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?** Kindly 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.** 8 %

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 12

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2021

[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 2021, 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, 2021, 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 (Depository and Participants) Regulations, 2018;
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, 2018;
   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   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, 2018;
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 under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas Direct Investment by Residents in Joint venture/Wholly Owned Subsidiary abroad received, during 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. Mr. Ashutosh Dixit was appointed as Whole-time Executive Director of the Company w.e.f. 01/04/2020. Mr. Gaurav Swarup was re-appointed as a Non-Executive Independent Director for a 2nd term of 5years w.e.f. 11/08/2020.

   (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 Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216 — Place : Kolkata
UDIN: A013216C000428290 — Date : 07/06/2021

Annexure A

To,
The Members
Graphite India Limited

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

MANAGEMENT'S RESPONSIBILITY

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.

AUDITOR'S RESPONSIBILITY

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.

DISCLAIMER

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 Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN: A013216C000428290

Place : Kolkata
Date : 07/06/2021

Annexure 13

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 2021

I, Swati Bajaj, Partner of Bajaj Todi & 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 2021 ("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, (wherever applicable), 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;

(i) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

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 insofar 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				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

- No observations for the year ended 31st March 2020.
- No observations in the report pertaining to the periods prior to the previous year.

For Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN: A013216C000428312

Place : Kolkata
Date : 07/06/2021

FINANCIAL PERFORMANCE FOR 10 YEARS - STANDALONE

(Rs. in Crores)

	IND AS						IGAAP			
Statement of Profit & Loss	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16#**	**2014-15***	**2013-14***	**2012-13***	**2011-12***
Revenue from Operations	**1,838.64**	**2,875.37**	6,737.30	2,958.20	1,305.77	1,346.68	1,497.22	1,768.08	1,764.86	1,670.84
Other Income	**305.94**	**156.91**	196.35	88.89	83.89	46.50	30.74	40.21	26.35	34.62
Profit before Interest, Depreciation and Tax (PBIDT)	**321.96**	**62.55**	4,402.39	1,441.43	159.49	196.76	186.02	324.48	305.26	345.87
Depreciation	**44.59**	**44.20**	56.01	46.43	41.56	44.42	38.75	53.60	50.04	40.44
Profit before Interest and Tax (PBIT)	**277.37**	**18.35**	4,346.38	1,395.00	117.93	152.34	147.27	270.88	255.22	305.43
Finance Cost	**5.93**	**17.12**	10.89	6.18	6.50	7.84	12.23	16.96	22.14	14.39
Profit before Exceptional Item and Tax	**271.44**	**1.23**	4,335.49	1,388.82	111.43	144.50	135.04	253.92	233.08	291.04
Exceptional Item (Gain) / Loss	**-**	**-**	54.86	-	-	-	5.60	-	-	(29.62)
Profit before Tax (PBT)	**271.44**	**1.23**	4,280.63	1,388.82	111.43	144.50	129.44	253.92	233.08	320.66
Provision for Taxation	**72.12**	**(30.10)**	1,474.88	475.19	(0.85)	39.86	47.25	83.00	70.00	82.77
Profit after Tax (PAT)	**199.32**	**31.33**	2,805.75	913.63	112.28	104.64	82.19	170.92	163.08	237.89
EPS - Basic (Rs.)	**10.20**	**1.60**	143.61	46.76	5.75	5.36	4.21	8.75	8.35	12.18
Balance Sheet										
Fixed Assets	**647.20**	**611.95**	624.08	651.40	648.67	606.37	600.40	641.47	662.57	669.97
Investments	**2,514.27**	**1,998.74**	2,566.37	1,241.10	663.92	537.35	480.07	500.22	345.74	333.48
Other Assets (Current and Non-current)	**1,630.87**	**2,031.59**	2,752.75	1,603.46	1,070.37	1,167.85	1,367.03	1,477.95	1,697.05	1,450.17
Total Assets	**4,792.34**	**4,642.28**	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64	2,705.36	2,453.62
Share Capital	**39.08**	**39.08**	39.08	39.08	39.08	39.08	39.08	39.08	39.08	39.08
Reserves and Surplus	**3,968.77**	**3,771.29**	4,614.34	2,562.71	1,812.78	1,702.25	1,714.53	1,696.83	1,605.92	1,522.84
Borrowings	**223.40**	**415.61**	359.59	155.29	126.82	179.92	185.71	301.02	567.61	461.72
Deferred Tax Liabilities (Net)	**89.07**	**81.09**	113.59	94.50	84.03	88.16	82.11	89.67	95.04	70.82
Other Liabilities (Current and Non-current)	**472.02**	**335.21**	816.60	644.38	320.25	302.16	426.07	493.04	397.71	359.16
Total Liabilities	**4,792.34**	**4,642.28**	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64	2,705.36	2,453.62
*** Based on Revised Schedule VI/Schedule III, # Figures are restated as per Ind AS.**										
Key Ratios										
PBIDT / Total Revenue (%)	**15.01**	**2.06**	63.49	47.31	11.48	14.12	12.17	17.94	17.04	20.28
Net Profit (PAT) / Total Revenue (%)	**9.29**	**1.03**	40.47	29.98	8.08	7.51	5.38	9.45	9.10	13.95
Finance Cost Cover - Times	**54.29**	**3.65**	404.26	233.24	24.54	25.10	15.21	19.13	13.79	24.03
ROCE (PBIT / Capital Employed) (%)	**6.56**	**0.43**	86.70	50.60	5.96	7.93	7.36	13.04	11.35	15.09
RONW (PAT / Net worth) (%)	**4.97**	**0.82**	60.29	35.12	6.06	6.01	4.69	9.85	9.91	15.23
Debt Equity Ratio	**0.06:1**	**0.11:1**	0.08:1	0.06:1	0.07:1	0.10:1	0.14:1	0.20:1	0.37:1	0.30:1
Equity Dividend per Share (Rs.)	**5.00**	**2.00**	55.00	17.00	2.00	2.00	2.00	3.50	3.50	3.50
Book Value per Share (Rs.)	**205.14**	**195.03**	238.18	133.17	94.78	89.13	89.76	88.85	84.20	79.94

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Graphite India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, 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 standalone 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 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, 2021, its profit including other comprehensive loss, 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 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 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone 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 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 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 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 recognition</u> (as described in Note 2(b) and 21 of the standalone financial statements)</td></tr>
<tr><td>The Company recognises revenue when control of the goods is 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 judgment in determining timing of revenue recognition. 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 timing of revenue recognition, it was determined to be a key audit matter in our audit of the standalone financial statements.</td><td>Our audit procedures included the following:
▪ Evaluated that the Company's revenue recognition policy is in compliance with terms of Ind AS 115 'Revenue from contracts with customers'.
▪ Evaluated the design and implementation of key controls operating around revenue recognition.
▪ Performed test of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples selected, checked that the revenue has been recognized as per the incoterms and when the conditions for revenue recognitions are satisfied.
▪ Selected samples of sales transactions made pre and post year end, checked the period of revenue recognition with the underlying documents.
▪ Assessed the adequacy of relevant disclosures made in the standalone financial statements.</td></tr>
<tr><td colspan="2"><u>Assessment of net realisable value of Inventory</u> (as described in Note 2(h), 3, 12, 23, 24, 44 of the standalone financial statements)</td></tr>
<tr><td>Assessment of net realizable value of electrodes (finished goods, work in progress and related raw materials) has been identified as a key audit matter given the relative size of its balance in the standalone financial statements and the significant judgment involved in the estimation of Net realisable value by the management of the Company. The inputs used for the determination of the net realisable value involves wide range of forward looking attributes viz., future selling prices, costs to complete for work in progress & raw material and selling costs which makes such determination complex and sensitive to these attributes. Any change in attribute may have a material impact on the calculation of net realisable value and resultantly on the carrying value of the inventory as on the Balance Sheet date.</td><td>Our audit procedures included the following:
▪ Evaluated that the Company's inventory valuation policy is in compliance with Ind AS-2 'Inventories'
▪ Evaluated the design and implementation of key controls operating around inventory valuation;
▪ Held discussions with management to understand and corroborate the assumptions used in the assessment of net realisable value of electrodes
▪ Compared the selling prices of electrodes subsequent to the year end to their year- end carrying amounts, on a sample basis, to check whether they are stated at the lower of cost and net realizable value.
▪ Assessed the derived net realizable values of work in progress and raw material, on a sample basis, by comparing their year-end carrying values to the selling prices of electrodes less future cost of their conversion into finished goods,
▪ Obtained understanding of the management's process of estimation of future costs of conversion of raw material and work in progress into finished goods and assessed their estimates, on a sample basis.
▪ Assessed the adequacy of relevant disclosures made in the standalone financial statements.</td></tr>
</table>

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 financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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 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 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 judgments 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 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 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 with reference to financial statements 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2021 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone 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, 2021 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 financial statements – Refer Note 34 to the standalone 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 Number: 060352
UDIN: 21060352AAAABW1589

Place of Signature: Kolkata
Date: June 28, 2021

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 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/right of use assets are held in the name of the Company except seven immovable properties aggregating Rs. 0.24 crores as at March 31, 2021 (details of which are set out in Note 4.6 and Note 4.7 to the standalone 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, 2021 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, 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 Cr.)*	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	0.04	1999-00	Assistant Commissioner/Deputy Commissioner of Central Excise
		9.48	2010-11, 2011-12 & 2013-2017	Commissioner (Appeals)
		3.50	2003-04 to 2008-09 & 2012-13	CESTAT
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.001	2009-10	Deputy Commissioner of Sales Tax
		0.003	2005-06	Additional Commissioner of Commercial Taxes
		0.01	2011-12	Additional Commissioner, Corporate Division (Appeal)
		0.28	2006-07	Joint Commissioner of Sales Tax (Appeals)
		0.23	2006-07 to 2007-08	Commissioner (Appeals)
		1.92	2002-03, 2003-04 & 2005-06 to 2008-09	Sales Tax Tribunal
Customs Act, 1962	Custom Duty, Interest and Penalty	0.04	1988-89	Chief Metropolitan Magistrate
		0.06	2012-13 & 2013-14	Assistant Commissioner Customs
		8.56	2005-06 to 2007-08	Commissioner of Customs
		0.06	2012-13 & 2013-14	Commissioner (Appeals)
		1.68	1991-92, 2007-08, 2008-09 & 2019-20	CESTAT
Finance Act, 1994	Service Tax, Interest and Penalty	0.07	2006-07 to 2010-11	Assistant Commissioner/Deputy Commissioner of Central Excise
		0.16	2007-2008	Additional Commissioner, Central Excise
		1.27	2010 - 11 to 2015-16, April 2017 to June 2017 & July 2013 to April 2014	Commissioner (Appeals)
		5.03	2004-05 to 2011-12	CESTAT
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.01	2008-09	Commercial Tax Officer
Karnataka Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.08	2008-09	Assisstant Commissioner, Commercial taxes
		0.07	2006-2007	Karnataka High Court
Orrissa Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.02	2005-06	Sales Tax Tribunal
Income-tax Act, 1961	Income Tax Demand and interest	4.18	2011-12 & 2017-18	Commissioner of Income Tax (Appeals)
		58.77	2006-07 to 2012-13	Income Tax Appellate Tribunal
		18.77	1991-92 to 1993-94, 1998-99 to 2005-06	Hon'ble Calcutta High Court

(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 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 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 Number: 060352
UDIN: 21060352AAAABW1589

Place of Signature: Kolkata
Date: June 28, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GRAPHITE INDIA LIMTED

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 with reference to standalone financial statements of Graphite India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A Company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 21060352AAAABW1589

Place of Signature: Kolkata
Date: June 28, 2021

STANDALONE BALANCE SHEET as at 31st March, 2021

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2021	As at 31st March, 2020
Non - current Assets			
Property, Plant and Equipment	4.1	566.45	575.74
Capital Work-in-progress	4.2	79.51	34.68
Intangible Assets	5	0.59	0.86
Right-of-Use Assets	5.2	0.65	0.67
Financial Assets			
Investments	6	837.72	587.04
Loans	10	3.08	3.38
Other Financial Assets	11	27.68	0.02
Other Non-current Assets	13	10.49	15.62
Total Non - current Assets		**1,526.17**	**1,218.01**
Current Assets			
Inventories	12	823.42	1,209.15
Financial Assets			
Investments	6	1,676.55	1,411.70
Trade Receivables	7	361.57	402.41
Cash and Cash Equivalents	8	37.12	2.38
Other Bank Balances	9	14.19	16.42
Loans	10	1.74	4.94
Other Financial Assets	11	85.60	49.00
Current Tax Assets (Net)		137.56	134.80
Other Current Assets	13	128.42	193.47
Total Current Assets		**3,266.17**	**3,424.27**
TOTAL ASSETS		**4,792.34**	**4,642.28**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14.1	39.08	39.08
Other Equity	14.2	3,968.77	3,771.29
TOTAL EQUITY		**4,007.85**	**3,810.37**
LIABILITIES			
Non - current Liabilities			
Deferred Tax Liabilities (Net)	20	89.07	81.09
Total Non - current Liabilities		**89.07**	**81.09**
Current Liabilities			
Financial Liabilities			
Borrowings	15	223.40	415.61
Trade Payables	16		
Total Outstanding Dues of Small Enterprises and Micro Enterprises		20.13	3.17
Total Outstanding Dues of Creditors other than Small Enterprises and Micro Enterprises		198.36	173.83
Other Financial Liabilities	17	113.54	42.10
Other Current Liabilities	18	29.92	24.19
Provisions	19	39.32	38.17
Current Tax Liabilities (Net)		70.75	53.75
Total Current Liabilities		**695.42**	**750.82**
TOTAL LIABILITIES		**784.49**	**831.91**
TOTAL EQUITY AND LIABILITIES		**4,792.34**	**4,642.28**

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 - 28th June, 2021

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

S W Parnerkar — Sr Vice President - Finance
B Shiva — Company Secretary
A Dixit — Executive Director
K K Bangur — Chairman

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2021

(Rs. in Crores)

	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations	21	1,838.64	2,875.37
Other Income	22	305.94	156.91
Total Income		**2,144.58**	**3,032.28**
Expenses			
Cost of Materials Consumed	23	770.39	1,958.26
Changes in Inventories of Finished Goods and Work-in-progress	24	241.51	160.06
Employee Benefits Expense	25	184.96	206.24
Finance Costs	26	5.93	17.12
Depreciation and Amortisation Expense	27	44.59	44.20
Other Expenses	28	625.76	645.17
Total Expenses		**1,873.14**	**3,031.05**
Profit before Tax		**271.44**	**1.23**
Tax Expense	29		
Current Tax		64.14	2.40
Deferred Tax Charge/(Credit)		7.98	(32.50)
Profit for the year		**199.32**	**31.33**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements (Losses) on Defined Benefit Plans	36	(2.46)	(3.88)
Income Tax effect	29	0.62	0.98
Total Other Comprehensive Income/(Loss), Net of Tax		**(1.84)**	**(2.90)**
Total Comprehensive Income for the year		**197.48**	**28.43**
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	30		
Basic and Diluted (Rs.)		10.20	1.60

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

a) Equity Share Capital (Refer Note 14.1)

Equity shares of Rs. 2/- each issued, subscribed and fully paid	Number of Shares	(Rs. in Crores)
At 1st April, 2019	19,53,75,594	39.08
At 31st March, 2020	19,53,75,594	39.08
At 31st March, 2021	19,53,75,594	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 1st April, 2019	**0.46**	**5.75**	**200.97**	**1,336.50**	**3,070.66**	**4,614.34**
Profit for the Year	-	-	-	-	31.33	31.33
Other Comprehensive Income (Net of Tax)						
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	(2.90)	(2.90)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**28.43**	**28.43**
<u>Transactions with Owners in their Capacity as Owners:</u>						
Final Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 41(b)]	-	-	-	-	(683.81)	(683.81)
Dividend Distribution Tax on Above	-	-	-	-	(140.56)	(140.56)
Interim Dividend on Equity Shares for the Financial Year 2019-20 [Refer Note 41(b)]	-	-	-	-	(39.08)	(39.08)
Dividend Distribution Tax on Above	-	-	-	-	(8.03)	(8.03)
As at 31st March, 2020	**0.46**	**5.75**	**200.97**	**1,336.50**	**2,227.61**	**3,771.29**
Profit for the Year	-	-	-	-	199.32	199.32
Other Comprehensive Income (Net of Tax)						
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	(1.84)	(1.84)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**197.48**	**197.48**
As at 31st March, 2021	**0.46**	**5.75**	**200.97**	**1,336.50**	**2,425.09**	**3,968.77**

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2021

(Rs. in Crores)

	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Cash Flows from Operating Activities		
Profit before Tax	271.44	1.23
Adjustments for:		
Depreciation and Amortisation Expense	44.59	44.20
Finance Costs	5.93	17.12
Bad Debts/Advances Written Off	0.36	39.11
Provision for Doubtful Debts	-	0.04
Liability towards Corporate Social Responsibility	70.06	-
Interest Income	(74.15)	(76.40)
Dividend Income	(0.01)	-
Net Gain on Investments Carried at Fair Value through Profit or Loss	(107.27)	(45.10)
Liabilities no Longer Required Written Back	(18.76)	(15.91)
Provision for Doubtful Debts Written Back	(0.22)	(4.01)
Loss on Disposal of Property, Plant and Equipment (Net)	0.01	0.07
Foreign Exchange Differences (Net)	0.58	5.64
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Trade Payables	58.38	(390.97)
(Decrease) in Other Financial Liabilities	(4.71)	(63.57)
Increase/(Decrease) in Provisions	(1.31)	0.24
Increase/(Decrease) in Other Current Liabilities	6.05	(19.70)
Decrease in Inventories (net of NRV provisions)	385.73	611.68
Decrease in Trade Receivables	40.70	266.97
Decrease in Loans	3.50	4.02
(Increase)/Decrease in Other Financial Assets	(63.38)	13.59
Decrease in Other Non-current Assets	0.09	0.96
(Increase)/Decrease in Other Current Assets	65.05	(104.04)
Cash Generated from Operations	**682.66**	**285.17**
Income Taxes paid (Net)	(49.28)	(113.59)
NET CASH FROM OPERATING ACTIVITIES	**633.38**	**171.58**
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(65.50)	(40.25)
Advance Received for Sale of Assets	-	3.99
Proceeds from Disposal of Property, Plant and Equipment	0.23	0.14
Payments for Purchase of Investments	(2,388.93)	(2,606.08)
Proceeds from Sale/Redemption of Investments	2,002.87	3,249.67
Interest Received	50.02	45.61
Dividend Received	0.01	-
Proceeds from Maturity of Fixed Deposits with Banks	2.05	0.25
Investment in Fixed Deposits with Banks	(0.55)	(7.38)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(399.80)**	**645.95**

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2021

	Year ended 31st March, 2021	(Rs. in Crores) Year ended 31st March, 2020
C. Cash Flows from Financing Activities		
Dividends Paid	-	(722.89)
Dividend Distribution Tax Paid	-	(148.59)
Interest Received	1.05	-
Finance Costs Paid	(7.10)	(16.79)
Short-term Borrowings - Receipts/(Payments) (Net)	(192.79)	50.38
NET CASH USED IN FINANCING ACTIVITIES	**(198.84)**	**(837.89)**
NET CASH (OUTFLOW)/INFLOW (A+B+C)	**34.74**	**(20.36)**
Cash and Cash Equivalents - At the beginning of the year (Refer Note 8)	2.38	22.74
Cash and Cash Equivalents - At the end of the year (Refer Note 8)	37.12	2.38
	34.74	**(20.36)**

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 - 28th June, 2021

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

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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 37. 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 28th June, 2021.

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 Rupees (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.

(v) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

(b) Revenue from contract with customer

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.

<u>Sale of Products</u>

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 0 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.

<u>Sale of Services</u>

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

<u>Other Operating Revenues</u>

Export entitlements (arising out of Duty Drawback 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.

<u>Depreciation Method, Estimated Useful Lives And Residual Values</u>

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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

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 acquisition 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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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.

(g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, ranging from 60 to 999 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2(f) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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.

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 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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 40 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 on financial assets are measured at amortised cost and fair value through profit or loss and 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, underlying asset analysis, comparable companies multiple method, comparable transaction method 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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.

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.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupees (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. Defined Benefit Plans

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. 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 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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 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.

(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 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 embodying economic benefits 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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 37 for segment information presented.

(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

There are no standards issued but not yet effective up to the date of issuance of the Company's 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 36

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 34

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 39

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, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

- Net realisable value of inventories — Notes 2(h) and 44

Management estimates the net realizable value of inventories after taking into consideration various assumptions viz, future selling prices, overheads and costs to complete, which are subject to high degree of estimation uncertainly and the actual realization of which may differ based on actual turn of events subsequent to the balance sheet date. Changes in these key assumptions can have a significant impact on the inventory valuation.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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, 2020								
Gross Carrying Amount								
Opening Balance	22.40	0.77	215.49	539.87	2.62	6.65	4.09	791.89
Reclassification on account of adoption of Ind AS 116 (Refer Note 5.2 below)	-	(0.77)	-	-	-	-	-	(0.77)
Additions	-	-	1.02	11.74	0.46	0.90	0.19	14.31
Disposals	-	-	-	(0.22)	(0.01)	(0.25)	(0.03)	(0.51)
Closing Balance	**22.40**	**-**	**216.51**	**551.39**	**3.07**	**7.30**	**4.25**	**804.92**
Accumulated Depreciation								
Opening Balance	-	0.08	38.03	141.64	1.28	2.74	1.93	185.70
Reclassification on account of adoption of Ind AS 116 (Refer Note 5.2 below)	-	(0.08)	-	-	-	-	-	(0.08)
For the Year	-	-	8.81	33.44	0.24	0.74	0.63	43.86
On Disposals	-	-	-	(0.05)	*	(0.22)	(0.03)	(0.30)
Closing Balance	**-**	**-**	**46.84**	**175.03**	**1.52**	**3.26**	**2.53**	**229.18**
Net Carrying Amount	**22.40**	**-**	**169.67**	**376.36**	**1.55**	**4.04**	**1.72**	**575.74**
Year ended 31st March, 2021								
Gross Carrying Amount								
Opening Balance	22.40	-	216.51	551.39	3.07	7.30	4.25	804.92
Additions	-	-	2.37	32.08	0.06	0.33	0.40	35.24
Disposals	-	-	(2.33)	(8.09)	(0.04)	(0.41)	(0.12)	(10.99)
Closing Balance	**22.40**	**-**	**216.55**	**575.38**	**3.09**	**7.22**	**4.53**	**829.17**
Accumulated Depreciation								
Opening Balance	-	-	46.84	175.03	1.52	3.26	2.53	229.18
For the Year	-	-	8.85	33.88	0.27	0.68	0.61	44.29
On Disposals	-	-	(2.33)	(8.01)	(0.04)	(0.26)	(0.11)	(10.75)
Closing Balance	**-**	**-**	**53.36**	**200.90**	**1.75**	**3.68**	**3.03**	**262.72**
Net Carrying Amount	**22.40**	**-**	**163.19**	**374.48**	**1.34**	**3.54**	**1.50**	**566.45**

@ Includes Buildings constructed on Leasehold Land - Gross Carrying Amount Rs. 190.60 Crores (Net Carrying Amount - Rs. 145.68 Crores [Previous Year - Gross Carrying Amount Rs. 188.23 Crores (Net Carrying Amount - Rs. 150.94 Crores)].

(Rs. in Crores)

4.2 Capital Work-in-progress

	Year ended 31st March, 2021	Year ended 31st March, 2020
Carrying amount at the beginning of the year	34.68	16.77
Additions during the year	79.14	30.67
Capitalised during the year	(34.31)	(12.76)
Carrying amount at the end of the year	**79.51**	**34.68**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

4.3 The Company has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 42 for details).

4.4 Contractual obligations - Refer Note 35(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 27).

4.6 Title deeds of immovable properties set out in Note 4.1 and 5.2, 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, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
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 34(i)(h).

(Rs. in Crores)

5 Intangible Assets	Computer Software - Acquired
Year ended 31st March, 2020	
Gross Carrying Amount	
Opening Balance	3.26
Additions	0.05
Disposals	*
Closing Balance	**3.31**
Accumulated Amortisation	
Opening Balance	2.13
For the Year	0.32
Disposals	*
Closing Balance	**2.45**
Net Carrying Amount	**0.86**
Year ended 31st March, 2021	
Gross Carrying Amount	
Opening Balance	3.31
Additions	0.01
Disposals	*
Closing Balance	**3.32**
Accumulated Amortisation	
Opening Balance	2.45
For the Year	0.28
Disposals	*
Closing Balance	**2.73**
Net Carrying Amount	**0.59**

5.1 The amount of amortisation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 27).

* 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, 2021

(Rs. in Crores)

5.2 Right-of-Use Assets

	Leasehold Land
Year ended 31st March, 2020	
Gross Carrying Amount	
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 (Refer Note 4.1 above)	0.77
Closing Balance	**0.77**
Accumulated Depreciation	
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 (Refer Note 4.1 above)	0.08
For the Year	0.02
Closing Balance	**0.10**
Net Carrying Amount	**0.67**
Year ended 31st March, 2021	
Gross Carrying Amount	
Opening Balance	0.77
Closing Balance	**0.77**
Accumulated Depreciation	
Opening Balance	0.10
For the Year	0.02
Closing Balance	**0.12**
Net Carrying Amount	**0.65**

Refer Note 33 for related disclosures.

5.3 The amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 27).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

6 Investments

	Face Value	Number	As at 31st March, 2021	Number	As at 31st March, 2020
Non-current Investments					
Unquoted, Fully paid:					
Investments in Equity Instruments					
In Subsidiary Companies @					
Graphite International B.V.	Euro 1	1,73,00,000	45.37	1,73,00,000	45.37
Carbon Finance Limited	Rs.10	53,00,000	30.04	53,00,000	30.04
In Other Body Corporate #					
Sai Wardha Power Limited - Class A Equity Shares $	Rs.10	24,76,558	-	24,76,558	-
Greenko Bagewadi Wind Energies Private Limited $	Rs.10	-	-	21,184	0.02
National Stock Exchange of India Limited	Re.1	3,00,000	41.02	-	-
Investments in Preference Shares					
In Other Body Corporate ^ $					
Sai Wardha Power Limited					
- 0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	-	31,23,442	-
Investments in Debentures ^			428.56		194.86
Investments in Venture Capital Fund #			25.77		-
Investments in Market Linked Debentures #			15.88		-
Investments in Perpetual Bonds #			220.07		135.61
Investments in Mutual Funds #			31.01		181.14
			837.72		**587.04**
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs.10	17,20,000	50.00	-	-
Computer Age Management Services Ltd	Rs.10	7,325	1.35	-	-
Brookfield India Real Estate Trust	Rs. 275	2,60,000	5.80	-	-
MTAR Technologies Limited	Rs.10	1,917	0.20	-	-
Unquoted, Fully paid:					
Investments in Corporate Deposits ^			290.00		350.00
Investments in Debentures ^			110.44		274.14
Investments in Market Linked Debentures #			5.29		-
Investments in Mutual Funds #			1,213.47		787.56
			1,676.55		**1,411.70**
			2,514.27		**1,998.74**
Aggregate Amount of Quoted Investments			57.35		-
Aggregate Amount of Unquoted Investments			2,456.92		1,998.74
@ Investment in subsidiary companies is carried at cost			75.41		75.41
^ Investments carried at Amortised Cost			829.00		819.00
# Investments carried at Fair Value through Profit or Loss			1,609.86		1,104.33
$ Original Share Certificates with the Issuer Company					

6.1 Refer Note 39 for information about fair value measurements and Note 40 for credit risk and market risk on investments.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

7 Trade Receivables ^^	As at 31st March, 2021	As at 31st March, 2020
Current		
Unsecured :		
Considered Good #	361.57	402.41
Considered Doubtful	4.34	4.60
Less: Provision for Doubtful Debts	(4.34)	(4.60)
	361.57	**402.41**
# Includes dues from a Subsidiary (Refer Note 38)	69.81	59.97

7.1 Refer Note 42 for receivables secured against borrowings and Note 40 for information about credit risk and market risk on receivables.

7.2 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

8 Cash and Cash Equivalents ^^		
Balances with Banks	36.99	2.00
Fixed Deposit Accounts (with original maturity of three months or less than three months)	-	0.18
Cash on Hand	0.13	0.20
	37.12	**2.38**

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

9 Other Bank Balances ^^		
Unpaid Dividend Accounts @	6.38	7.11
Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	7.81	9.31
	14.19	**16.42**

@ Earmarked for payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 7.81 Crores (Previous Year - Rs. 9.31 Crores) earmarked against Bank Guarantee. These short-term deposits are made for varying periods and earn interest at the respective short-term deposit rates.

10 Loans ^^		
Non-current		
Unsecured, Considered Good :		
Loans to Employees	1.00	1.07
Security Deposits	2.08	2.31
	3.08	**3.38**
Current		
Unsecured, Considered Good :		
Loans to Employees $	0.88	0.90
Security and Other Deposits	0.86	4.04
	1.74	**4.94**
	4.82	**8.32**
$ Includes dues from an Officer of the Company	-	*
^^ Financial assets carried at amortised cost		

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

11 **Other Financial Assets**	As at 31st March, 2021	As at 31st March, 2020
Financial Assets carried at Amortised Cost unless otherwise stated		
Non-current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	27.66	-
Fixed Deposits with Banks	0.02	0.02
(with original maturity of more than twelve months)		
(Lodged with Government Authority/Others)		
	27.68	**0.02**
Current		
Unsecured, Considered Good :		
Receivables from a Subsidiary (Refer Note 38)	1.00	1.37
Claims Receivable/Charges Recoverable	40.66	0.73
Export Entitlements Receivable	20.94	26.92
Accrued Interest on Investments^	13.63	8.06
Accrued Interest on Deposits		
with Banks	0.11	0.15
with Others	5.09	9.74
Others	4.17	2.03
	85.60	**49.00**
	113.28	**49.02**

^ Includes Financial Assets carried at Fair Value through Profit or Loss amounting to Rs. 8.44 Crores (Previous Year - Rs. Nil).

12 **Inventories**		
Current		
- At Lower of Cost and Net Realisable Value		
Raw Materials	167.70	307.41
Work-in-progress	519.62	624.94
Finished Goods	111.58	247.77
Stores and Spares	23.62	28.09
Loose Tools	0.90	0.94
	823.42	**1,209.15**

12.1 **Above includes Inventories-in-transit :**		
Raw Materials	66.85	44.73
Work-in-progress	3.88	9.82
Finished Goods	54.73	64.17
Stores and Spares	0.19	0.51

12.2 Above includes Inventories carried at Fair Value Less Cost to Sell (Refer Note 44)		
Raw Materials	119.72	257.03
Work-in-progress	419.26	544.96
Finished Goods	82.89	227.96

12.3 Refer Note 42 for Information on Inventories Pledged as Security.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

13 Other Assets	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Unsecured, Considered Good :		
Capital Advances	5.26	10.30
Balances with Government Authorities @	4.76	4.74
Others		
Prepaid Expenses	0.47	0.58
	10.49	**15.62**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities ^	113.23	181.24
Advance to Suppliers/Service Providers (other than capital)	13.06	9.41
Prepaid/Advance for Expenses	2.13	2.82
	128.42	**193.47**
	138.91	**209.09**

@ 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 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 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, 2021 and 31st March, 2020.

(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	11,98,23,336	11,96,75,004
Shree Laxmi Agents Private 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	11,98,23,336	11,96,75,004
	(61.33%)	(61.25%)

* 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, 2021

(Rs. in Crores)

14.2 Other Equity	**As at 31st March, 2021**	**As at 31st March, 2020**
-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]	2,425.09	2,227.61
	3,968.77	**3,771.29**

14.2 (i) Retained Earnings - Movement during the year

Opening Balance	2,227.61	3,070.66
Profit for the Year	199.32	31.33
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements of Post-employment Defined Benefit Plans (Net of Tax)	(1.84)	(2.90)
Final Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 41(b)]	-	(683.81)
Dividend Distribution Tax on above	-	(140.56)
Interim Dividend on Equity Shares for the Financial Year 2019-20 [Refer Note 41(b)]	-	(39.08)
Dividend Distribution Tax on above	-	(8.03)
Closing Balance	**2,425.09**	**2,227.61**

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.

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings includes remeasurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

15 Borrowings	As at 31st March, 2021	As at 31st March, 2020
Current		
Secured*		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	40.34	124.38
Unsecured		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	183.06	191.82
Buyer's Credit	-	99.41
	223.40	**415.61**
Aggregate Secured Loans	40.34	124.38
Aggregate Unsecured Loans	183.06	291.23

*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 42 for details of carrying amount of assets pledged as security for secured borrowings and Note 40 for information about liquidity risk and market risk on borrowings.

15.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

Particulars	April 1, 2020	Cash Flows	Exchange Differences	March 31, 2021
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	124.38	(84.04)	-	40.34
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	191.82	(8.76)	-	183.06
Buyer's Credit	99.41	(99.99)	0.58	-
Total Liabilities from Financing activities	**415.61**	**(192.79)**	**0.58**	**223.40**

Particulars	April 1, 2019	Cash Flows	Exchange Differences	March 31, 2020
Borrowings				
Secured				
Bill Discounting Facility	0.74	(0.74)	-	-
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	152.31	(27.93)	-	124.38
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	105.72	86.10	-	191.82
Buyer's Credit	100.82	(7.05)	5.64	99.41
Total Liabilities from Financing activities	**359.59**	**50.38**	**5.64**	**415.61**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

16 **Trade Payables**	As at 31st March, 2021	As at 31st March, 2020
Current		
Trade Payables		
Total Outstanding dues of Small Enterprises and Micro Enterprises (Refer Note 31)	20.13	3.17
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises @	198.36	173.83
	218.49	**177.00**
@ Includes dues to a Subsidiary (Refer Note 38)	1.88	-

16.1 Refer Note 40 for information about liquidity risk and market risk on trade payables.

17 **Other Financial Liabilities**		
Financial Liabilities carried at Amortised Cost		
Current		
Employee Benefits Payable	19.36	24.23
Interest Accrued	0.10	1.27
Unpaid Dividends @	6.38	7.11
Liability towards Corporate Social Responsibility (Refer Note 28.3)	70.06	-
Capital Liabilities	13.17	3.63
Claims/Charges Payable #	3.66	5.49
Security Deposits	0.37	0.37
Remuneration Payable to Non-executive Directors	0.44	-
	113.54	**42.10**
@ Unpaid dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund.		
# Includes dues to a Subsidiary (Refer Note 38)	0.04	0.02

18 **Other Current Liabilities**		
Current		
Dues Payable to Government Authorities @	9.67	7.16
Advances from Customers	16.26	13.04
Advance Held against Sale of Assets	3.99	3.99
	29.92	**24.19**

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

19 **Provisions**		
Current		
Provisions for Employee Benefits (Refer Note 36)	28.82	27.66
Provision for Litigations/Claims (Refer Note 34)	10.50	10.51
	39.32	**38.17**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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, 2020	Recognised in Profit or Loss	As at 31st March, 2021
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	75.24	(1.86)	73.38
Financial Assets at Fair Value through Profit or Loss - Investments	20.47	8.28	28.75
Total Deferred Tax Liabilities	**95.71**	**6.42**	**102.13**
Deferred Tax Assets			
Provision for Employee Benefits	5.26	0.51	5.77
Employee Benefits Payable	0.18	0.01	0.19
Dues Payable to Government Authorities	1.30	(0.33)	0.97
Trade Receivables	1.16	(0.07)	1.09
Provision towards Voluntary Retirement Scheme	6.72	(1.68)	5.04
Total Deferred Tax Assets	**14.62**	**(1.56)**	**13.06**
Deferred Tax Liabilities (Net)	**81.09**	**7.98**	**89.07**

	As at 31st March, 2019	Recognised in Profit or Loss	As at 31st March, 2020
Deferred Tax Liabilities (Refer Note 29.2)			
Property, Plant and Equipment and Intangible Assets	106.22	(30.98)	75.24
Financial Assets at Fair Value through Profit or Loss - Investments	31.61	(11.14)	20.47
Total Deferred Tax Liabilities	**137.83**	**(42.12)**	**95.71**
Deferred Tax Assets (Refer Note 29.2)			
Provision for Employee Benefits	6.54	(1.28)	5.26
Employee Benefits Payable	0.14	0.04	0.18
Dues Payable to Government Authorities	2.24	(0.94)	1.30
Trade Receivables - Provision for Doubtful Debts	3.65	(2.49)	1.16
Provision towards Voluntary Retirement Scheme	11.67	(4.95)	6.72
Total Deferred Tax Assets	**24.24**	**(9.62)**	**14.62**
Deferred Tax Liabilities (Net)	**113.59**	**(32.50)**	**81.09**

(Rs. in Crores)

21 Revenue from Operations

	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products [Includes Sale to a Subsidiary (Refer Note 38)]	1,442.29	2,477.44
Carbon Paste	5.96	10.06
Calcined Petroleum Coke	82.91	60.37
Impervious Graphite Equipment and Spares	148.19	154.25
GRP/FRP Pipes and Tanks	12.75	9.72
High Speed Steel	86.44	71.61
Alloy Steel	4.17	2.80
Electricity	16.24	12.00
Others	15.69	17.36
Sale of Services (Processing/Service Charges)	1.39	1.80
Other Operating Revenues		
Export Entitlement	19.93	53.30
Royalty (Refer Note 38)	2.68	4.66
	1,838.64	**2,875.37**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

22 Other Income	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest Income		
From Financial Assets carried at Amortised Cost		
- Investments	36.45	46.24
- Loans and Deposits	23.33	30.16
- Trade Receivables	0.68	2.24
From Financial Assets carried at Fair Value through Profit or Loss		
- Investments	14.37	-
From Income-tax/Other Government Authorities	0.95	0.28
	75.78	**78.92**
Dividend Income	**0.01**	-
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. 89.58 Crores (Previous Year - Rs. 25.46 Crores)]	107.27	45.10
Guarantee Fee (Refer Note 38)	-	0.02
Liabilities no longer required Written Back	18.76	15.91
Provision for Doubtful Debts Written Back	0.22	4.01
Net Gain on Foreign Currency Transactions and Translation	-	3.72
Refund of Excess Energy Charges in respect of Earlier Years (Refer Note 45)	90.53	-
Other Non-operating Income	13.37	9.23
	230.15	**77.99**
	305.94	**156.91**

23 Cost of Materials Consumed		
Opening Inventory	307.41	758.61
Add : Purchases	630.68	1,507.06
	938.09	2,265.67
Less : Closing Inventory	167.70	307.41
	770.39	**1,958.26**

23.1 For details of Net Realisable Value, refer Note 12.2 and 44.

24 Changes in Inventories of Finished Goods and Work-in-progress		
Finished Goods		
Closing Stock	111.58	247.77
Deduct: Opening Stock	247.77	331.60
	136.19	**83.83**
Work-in-progress		
Closing Stock	519.62	624.94
Deduct: Opening Stock	624.94	701.17
	105.32	**76.23**
	241.51	**160.06**

24.1 For details of Net Realisable Value, refer Note 12.2 and 44.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

25	Employee Benefits Expense (Refer Note 47)	Year ended 31st March, 2021	Year ended 31st March, 2020
	Salaries, Wages and Bonus	164.65	184.44
	Contribution to Provident and Other Funds (Refer Note 36)	13.35	13.32
	Staff Welfare Expenses	6.96	8.48
		184.96	**206.24**

26	Finance Costs		
	Interest Expense on		
	- Borrowings from Banks	5.53	15.99
	- Others	0.20	0.94
	Other Borrowing Costs	0.20	0.19
		5.93	**17.12**

27	Depreciation and Amortisation Expense		
	Depreciation of Property, Plant and Equipment (Refer Note 4.1)	44.29	43.86
	Amortisation of Intangible Assets (Refer Note 5)	0.28	0.32
	Depreciation on Right-of-Use Assets (Refer Note 5.2)	0.02	0.02
		44.59	**44.20**

28	Other Expenses		
	Consumption of Stores and Spare Parts (Refer Note 28.1)	127.83	150.70
	Power and Fuel	237.65	236.71
	Rent (Refer Note 33)	1.88	2.00
	Repairs and Maintenance:		
	- Buildings	3.30	7.02
	- Plant and Machinery	18.30	31.82
	- Others	3.73	3.86
	Insurance	11.21	8.17
	Rates and Taxes	1.13	7.56
	Freight and Forwarding Charges	55.69	45.95
	Commission to Selling Agents	12.08	27.72
	Travelling and Conveyance	0.88	5.35
	Directors' Remuneration (Other than Executive Director)	0.55	0.13
	Bad Debts/Advances Written Off (Refer Note 28.2)	0.36	39.11
	Provision for Doubtful Debts	-	0.04
	Processing Charges	5.95	8.42
	Net Loss on Foreign Currency Transactions and Translation	3.44	-
	Contractors' Labour Charges	43.46	40.70
	Loss on Disposal of Property, Plant and Equipment [Net of Profit on Disposal of Property, Plant and Equipment Rs. 0.07 Crores (Previous Year - Rs. 0.11 Crores)]	0.01	0.07
	Expenditure towards Corporate Social Responsibility Activities (Refer Note 28.3)	73.15	3.78
	Payment to Auditors (Refer Note 28.4)	0.85	0.73
	Miscellaneous Expenses	24.31	25.33
		625.76	**645.17**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

28.1 Consumption of Stores and Spare Parts includes:

(Rs. in Crores)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Packing Materials	13.18	13.85
Loose Tools	2.78	2.39

28.2 The Company has recognized loss of Rs. Nil (Previous Year - Rs. 38.54 Crores) towards Sales made to one of its customers in earlier year, as per the approved resolution plan vide Supreme Court's order dated November 15, 2019 in respect of Insolvency Resolution process of the said customer.

28.3 Corporate Social Responsibility Expenditure:

(a) Gross amount required to be spent by the Company during the year	38.17	38.29
(b)(i) Expenditure towards Corporate Social Responsibility Activities comprises of overhead expenses of Rs. 0.10 Crores (Previous Year - Rs. 0.09 Crores), amount paid to B D Bangur Endowment towards construction/acquisition of assets Rs. 1.24 Crores (Previous Year - Rs. 1.82 Crores) and for other purposes Rs. 0.25 Crores (Previous Year - Rs. 1.29 Crores), Contribution to PM Cares Fund - Rs. 1.00 Crore (Previous Year - Rs. Nil), Ambulance donated to Durgapur Correctional Home Rs. Nil (Previous Year - Rs. 0.08 Crores) and amount paid to JSW Foundation towards promoting sports Rs. 0.50 Crores (Previous Year - Rs. 0.50 Crores).	3.09	3.78
(ii) Liability towards Unspent Corporate Social Responsibility for the year for ongoing projects (including Rs. 34.98 Crores towards unspent amount of previous years) @	70.06	-
	73.15	**3.78**

@ In compliance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, during the year, the Company has provided for expenditure towards unspent Corporate Social Responsibility (CSR) towards ongoing projects. Subsequent to the year end, the said amount which is remaining unspent under section 135(5) of the Act, on account of ongoing projects has been transferred to a special account opened by the Company within prescribed time limit in this behalf for the financial year ended March 31, 2021 in a scheduled bank.

28.4 Payment to Auditors -

As Auditor -		
Audit Fee	0.48	0.38
Limited Review	0.31	0.31
In Other Capacity -		
Other Services (Certification Fees)	0.05	0.01
Reimbursement of Expenses	0.01	0.03
	0.85	**0.73**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

29 Tax Expense

	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Tax Expense Recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	65.32	2.93
Adjustment for Current Tax of Earlier Years	(1.18)	(0.53)
	64.14	**2.40**
Deferred Tax (Refer Note 29.2)		
Origination and Reversal of Temporary Differences (Refer Note 20)	7.98	(32.50)
Tax Expense	**72.12**	**(30.10)**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	**0.62**	**0.98**

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

Profit before Income Tax Expense	271.44	1.23
Enacted Statutory Income Tax Rate in India applicable to the Company	25.168%	25.168%
Computed expected Income Tax Expense	**68.32**	**0.31**
Adjustments -		
Expenses not Deductible for Tax Purposes (Net)	19.71	1.75
Impact of Capital Gains on Investments	(17.07)	(5.30)
Reversal of Deferred Tax due to change in Rate of Income Tax (Refer Note below)	-	(28.25)
Interest and Other Disallowable Expenses	1.51	-
Adjustment for Current Tax of earlier years	(1.18)	(0.53)
Others	0.83	1.92
Tax Expense	**72.12**	**(30.10)**

29.2 The Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the previous year. Accordingly, the Deferred Tax Liabilities (net) as at 1st April, 2019 has been re-measured and the resultant impact has been recognised in financial statements for previous year.

30 Earnings per Equity Share

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)	199.32	31.33
(vi) Basic and Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	10.20	1.60

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

31	**Information relating to Micro and Small Enterprises (MSEs)**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
	(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year -		
	Principal	20.13	3.17
	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	-	-
	Interest	*	0.02
	(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	0.34	1.24
	Interest	*	*
	(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	*
	(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.		

32	**Research and Development Expenditure**		
	Research and Development Expenditure of revenue nature recognised in statement of profit or loss during the year.	0.05	0.04

33 The Company has lease contracts for various lands which has lease terms between 60 and 999 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and Company had initially made one time lump-sum lease payments and there is no further cash out flow. For carrying amounts of right-of-use assets recognised and the movements during the period, refer Note 5.2.

The Company also has cancellable lease arrangements for certain accommodation. Terms of such lease include one month's notice by either party for cancellation, option for renewal on mutually agreed terms and there are no restrictions imposed by such lease arrangements. The Company has applied the 'short–term lease' exemptions for these leases. Rental expense recorded for short-term leases or cancellable in nature amounts to Rs. 1.88 Crores (Previous Year - Rs. 2.00 crores).

* 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, 2021

(Rs. in Crores)

34 Contingencies –	As at 31st March, 2021	As at 31st March, 2020
(i) Claims against the Company not acknowledged as debts: Taxes, duties and other demands (under appeal/dispute)		
(a) Excise Duty	2.55	2.66
(b) Customs Duty	10.63	10.61
(c) Service Tax	8.40	8.40
(d) Sales Tax/Value Added Tax	4.77	4.77
(e) Entry Tax	0.32	0.32
(f) Income Tax	49.13	49.88
(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.	13.70	13.70
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.		
35 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38.36	46.91
(b) Other Commitments - Investments (Venture Capital Fund)	6.00	-

36 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
(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	43.93	39.37
	Current Service Cost	3.06	2.79
	Interest Cost	2.73	2.75
	Remeasurements (Gains)/Losses		
	Actuarial (Gains)/Losses arising from Changes in Financial Assumptions	2.14	3.22
	Actuarial (Gains)/Losses arising from Changes in Experience Adjustments	(0.24)	0.85
	Benefits Paid	(3.67)	(5.05)
	Present Value of Obligation at the end of the year	**47.95**	**43.93**
(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	37.55	36.40
	Interest Income	2.53	2.65
	Remeasurements Gains/(Losses)		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.56)	0.18
	Contributions by Employer	6.63	3.37
	Benefits Paid	(3.67)	(5.05)
	Fair Value of Plan Assets at the end of the year	**42.48**	**37.55**
(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	47.95	43.93
	Fair Value of Plan Assets at the end of the year	42.48	37.55
	Liabilities Recognised in the Balance Sheet	**5.47**	**6.38**
(d)	**Actual Return on Plan Assets**	**1.98**	**2.83**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements Losses (Net)	2.46	3.88
		2.46	**3.88**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	3.06	2.79
	Net Interest Cost	0.20	0.10
	Total @	**3.26**	**2.89**

@ Recognised under 'Contribution to Provident and Other Funds' in Note 25.

(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.71	99.57
	Cash and Cash Equivalents	0.29	0.43
		100.00	**100.00**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

		31st March, 2021	31st March, 2020
(h)	**Principal Actuarial Assumptions:**		
	Discount Rate	6.00%	6.50%
	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 (2020-21)**	**Impact on defined benefit obligation (2019-20)**
	Discount Rate	Increase by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.46 Crores
		Decrease by 1%	Increase by Rs. 4.88 Crores	Increase by Rs. 3.82 Crores
	Salary Growth Rate	Increase by 1%	Increase by Rs. 4.78 Crores	Increase by Rs. 3.77 Crores
		Decrease by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.47 Crores

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 Company expects to contribute Rs. 8.92 Crores (Previous Year - Rs. 9.43 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, 2021 is 9.55 years (Previous Year - 8.80 years).

(B) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In view of the Company's obligation to meet shortfall, if any, on account of interest, Provident Fund Trusts set up by the Company are treated as defined benefit plans.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 0.40 Crores (Previous Year - Rs. 0.36 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. 0.26 Crores (Previous Year – Rs. 0.36 Crores) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 25. Disclosures given hereunder are restricted to the information available as per the Actuary's Report-

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

	31st March, 2021	31st March, 2020
Principal Actuarial Assumptions		
Discount Rate	5.50% & 4.70%	6.05% & 5.18%
Expected Return on Exempted Fund	7.14% & 6.94%	7.13% & 7.68%
Guaranteed Interest Rate	8.50%	8.50%

(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. 9.83 Crores (Previous Year - Rs. 10.07 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. 22.94 Crores and Rs. 20.92 Crores as at 31st March, 2021 and 31st March, 2020 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.

(Rs. in Crores)

	31st March, 2021	31st March, 2020
Leave provision not expected to be settled within the next 12 months	20.93	18.64

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(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.

37 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 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, 2021

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue from Operations						
External Sales	1,696.31	2,722.07	119.72	95.34	1,816.03	2,817.41
Other Operating Revenues	22.61	57.94	*	0.02	22.61	57.96
	1,718.92	**2,780.01**	**119.72**	**95.36**	**1,838.64**	**2,875.37**
Inter Segment Sales	-	-	0.19	0.24	0.19	0.24
Segment Revenues	**1,718.92**	**2,780.01**	**119.91**	**95.60**	**1,838.83**	**2,875.61**
Segment Results	**176.21**	**(76.72)**	**13.01**	**(0.03)**	**189.22**	**(76.75)**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					107.27	45.10
Finance Costs					(5.93)	(17.12)
Dividend Income					0.01	-
Interest Income					73.81	76.21
Other Unallocable Expenditure (Net)					(92.94)	(26.21)
Profit before Tax					**271.44**	**1.23**
Depreciation and Amortisation	**39.77**	**39.13**	**3.45**	**3.63**	**43.22**	**42.76**
Unallocable					1.37	1.44
Total					**44.59**	**44.20**
Non-cash Expenses other than Depreciation and Amortisation	**0.48**	**555.38**	**0.05**	**0.53**	**0.53**	**555.91**
Unallocable					*	-
Total					**0.53**	**555.91**
Interest Income	**1.36**	**1.98**	**0.61**	**0.73**	**1.97**	**2.71**
Unallocable					73.81	76.21
Total					**75.78**	**78.92**
Capital Expenditure	**79.59**	**31.39**	**0.22**	**0.18**	**79.81**	**31.57**
Unallocable					0.27	0.71
Total					**80.08**	**32.28**
Segment Assets	**1,943.33**	**2,324.45**	**122.94**	**130.59**	**2,066.27**	**2,455.04**
Reconciliation to Total Assets:						
Investments					2,514.27	1,998.74
Current Tax Assets (Net)					137.56	134.80
Other Unallocable Assets					74.24	53.70
Total					**4,792.34**	**4,642.28**
Segment Liabilities	**295.02**	**245.93**	**23.82**	**20.09**	**318.84**	**266.02**
Reconciliation to Total Liabilities:						
Borrowings					223.40	415.61
Current Tax Liabilities (Net)					70.75	53.75
Deferred Tax Liabilities (Net)					89.07	81.09
Other Unallocable Liabilities					82.43	15.44
Total					**784.49**	**831.91**

* 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, 2021

C. Entity-wide Disclosures:

		2020-21	2019-20
			(Rs. in Crores)
(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	1,082.71	1,472.24
	Rest of the World	733.32	1,345.17
		1,816.03	**2,817.41**

(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 year ended 31st March, 2021. Revenue from one customer amounting to Rs. 376.45 Crores arising from sales in the Graphite and Carbon segment during the year ended March 31, 2020.

38 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists:	
Emerald Company Private Limited (ECPL)#	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 ECPL that gives him control over the Company, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place during the year :	
Shree Laxmi Agents Private Limited	Fellow Subsidiary
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, B.D. Bangur Endowment, Emerald Family Trust, KKB Family Trust and Krishna Kumar Bangur Family Welfare Trust	Entities under significant influence of UCP
Mr. M.B. Gadgil	Key Management Personnel - Executive Director (ED till 31st March, 2020)
Mr. A. Dixit	Key Management Personnel - Executive Director (ED from 1st April, 2020)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, 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, Khaitan & Co. LLP.- Noida, Firm in which a Director is a Partner	Entities under significant influence of NED
Paharpur Cooling Towers Ltd, Company in which a Director is on Board.	Entities under significant influence of NED
Ms.Yasmin Jemi Curravala	Relatives of NED

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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

Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel (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	

(Rs. in Crores)

(ii) Particulars of transactions during the year –	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
(A) Immediate and Ultimate Parent Company		
Dividend Paid	-	442.44
(B) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Sale of Goods	159.79	182.19
Purchase of Materials	1.88	0.32
Royalty Income	2.68	4.66
Guarantee Fee Income	-	0.02
Recoveries / (Reimbursement) of Expenses (Net)	(0.10)	(0.19)
Corporate Guarantee Released	-	246.33
Bavaria Electrodes GmbH		
Sale of Goods	-	0.08
Carbon Finance Limited		
Rent Expense	1.19	1.10
Total	**165.44**	**434.51**
(C) Fellow Subsidiary		
Dividend Paid	-	3.27
(D) Associate of ECPL		
Dividend Paid	-	1.43
(E) UCP		
Dividend Paid	-	6.32
Sitting Fees	0.02	0.02
Total	**0.02**	**6.34**
(F) Relatives of UCP		
Dividend Paid		
Ms. Manjushree Bangur	-	0.92
Ms. Divya Bagri	-	0.63
Ms. Aparna Bangur	-	0.69
Mr. Siddhant Bangur	-	*
Ms. Rukmani Devi Bangur	-	0.20
Total	**-**	**2.44**
(G) Entities under significant influence of UCP		
Dividend Paid		
GKW Limited	-	14.80
Emerald Family Trust	-	*
KKB Family Trust	-	*
Krishna Kumar Bangur Family Welfare Trust	-	0.74
Contributions made		
B.D. Bangur Endowment	1.49	3.11
Total	**1.49**	**18.65**

*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, 2021

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

(Rs. in Crores)

(H) KMP	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
ED		
Dividend Paid	-	*
Remuneration		
- Short-term Employee Benefits	1.47	1.74
- Post Employment Benefits	0.09	0.29
Total	**1.56**	**2.03**
CFO		
Dividend Paid	-	*
Loan Recovered	*	*
Remuneration		
- Short-term Employee Benefits	0.38	0.56
- Post Employment Benefits	0.05	0.05
Total	**0.43**	**0.61**
(I) NED		
Dividend Paid		
Mr. N.Venkataramani	-	0.03
Mr. J.D. Curravala	-	0.02
Sitting Fees		
Mr. N.S. Damani	0.01	0.01
Mr. A.V. Lodha	0.01	0.01
Mr. P.K. Khaitan	0.01	0.02
Mr. N. Venkataramani	0.02	0.03
Mr. J.D. Curravala	0.01	0.01
Mr. Gaurav Swarup	0.02	0.02
Ms. Shalini Kamath	0.01	0.01
Commission		
Mr. N.S. Damani	0.05	-
Mr. A.V. Lodha	0.07	-
Mr. P.K. Khaitan	0.05	-
Mr. N. Venkataramani	0.10	-
Mr. J.D. Curravala	0.05	-
Mr. Gaurav Swarup	0.07	-
Ms. Shalini Kamath	0.05	
Total	**0.53**	**0.16**
(J) Entities under significant influence of NED		
Professional Fees		
Khaitan & Co. LLP, New Delhi	0.03	0.13
Khaitan & Co. AOR, New Delhi	-	0.06
Khaitan & Co. LLP, Kolkata	0.33	0.26
Khaitan & Co., Mumbai	0.53	0.85
Khaitan & Co. LLP, Noida	0.04	-
Purchase of Spares		
Paharpur Cooling Towers Ltd	0.01	-
Total	**0.94**	**1.30**
(K) Relatives of NED		
Dividend Paid		
Ms. Yasmin Jemi Curravala	-	*
Total	**-**	*****

*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, 2021

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

(Rs. in Crores)

	Year ended 31st March, 2021	Year ended 31st March, 2020
(L) KMP of ECPL		
Remuneration		
Mr. M.C. Darak	0.21	0.28
Mr. S. Marda	0.24	0.33
Mr. B. Shiva	0.46	0.64
Dividend Paid		
Mr. M.C. Darak	-	*
Mr. S. Marda	-	*
Mr. B. Shiva	-	*
Total	**0.91**	**1.25**
(M) Relative of KMP of ECPL		
Remuneration		
Mr. R.G. Darak	0.17	0.25
Dividend Paid		
Mr. R.G. Darak	-	*
Total	**0.17**	**0.25**
(N) PEBP		
Contributions Made		
Graphite India Limited Employees' Gratuity Fund	2.71	2.88
Graphite Vicarb India Limited Employees' Gratuity Fund	1.15	0.17
Graphite India Limited (PSD) Employees' Gratuity Fund	0.14	0.30
Graphite India Employees Group Gratuity Scheme	2.62	0.03
Graphite India Limited Senior Staff Superannuation Fund	1.80	1.25
Graphite India Employees Group Superannuation Scheme	1.03	1.18
Graphite India Limited Provident Fund	0.08	0.08
GIL Officers Provident Fund	0.18	0.27
Total	**9.71**	**6.16**

(Rs. in Crores)

(iii) Balances Outstanding –	As at 31st March, 2021	As at 31st March, 2020
(A) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Trade Receivables	69.81	59.97
Other Financial Assets	1.00	1.37
Trade Payables	1.88	-
Other Financial Liabilities	0.04	0.02
Graphite International B.V.		
Investments in Shares	45.37	45.37
Carbon Finance Limited		
Investments in Shares	30.04	30.04
Total	**148.14**	**136.77**

*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, 2021

(iii) Balances Outstanding (Contd.)

(Rs. in Crores)

	As at 31st March, 2021	As at 31st March, 2020
(B) KMP		
Other Current Liabilities		
ED	0.49	0.30
CFO	0.03	0.11
CS	0.04	0.12
Financial Assets - Loan		
CFO	-	*
Total	**0.56**	**0.53**
(C) NED		
Other Current Liabilities		
Mr. N.S. Damani	0.05	-
Mr. A.V. Lodha	0.07	-
Mr. P.K. Khaitan	0.05	-
Mr. N. Venkataramani	0.10	-
Mr. J.D. Curravala	0.05	-
Mr. Gaurav Swarup	0.07	-
Ms. Shalini Kamath	0.05	-
Total	**0.44**	**-**
(D) Entities under significant influence of NED		
Other Current Liabilities		
Khaitan & Co. LLP, Kolkata	**-**	**0.01**
(E) KMP of ECPL		
Mr. M.C. Darak	0.02	0.03
Mr. S. Marda	0.02	0.06
Total	**0.04**	**0.09**
(F) Relative of KMP of ECPL		
Remuneration		
Mr. R.G. Darak	**0.01**	**0.03**
(G) PEBP		
Other Current Liabilities		
Graphite India Limited Provident Fund	0.01	0.10
GIL Officers Provident Fund	0.03	0.07
Total	**0.04**	**0.17**

(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.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

39 Fair Value Measurements

(Rs. in Crores)

(i) Financial Instruments by Category

	Note No.	31st March, 2021 Carrying Amount/ Fair Value	31st March, 2020 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Unquoted equity shares	6	41.02	0.02
- Quoted equity shares	6	57.35	-
- Mutual Funds	6	1,244.48	968.70
- Perpetual Bonds	6	220.07	135.61
- Venture Capital Fund	6	25.77	-
- Market Linked Debentures	6	21.17	-
Other Financial Assets	11	8.44	-
Assets Carried at Amortised Cost			
Investments			
- Debentures, Commercial Papers, Bond and Corporate Deposits	6	829.00	819.00
Trade Receivables	7	361.57	402.41
Cash and Cash Equivalents	8	37.12	2.38
Other Bank Balances	9	14.19	16.42
Loans	10	4.82	8.32
Other Financial Assets	11	104.84	49.02
Total Financial Assets		**2,969.84**	**2,401.88**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	15,17	223.50	416.88
Trade Payables	16	218.49	177.00
Other Financial Liabilities	17	113.44	40.83
Total Financial Liabilities		**555.43**	**634.71**

(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, 2020.

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

(a) The fair values of the quoted shares are based on price quotations at the reporting date. The fair value of unquoted equity shares have been estimated using a discounted cash flow analysis, net asset value, comparable companies multiple method and comparable transaction method. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility, earnings per share and price earnings ratio of comparable companies in the sector. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(b) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements as at the year end. 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(c) The management has assessed that the fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets, investments in Commercial Papers, Corporate Deposits, Trade Payables, Borrowings and Other Financial Liabilities approximate to their respective carrying amounts largely due to the short-term maturity of these instruments. Further, management has also assessed the carrying amount of certain loans bearing floating interest rates which are a reasonable approximation of their respective fair values and any difference between their carrying amounts and fair values is not expected to be significant.

(d) Investments in venture capital funds are valued using valuation techniques, which employs the use of market observables inputs and the assessment of Net Asset Value.

(e) Perpetual Bond and Market Linked Debenture are valued based on the trends observed in primary and secondary markets mainly Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN through book building and secondary trades in the same ISIN of the same issuer of similar maturity

(f) The fair value of remaining financial instruments is determined on the basis of discounted cash flow model using current lending/discount rates, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their respective 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, 2021 and 31st March, 2020.

(Rs. in Crores)

		31st March, 2021			**31st March, 2020**		
		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	-	1,244.48	-	-	968.70	-
	- Perpetual Bonds	-	220.07	-	-	135.61	-
	- Quoted Equity Shares	57.35	-	-	-	-	-
	- Unquoted Equity Shares	-	-	41.02	-	-	0.02
	- Venture Capital Fund	-	25.77	-	-	-	-
	- Market Linked Debentures	-	21.17	-	-	-	-
		57.35	**1,511.49**	**41.02**	**-**	**1,104.31**	**0.02**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	- Debentures, Commercial Papers, Bond and Corporate Deposits	-	829.00	-	-	819.00	-
		-	**829.00**	**-**	**-**	**819.00**	**-**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

Fair value measurements using significant unobservable inputs (Level 3)

Fair valuation of unquoted equity investments is based on valuation report using given weighted average of net asset value, comparable companies multiple method and comparable transaction method. A change in significant unobservable inputs used in such valuation (mainly earnings per share and price earnings ratio of comparable companies in the sector) is not expected to have a material impact on the fair values of such assets as disclosed above.

Particulars	Valuation Techique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted equity shares	Net asset value, comparable companies multiple method and comparable transaction method	Earnings per share and price earnings ratio of comparable companies in the sector	a) 5% decrease in EPS or PE ratio will decrease profit before tax by Rs. 1.10 Crores and 5% increase in EPS or PE ratio will increase profit before tax by Rs. 1.10 Crores. b) 5% decrease in EPS and 5% decrease in PE ratio will decrease profit before tax by Rs. 2.13 Crores.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	(Rs. in Crores)
As at 01.04.2019	-
Purchases/Addition during the year	-
Fair Value Changes	-
As at 31.03.2020	-
Purchases/Addition	33.78
Disposal/Deletion	-
Fair Value Changes	7.24
As at 31.03.2021	41.02

40. 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.

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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

The Company's exposure to customers is diversified and is monitored by the Company's senior management periodically.

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, 2021 and 31st March, 2020 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, 2021, and 31st March, 2020. Of the total trade receivables, Rs. 127.63 Crores as at 31st March, 2021, and Rs. 203.41 Crores as at 31st March, 2020 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, 2021**	**31st March, 2020**
1-90	229.73	186.00
91-180	0.50	11.42
More than 180	3.71	1.58
	233.94	**199.00**

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, 2021**	**31st March, 2020**
Opening Balance	4.60	10.43
Provisions made during the year ended	-	0.04
Provisions utilised during the year	(0.04)	(1.86)
Provision written back during the year	(0.22)	(4.01)
Closing Balance	**4.34**	**4.60**

(B) Liquidity Risk

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

(i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities (excluding non-fund based facilities) at the end of the reporting period:

(Rs. in Crores)

	31st March, 2021	**31st March, 2020**
Floating Rate		
-Expiring within one year (working capital facilities)	376.50	184.39
	376.50	**184.39**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the above facilities may be drawn at any time within one year.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(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, 2021			
Borrowings	223.40	-	223.40
Trade Payables	218.49	-	218.49
Other Financial Liabilities #	114.04	-	114.04
Total	**555.93**	**-**	**555.93**
31st March, 2020			
Borrowings	415.61	-	415.61
Trade Payables	177.00	-	177.00
Other Financial Liabilities #	45.04	-	45.04
Total	**637.65**	**-**	**637.65**

Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 0.50 Crores and Rs. 2.94 Crores as at 31st March, 2021 and 31st March, 2020 respectively.

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

(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.

(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, 2021		31st March, 2020	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables	73.38	73.13	206.77	7.22
Other Financial Assets	-	0.98	-	1.37
Net Exposure to Foreign Currency Risk (Assets)	**73.38**	**74.11**	**206.77**	**8.59**
Financial Liabilities				
Borrowings	-	-	99.41	-
Trade Payables	56.09	3.52	54.96	5.28
Other Financial Liabilities	7.58	0.86	5.16	0.33
Net Exposure to Foreign Currency Risk (Liabilities)	**63.67**	**4.38**	**159.53**	**5.61**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**9.71**	**69.73**	**47.24**	**2.98**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(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, 2021	**31st March, 2020**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 7%)	0.49	3.28
INR/USD - Decrease by 5% (Previous year 7%)	(0.49)	(3.28)
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 7%)	3.49	0.21
INR/EUR - Decrease by 5% (Previous year 7%)	(3.49)	(0.21)

* 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, Commercial Papers, Corporate Deposits and Bonds/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, 2021	**31st March, 2020**
Variable Rate Borrowings	223.40	316.20
Fixed Rate Borrowings	-	99.41
Total Borrowings	**223.40**	**415.61**

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

(Rs. in Crores)

	31st March, 2021			31st March, 2020		
	Weighted average interest rate (%)	**Balance**	**% of Total Loans**	**Weighted average interest rate (%)**	**Balance**	**% of Total Loans**
Cash Credit/Export Credit Facilities	3.47%	223.40	100%	4.05%	316.20	76%

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, 2021	**31st March, 2020**
Interest Rates – Increase by 100 basis points (100 bps) *	(2.23)	(3.16)
Interest Rates – Decrease by 100 basis points (100 bps) *	2.23	3.16

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

(iii) Equity Price Risk

The Company invests in listed and non-listed equity securities which are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

(iv) 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, Perpetual bonds & Market linked debenture. To manage its price risk arising from investments in mutual funds, Perpetual bonds and Market linked debenture, the Company diversifies its portfolio.

These 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, Perpetual bonds and Market linked debentures held by the Company and classified in the Balance Sheet as fair value through profit or loss (Note 39).

(b) Sensitivity

The sensitivity of profit or loss to changes in Net Assets Values (NAVs) and interest rate as at year end for investments in mutual funds, Perpetual bonds and Market linked debenture respectively.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2021	**31st March, 2020**
NAV - Increase by 1%*	12.44	9.69
NAV - Decrease by 1%*	(12.44)	(9.69)
Interest Rates - Increase by 1%*	(6.19)	(4.30)
Interest Rates - Decrease by 1%*	6.19	4.30

* Holding all other variables constant

(v) 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.

41 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,

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

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, 2021	31st March, 2020
Total Borrowings	223.40	415.61
Less: Cash and Cash Equivalents	(37.12)	(2.38)
Net Debt	**186.28**	**413.23**
Equity	**4,007.85**	**3,810.37**
Total Capital (Equity+ Net Debt)	**4,194.13**	**4,223.60**
Net Debt to Equity Ratio	**0.046**	**0.108**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

(Rs. in Crores)

(b) Dividend on Equity Shares	Year ended 31st March, 2021	Year ended 31st March, 2020
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2020 of Rs. Nil (31st March, 2019 – Rs. 35) per fully paid share.	-	683.81
Dividend Distribution Tax on above	-	140.56
Interim dividend for the year ended 31st March, 2021 of Rs. Nil (Previous Year – Rs. 2) per fully paid share	-	39.08
Dividend Distribution Tax on above	-	8.03
	-	**871.48**
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have recommended the payment of a dividend of Rs. 5/- per fully paid share (Previous Year – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	97.69	-

Dividend Distribution Tax ('DDT') under section 115(O) of Income-tax Act, 1961 has been abolished with effect from 1st April, 2020.

42 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Current		
First Charge		
Financial Assets		
Other Trade Receivables	361.57	402.41
Non-financial Assets		
Inventories	823.42	1,209.15
Sub-total	**1,184.99**	**1,611.56**
Non-current		
First Charge / Second Charge #		
Plant and Equipments	374.48	376.36
Furniture and Fixtures	1.34	1.55
Office Equipments	1.50	1.72
Vehicles	3.54	4.04
Sub-total	**380.86**	**383.67**
Total	**1,565.85**	**1,995.23**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2021

43 Due to the outbreak of COVID-19 pandemic, the Government of India had declared a nation-wide lockdown on March 24, 2020 leading to temporary shut-down of the Company's manufacturing facilities and operations. After the relaxations announced progressively by the Central/State Governments, the Company, after obtaining permissions from appropriate government authorities, wherever required, commenced its manufacturing operations across all its plants in a phased manner during the month of April/May 2020, which impacted the production and sales volume for the year ended 31st March, 2021.

Further, in view of such highly uncertain economic environment which is continuously evolving, the Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these financial results. As per Company's present assessment, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities as on 31st March, 2021 and the Company does not expect any impact of COVID-19 on its ability to continue as a going concern. The above evaluations are based on management's analysis after taking into consideration the internal and external information available up to the date of approval of these financial results, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery. The impact of the pandemic in the subsequent period is highly dependent on the situations as they evolve which is presently uncertain.

44 Due to the deteriorating market conditions and overall fall in the electrode prices, the Company, in accordance with the applicable Ind AS Accounting Standards, had recognized its carrying Inventory as on March 31, 2020 on Net realizable Value (NRV) basis to the extent applicable and had created an NRV provision on inventory by writing down the cost of inventory by Rs. 516.32 crores during the year ended 31st March 2020.

During the current year, the Company has continued to recognise its Inventory on Net realizable Value (NRV) basis (to the extent applicable) after making appropriate adjustments viz., recycling of opening NRV provision in respect of products consumed, further adjustments for relative movement in cost and net realisable value on the closing inventory balance, etc., as applicable. As on March 31, 2021, the closing balance of NRV provision on Raw Materials being Rs. 35.10 Crores (Rs. 209.64 Crores as on March 31, 2020) and on Work-in-progress and Finished Goods being Rs. 154.91 Crores (Rs. 306.68 Crores as on March 31, 2020) (Refer Note 12.2).

45 Pursuant to the publication of Tariff Order for the years 2006-07 to 2008-09 by Hon'ble West Bengal Electricity Regulatory Commission, the Company has been awarded a net refund of Rs. 84.82 Crores from Damodar Valley Corporation (DVC) towards electricity charges paid in respect of its Durgapur plant for the above years, which is/will be adjusted against monthly energy bill/s in 24 equal instalments starting December 2020. Out of the above refund entitlement, Rs. 80.28 Crores has been accounted for as 'Other Income' while the differential amount of Rs. 4.54 Crores is/will be accrued as interest income over the period of 24 months in accordance with applicable Ind AS standards. Out of the total receivables, Rs. 14.14 Crores has been adjusted against monthly energy bills till March 31, 2021. Further, DVC has refunded Rs. 10.25 Crores levied by them towards penal charges for overdraw during frequent restrictions for the period August 2018 to October 2018, which was then contested by the Company. The aforesaid refund has been adjusted against monthly energy bills of January 2021 to March 2021 and has also been appropriately accounted for as 'Other Income' during the year ended March 31, 2021 (Refer Note 22).

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 dated 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).

47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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 - 28th June, 2021

S W Parnerkar	**B Shiva**	**A Dixit**	**K K Bangur**
Sr Vice President - Finance	Company Secretary	Executive Director	Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated 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 2021, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 and its associate, the aforesaid consolidated 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, 2021, their consolidated loss 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 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 financial statements' section of our report. We are independent of the Group and its associate 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated 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 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 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 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 recognition</u> (as described in Note 2(c) and 22 of the consolidated financial statements)</td></tr>
<tr><td>The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group 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 judgment in determining timing of revenue recognition

The risk is, therefore, that revenue may not be recognized in the correct period in accordance with Ind AS 115.

Accordingly, due to the risk associated with timing of revenue recognition, it was determined to be a key audit matter in our audit of the consolidated financial statements.</td><td>Our audit procedures included the following:
▪ Evaluated that the Group's revenue recognition policy is in compliance with terms of Ind AS 115 'Revenue from contracts with customers'.
▪ Evaluated the design and implementation of key controls operating around revenue recognition.
▪ Performed test of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples selected, checked that the revenue has been recognized as per the incoterms and when the conditions for revenue recognitions are satisfied.
▪ Selected sample of sale transactions made pre and post year end, checked the period of revenue recognition with the underlying documents.
▪ Assessed the adequacy of relevant disclosures made in the consolidated financial statements.</td></tr>
<tr><td colspan="2"><u>Asssessment of net realisable value of Inventory</u> (as described in Note in 2(i), 3, 13, 24, 25 and 44 of the consolidated financial statements)</td></tr>
<tr><td>Assessment of net realizable value of finished goods, work in progress and raw materials of Electrodes has been identified as a key audit matter given the relative size of its balance in the consolidated financial statements and the significant judgement involved in the estimation of Net realisable value by the management of the Group. The inputs used for the determination of the net realisable value involves wide range of forward looking attributes viz., future selling prices, costs to complete for work in progress & raw material and selling costs which makes such determination complex and sensitive to these attributes. Any change in attribute may have a material impact on the calculation of net realisable value and resultantly on the carrying value of the inventory as on the Balance Sheet date.</td><td>Our audit procedures included the following:
▪ Evaluated that the Group's inventory valuation policy is in compliance with Ind AS-2 'Inventories'
▪ Evaluated the design and implementation of key controls operating around inventory valuation;
▪ Held discussions with management of the Group to understand and corroborate the assumptions used in the assessment of net realisable value of electrodes.
▪ Compared the selling prices of electrodes subsequent to the year end to their year-end carrying amounts, on a sample basis, to check whether they are stated at the lower of cost and net realizable value.
▪ Assessed the derived net realizable values of work in progress and raw material, on a sample basis, by comparing their year-end carrying values to the selling prices of electrodes less future cost of their conversion into finished goods.
▪ Obtained understanding of the management's process of estimation of future costs to conversion to raw material and work in progress into finished goods and assessed their estimates, on a sample basis.
▪ Assessed the adequacy of relevant disclosures made in the consolidated financial statements.</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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 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 financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 statement of 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 judgments 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 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 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 financial statements for the financial year ended March 31, 2021 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 (one) subsidiary and consolidated financial statements of 1 (one) subsidiary including its 4 (four) subsidiaries, whose Ind AS financial statements include total assets of Rs. 892.57 crores as at March 31, 2021, and total revenues of Rs. 284.53 crores and net cash outflows of Rs. 168.64 crores for the year ended on that date. The Ind AS consolidated financial statements also include the Group's share of net loss of Rs. 10.08 crores in respect of 1(one) associate for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements one subsidiary as stated above. These Ind AS financial statement and other financial information have been audited by other auditors, which 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 an 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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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 an 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 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 financial statements;

(d) In our opinion, the aforesaid consolidated 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, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who is 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, 2021 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 with reference to these consolidated 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 and based on the consideration of reports of other statutory auditors of the subsidiary, incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their 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 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 an associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 34 to the consolidated 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, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2021.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 21060352AAAABX6003

Place of Signature: Kolkata
Date: June 28, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GRAPHITE INDIA LIMTED

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 financial statements of Graphite India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 auditors 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated 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 with reference to consolidated 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 With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to this 1 (One) subsidiary, which is a company incorporated in India, is based on the corresponding reports of the auditor 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 Number: 060352
UDIN: 21060352AAAABX6003

Place of Signature: Kolkata
Date: June 28, 2021

CONSOLIDATED BALANCE SHEET as at 31st March, 2021

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2021	As at 31st March, 2020
Non - current Assets			
Property, Plant and Equipment	5.1	636.34	632.61
Capital Work-in-progress	5.2	79.51	34.68
Goodwill	6	0.63	0.63
Other Intangible Assets	6	0.77	1.08
Right-of-Use Assets	6.4	2.66	3.00
Financial Assets			
Investments	7	913.21	655.10
Loans	11	3.08	3.38
Other Financial Assets	12	27.68	0.02
Deferred Tax Assets (Net)	21.2	2.99	4.91
Other Non - current Assets	14	11.09	23.16
Total Non - current Assets		**1,677.96**	**1,358.57**
Current Assets			
Inventories	13	1,016.47	1,565.65
Financial Assets			
Investments	7	1,891.08	1,411.70
Trade Receivables	8	339.59	402.60
Cash and Cash Equivalents	9	229.97	363.86
Other Bank Balances	10	14.19	91.99
Loans	11	1.74	4.94
Other Financial Assets	12	85.71	48.92
Current Tax Assets (Net)		143.30	134.80
Other Current Assets	14	130.34	200.02
Total Current Assets		**3,852.39**	**4,224.48**
TOTAL ASSETS		**5,530.35**	**5,583.05**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15.1	39.08	39.08
Other Equity	15.2	4,502.67	4,515.19
TOTAL EQUITY		**4,541.75**	**4,554.27**
LIABILITIES			
Non - current Liabilities			
Financial Liabilities			
Other Financial Liabilities	18	1.38	-
Provisions	20	3.66	3.80
Deferred Tax Liabilities (Net)	21.1	92.74	81.86
Total Non - current Liabilities		**97.78**	**85.66**
Current Liabilities			
Financial Liabilities			
Borrowings	16	223.40	415.61
Trade Payables	17		
Total Outstanding dues of Small Enterprises and Micro Enterprises		20.13	3.17
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises		209.84	188.28
Other Financial Liabilities	18	118.92	49.93
Other Current Liabilities	19	34.65	27.57
Provisions	20	39.38	38.23
Current Tax Liabilities (Net)		244.50	220.33
Total Current Liabilities		**890.82**	**943.12**
TOTAL LIABILITIES		**988.60**	**1,028.78**
TOTAL EQUITY AND LIABILITIES		**5,530.35**	**5,583.05**

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2021

(Rs. in Crores)

	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations	22	1,957.62	3,093.58
Other Income	23	315.94	174.41
Total Income		**2,273.56**	**3,267.99**
Expenses			
Cost of Materials Consumed	24	823.80	2,051.25
Changes in Inventories of Finished Goods and Work-in-progress	25	364.12	85.89
Employee Benefits Expense	26	256.99	282.93
Finance Costs	27	6.06	17.76
Depreciation and Amortisation Expense	28	51.90	51.45
Other Expenses	29	717.80	752.59
Total Expenses		**2,220.67**	**3,241.87**
Profit before Tax and Share of Loss of an Associate		**52.89**	**26.12**
Share of Loss of an Associate		(10.08)	(6.93)
Profit before Tax		**42.81**	**19.19**
Tax Expense	30		
Current Tax		62.06	6.46
Deferred Tax Charge/(Credit)		12.83	(32.23)
Profit for the year		**(32.08)**	**44.96**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gains/(Losses) on Defined Benefit Plans	36	(2.25)	(4.39)
Income Tax effect	30	0.56	1.12
		(1.69)	**(3.27)**
Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange Differences on Translation of Foreign Operations	15.2	21.25	33.49
Total Other Comprehensive Income, Net of Tax		**19.56**	**30.22**
Total Comprehensive Income/(Loss) for the year		**(12.52)**	**75.18**
Attributable to Owners of Graphite India Limited:			
Profit for the year		(32.08)	44.96
Other Comprehensive Income for the year		19.56	30.22
Total Comprehensive Income for the year		(12.52)	75.18
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	31		
Basic and Diluted (Rs.)		(1.64)	2.30

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 - 28th June, 2021

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

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

a) Equity Share Capital (Refer Note 15.1)

Equity Shares of Rs. 2/- each issued, subscribed and fully paid	Number of Shares	(Rs. in Crores)
At 1st April, 2019	19,53,75,594	39.08
At 31st March, 2020	19,53,75,594	39.08
At 31st March, 2021	19,53,75,594	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 1st April, 2019	**0.46**	**5.75**	**200.97**	**1,336.50**	**6.59**	**3,775.21**	**(13.98)**	**5,311.50**
Profit for the Year	-	-	-	-	-	44.96	-	44.96
Other Comprehensive Income (Net of Tax)								
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	(3.27)	-	(3.27)
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	33.49	33.49
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**41.69**	**33.49**	**75.18**
Transactions with Owners in their Capacity as Owners:								
Final Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 41(b)]	-	-	-	-	-	(683.81)	-	(683.81)
Dividend Distribution Tax on Above	-	-	-	-	-	(140.56)	-	(140.56)
Interim Dividend on Equity Shares for the Financial Year 2019-20 [Refer Note 41(b)]	-	-	-	-	-	(39.08)	-	(39.08)
Dividend Distribution Tax on Above	-	-	-	-	-	(8.03)	-	(8.03)
Transfer from Retained Earnings	-	-	-	-	0.60	(0.60)	-	-
Financial Lease contract adjustments	-	-	-	-	-	(0.01)	-	(0.01)
As at 31st March, 2020	**0.46**	**5.75**	**200.97**	**1,336.50**	**7.19**	**2,944.81**	**19.51**	**4,515.19**
Profit for the Year	-	-	-	-	-	(32.08)	-	(32.08)
Other Comprehensive Income (Net of Tax)								
-Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	(1.69)	-	(1.69)
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	21.25	21.25
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**(33.77)**	**21.25**	**(12.52)**
Transfer from Retained Earnings	-	-	-	-	4.47	(4.47)	-	-
As at 31st March, 2021	**0.46**	**5.75**	**200.97**	**1,336.50**	**11.66**	**2,906.57**	**40.76**	**4,502.67**

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2021

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
A.	**Cash Flows from Operating Activities**		
	Profit before Tax	42.81	19.19
	Adjustments for:		
	Depreciation and Amortisation Expense	51.90	51.45
	Finance Costs	6.06	17.76
	Bad Debts/Advances Written Off	0.38	39.11
	Provision for Doubtful Debts	-	3.05
	Liability towards Corporate Social Responsibility	70.06	-
	Interest Income	(74.49)	(81.33)
	Dividend Income	(0.16)	-
	Net Gain on Investments Carried at Fair Value through Profit or Loss	(132.60)	(47.92)
	Liabilities no Longer Required Written Back	(19.28)	(16.82)
	Provision for Doubtful Debts Written Back	(0.22)	(4.01)
	Gain on Disposal of Property, Plant and Equipment (Net)	(1.96)	(0.11)
	Share of Loss of an Associate	10.08	6.93
	Foreign Exchange Differences (Net)	0.58	5.64
	Changes in Operating Assets and Liabilities:		
	Increase/(Decrease) in Trade Payables	53.18	(454.97)
	(Decrease) in Other Financial Liabilities	(6.09)	(61.56)
	Increase/(Decrease) in Provisions	(1.39)	0.22
	Increase/(Decrease) in Other Current Liabilities	7.29	(21.20)
	Decrease in Inventories (Net of NRV Provisions)	555.02	604.23
	Decrease in Trade Receivables	65.20	422.57
	Decrease in Loans	3.50	4.02
	Decrease/(Increase) in Other Financial Assets	(63.87)	10.23
	Decrease in Other Non-current Assets	0.09	0.96
	Decrease/(Increase) in Other Current Assets	69.97	(106.05)
	Cash Generated from Operations	**636.06**	**391.39**
	Income Taxes Paid (Net)	(52.04)	(138.30)
	NET CASH FROM OPERATING ACTIVITIES	**584.02**	**253.09**
B.	**Cash Flows from Investing Activities**		
	Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(76.90)	(49.12)
	Advance Received for Sale of Assets	-	3.99
	Proceeds from Disposal of Property, Plant and Equipment	2.54	0.36
	Payments for Purchase of Investments	(2,715.51)	(2,607.26)
	Proceeds from Sale/Redemption of Investments	2,124.32	3,249.83
	Payment made for Investment in Associate	-	(42.91)
	Interest Received	50.71	50.48
	Dividend Received	0.16	-
	Proceeds from Maturity of Fixed Deposits with Banks	81.17	145.04
	Investments in Fixed Deposits with Banks	(0.55)	(224.12)
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(534.06)**	**526.29**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2021

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
C.	**Cash Flows from Financing Activities**		
	Dividend Paid	-	(722.89)
	Dividend Distribution Tax Paid	-	(148.59)
	Interest Received	1.05	-
	Finance Costs Paid	(7.23)	(17.43)
	Short-term Borrowings - Receipts/(Payments) (Net)	(192.79)	50.38
	NET CASH USED IN FINANCING ACTIVITIES	**(198.97)**	**(838.53)**
D.	**Exchange Differences on Translation of Foreign Currency**		
	Cash and Cash Equivalents	**15.12**	**22.62**
	NET CASH OUTFLOW (A+B+C+D)	**(133.89)**	**(36.53)**
	Cash and Cash Equivalents - At the beginning of the year (Refer Note 9)	**363.86**	**400.39**
	Cash and Cash Equivalents - At the end of the year (Refer Note 9)	**229.97**	**363.86**
		(133.89)	**(36.53)**

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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 37.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on 28th June, 2021.

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.

(v) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information,either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendements to the definition of material are not expected to have significant impact on the Groups's financial statements.

(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

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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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 0 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 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 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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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	-	7 to 10 years
Office Equipments	-	3 to 7 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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, are as follows: Leasehold Land - ranging from 60 to 999 years. Plant & Equipments - ranging from 3 to 6 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2(g) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other financial liabilities (see Note 18 and Note 33).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(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.

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 (Other than Investments in Subsidiaries and Associate) and Other Financial Assets

(i) Classification

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

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

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group's 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.

<u>Debt Instruments</u>

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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 40 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 Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group 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 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 on financial assets are measured at amortised cost and fair value through profit or loss and 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 underlying asset analysis, comparable companies multiple method, comparable transaction method and available quoted market prices.

(k) Derivative Instruments

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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

(m) 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 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 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.

(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 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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupees (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,
- 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.

(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' under '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 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.

(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 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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 Group 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 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.

(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 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.

(u) Provisions and Contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits 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.

(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 Parent Company. Refer Note 37 for segment information presented.

(w) Use of Estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgements, 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

There are no standards issued but not yet effective up to the date of issuance of the Group's financial statements.

3 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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(q) and 36**

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(u) and 34**

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

- **Valuation of Deferred Tax Assets – Notes 2(r) 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(j)(vi) and 39**

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, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

- **Net realisable value of inventories – Notes 2(i) and 44**

Management estimates the net realizable value of inventories after taking into consideration various assumptions viz, future selling prices, overheads and costs to complete, which are subject to high degree of estimation uncertainly and the actual realization of which may differ based on actual turn of events subsequent to the balance sheet date. Changes in these key assumptions can have a significant impact on the inventory valuation.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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
		2020-21	2019-20	
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	39.43%	39.43%	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)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Parent																
Graphite India Limited	88.24%	83.67%	4,007.85	3,810.37	-621.32%	69.68%	199.32	31.33	-9.41%	-9.60%	(1.84)	(2.90)	-1577.33%	37.82%	197.48	28.43
Subsidiaries																
Indian																
Carbon Finance Limited	1.93%	1.43%	87.62	65.25	-69.73%	6.65%	22.37	2.99	-	-	-	-	-178.68%	3.98%	22.37	2.99
Foreign																
Graphite International B.V. #	11.63%	16.79%	528.15	764.76	802.77%	8.70%	(257.53)	3.91	0.77%	-1.22%	0.15	(0.37)	2055.76%	4.71%	(257.38)	3.54
General Graphene Corporation	-	-	-	-	31.42%	-15.41%	(10.08)	(6.93)	-	-	-	-	80.51%	-9.22%	(10.08)	(6.93)
Sub-total			**4,623.62**	**4,640.38**			**(45.92)**	**31.30**			**(1.69)**	**(3.27)**			**(47.61)**	**28.03**
Elimination/ Adjustments on Consolidation	-1.80%	-1.89%	(81.87)	(86.11)	-43.14%	30.38%	13.84	13.66	108.64%	110.82%	21.25	33.49	-280.26%	62.72%	35.09	47.15
Grand Total			**4,541.75**	**4,554.27**			**(32.08)**	**44.96**			**19.56**	**30.22**			**(12.52)**	**75.18**

\# including its wholly owned subsidiaries.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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, 2020								
Gross Carrying Amount								
Opening Balance	31.09	0.77	234.66	582.81	2.62	8.79	7.38	868.12
Reclassification on account of adoption of Ind AS 116 (Refer Note 6.4)	-	(0.77)	-	-	-	-	-	(0.77)
Additions	0.49	-	1.35	15.00	0.46	0.91	1.09	19.30
Exchange Differences (Refer Note 5.3)	0.54	-	0.31	3.03	-	0.14	0.26	4.28
Disposals	-	-	-	(0.25)	(0.01)	(0.25)	(0.03)	(0.54)
Closing Balance	**32.12**	**-**	**236.32**	**600.59**	**3.07**	**9.59**	**8.70**	**890.39**
Accumulated Depreciation								
Opening Balance	-	0.08	40.18	158.05	1.28	3.33	3.17	206.09
Reclassification on account of adoption of Ind AS 116 (Refer Note 6.4)	-	(0.08)	-	-	-	-	-	(0.08)
For the Year	-	-	9.40	38.84	0.24	0.88	1.13	50.49
Exchange Differences (Refer Note 5.3)	-	-	0.08	1.37	-	0.04	0.11	1.60
On Disposals	-	-	-	(0.07)	*	(0.22)	(0.03)	(0.32)
Closing Balance	**-**	**-**	**49.66**	**198.19**	**1.52**	**4.03**	**4.38**	**257.78**
Net Carrying Amount	**32.12**	**-**	**186.66**	**402.40**	**1.55**	**5.56**	**4.32**	**632.61**
Year ended 31st March, 2021								
Gross Carrying Amount								
Opening Balance	32.12	-	236.32	600.59	3.07	9.59	8.70	890.39
Additions	3.17	-	2.39	45.94	0.06	0.33	1.76	53.65
Exchange Differences (Refer Note 5.3)	0.30	-	0.19	1.74	-	0.09	0.16	2.48
Disposals	(0.34)	-	(2.33)	(8.09)	(0.04)	(0.41)	(0.12)	(11.33)
Closing Balance	**35.25**	**-**	**236.57**	**640.18**	**3.09**	**9.60**	**10.50**	**935.19**
Accumulated Depreciation								
Opening Balance	-	-	49.66	198.19	1.52	4.03	4.38	257.78
For the Year	-	-	9.47	39.14	0.27	0.78	1.19	50.85
Exchange Differences (Refer Note 5.3)	-	-	0.05	0.83	-	0.03	0.06	0.97
On Disposals	-	-	(2.33)	(8.01)	(0.04)	(0.26)	(0.11)	(10.75)
Closing Balance	**-**	**-**	**56.85**	**230.15**	**1.75**	**4.58**	**5.52**	**298.85**
Net Carrying Amount	**35.25**	**-**	**179.72**	**410.03**	**1.34**	**5.02**	**4.98**	**636.34**

@ Includes Buildings constructed on Leasehold Land - Gross Carrying Amount Rs. 190.60 Crores (Net Carrying Amount - Rs. 145.68 Crores [Previous Year - Gross Carrying Amount Rs. 188.23 Crores (Net Carrying Amount - Rs. 150.94 Crores])

(Rs. in Crores)

5.2 Capital Work-in-progress	Year ended 31st March, 2021	Year ended 31st March, 2020
Carrying amount at the beginning of the year	34.68	16.77
Additions during the year	96.33	34.75
Capitalised during the year	(51.50)	(16.84)
Carrying amount at the end of the year	**79.51**	**34.68**

* 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, 2021

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 42 for details).

5.5 Contractual obligation-Refer Note 35(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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

5.7 Title deeds of immovable properties set out in Note 5.1 and 6.4, where applicable, are in the name of the Parent 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 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, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
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 34(i)(h).

(Rs. in Crores)

6 Intangible Assets	**Goodwill (Refer Note 6.1)**	**Computer Software - Acquired**
Year ended 31st March, 2020		
Gross Carrying Amount		
Opening Balance	0.63	4.19
Additions	-	0.23
Exchange Differences (Refer Note 6.2)	-	0.07
Closing Balance	**0.63**	**4.49**
Accumulated Amortisation		
Opening Balance	-	2.92
For the Year	-	0.44
Exchange Differences (Refer Note 6.2)	-	0.05
Closing Balance	**-**	**3.41**
Net Carrying Amount	**0.63**	**1.08**
Year ended 31st March, 2021		
Gross Carrying Amount		
Opening Balance	0.63	4.49
Additions	-	0.10
Exchange Differences (Refer Note 6.2)	-	0.04
Disposals	-	*
Closing Balance	**0.63**	**4.63**
Accumulated Amortisation		
Opening Balance	-	3.41
For the Year	-	0.42
Exchange Differences (Refer Note 6.2)	-	0.03
Disposals	-	*
Closing Balance	**-**	**3.86**
Net Carrying Amount	**0.63**	**0.77**

* 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, 2021

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

6.4 Right of Use Assets **(Rs. in Crores)**

	Leasehold Land	Plant and Equipments	Total
Year ended 31st March, 2020			
Gross Carrying Amount			
Opening Balance	-	1.13	1.13
Reclassification on account of adoption of Ind AS 116 (Refer Note 5.1 above)	0.77	-	0.77
Additions	-	1.58	1.58
Exchange Differences (Refer Note 5.3 above)	-	0.12	0.12
Closing Balance	**0.77**	**2.83**	**3.60**
Accumulated Depreciation			
Opening Balance	-	-	-
Reclassification on account of adoption of Ind AS 116 (Refer Note 5.1 above)	0.08	-	0.08
For the Year	0.02	0.50	0.52
Exchange Differences (Refer Note 5.3 above)	-	-	-
Closing Balance	**0.10**	**0.50**	**0.60**
Net Carrying Amount	**0.67**	**2.33**	**3.00**
Year ended 31st March, 2021			
Gross Carrying Amount			
Opening Balance	0.77	2.83	3.60
Additions	-	0.19	0.19
Exchange Differences (Refer Note 5.3 above)	-	0.13	0.13
Closing Balance	**0.77**	**3.15**	**3.92**
Accumulated Depreciation			
Opening Balance	0.10	0.50	0.60
For the Year	0.02	0.61	0.63
Exchange Differences (Refer Note 5.3 above)	-	0.03	0.03
Closing Balance	**0.12**	**1.14**	**1.26**
Net Carrying Amount	**0.65**	**2.01**	**2.66**

Refer Note 33 for related disclosures

6.5 The amount of Depreciation for the year has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 28).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

7 Investments	Face Value	Number	Ast at 31st March, 2021	Number	As at 31st March, 2020
Non-current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Aditya Birla Capital Limited	Rs. 10	3,360	0.04	3,360	0.01
Sumitomo Chemicals India Limited	Rs. 10	21,51,333	62.54	21,51,333	39.73
Astra Microwave Products Limited	Rs. 2	1,97,989	2.57	1,97,989	1.03
Future Retail Ltd	Rs. 2	1,65,000	0.71	1,65,000	1.29
Unquoted, Fully paid:					
Investments in Equity Instruments					
In Associate ^					
General Graphene Corporation-Series B Preferred Stock		8,14,890	85.04	8,14,890	91.64
In Other Body Corporate #					
Sai Wardha Power Limited - Class A Equity Shares $	Rs. 10	24,76,558	-	24,76,558	-
Greenko Bagewadi Wind Energies Private Limited $	Rs. 10	-	-	21,184	0.02
National Stock Exchange of India Limited	Re. 1	3,00,000	41.02	-	-
Investments in Preference Shares					
In Other Body Corporate @ $					
Sai Wardha Power Limited					
-0.01% Class A Redeemable Preference Shares	Rs. 10	31,23,442	-	31,23,442	-
Investments in Debentures @			428.56		194.86
Investments in Venture Capital Fund #			25.77		-
Investments in Market Linked Debenture#			15.88		-
Investments in Perpetual Bonds #			220.07		135.61
Investments in Mutual Funds/Other Funds #			31.01		190.91
			913.21		**655.10**
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs. 10	17,20,000	50.00		-
Computer Age Management Services Ltd	Rs. 10	7,325	1.35		-
Brookfield Real Estate Trust Limited	Rs. 275	2,60,000	5.80		-
MTAR Technologies Limited	Rs. 10	1,917	0.20		-
Unquoted, Fully paid:					
Investments in Corporate Deposits @			290.00		350.00
Investments in Debentures @			110.44		274.14
Investments in Market Linked Debenture#			5.29		-
Investments in Mutual Funds/Other Funds #			1,428.00		787.56
			1,891.08		**1,411.70**
			2,804.29		**2,066.80**
Aggregate Amount of Quoted Investments			123.21		42.06
Aggregate Amount of Unquoted Investments			2,681.08		2,024.74
^ Investment in Associate is carried at Cost			85.04		91.64
@ Investments carried at Amortised Cost			829.00		819.00
# Investments carried at Fair Value through Profit or Loss			1,890.25		1,156.16
$ Original Share Certificates with the Issuer Company					

7.1 Refer Note 39 for information about fair value measurements and Note 40 for credit risk and market risk on investments.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

8	**Trade Receivables #**	**As at 31st March, 2021**	**As at 31st March, 2020**
	Current		
	Unsecured:		
	Considered Good	339.59	402.60
	Considered Doubtful	4.34	7.76
	Less: Provision for Doubtful Debts	(4.34)	(7.76)
		339.59	**402.60**

8.1 Refer Note 42 for receivables secured against borrowings and Note 40 for information about credit risk and market risk on receivables

8.2 No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9	**Cash and Cash Equivalents #**		
	Balances with Banks	229.78	180.48
	Fixed Deposit Accounts (with original maturity of three months or less than three months)	-	183.07
	Cash on Hand	0.19	0.31
		229.97	**363.86**

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

10	**Other Bank Balances #**		
	Unpaid Dividend Accounts @	6.38	7.11
	Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	7.81	84.88
		14.19	**91.99**

@ Earmarked for Payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 7.81 Crores (Previous Year - Rs. 9.31 Crores) earmarked against Bank Guarantee. These short-term deposits are made for varying periods and earn interest at the respective short-term deposit rates.

11	**Loans #**		
	Non-current		
	Unsecured, Considered Good:		
	Loans to Employees	1.00	1.07
	Security Deposits	2.08	2.31
		3.08	**3.38**
	Current		
	Unsecured, Considered Good:		
	Loans to Employees $	0.88	0.90
	Security and Other Deposits	0.86	4.04
		1.74	**4.94**
		4.82	**8.32**
	$ Includes dues from an Officer of the Parent Company	-	*

\# Financial assets carried at amortised cost

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

12 Other Financial Assets	As at 31st March, 2021	As at 31st March, 2020
Financial Assets carried at Amortised Cost unless otherwise stated		
Non-current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	27.66	-
Fixed Deposits with Banks	0.02	0.02
(with original Maturity of more than twelve months)		
(Lodged with Government Authority/Others)		
	27.68	**0.02**
Current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	41.77	1.67
Export Entitlements Receivable	20.94	26.92
Accrued Interest on Investments^	13.63	8.06
Accrued Interest on Deposits		
with Banks	0.11	0.50
with Others	5.09	9.74
Others	4.17	2.03
	85.71	**48.92**
	113.39	**48.94**

^ Includes Financial Assets carried at Fair Value through Profit or Loss amounting to Rs. 8.44 Crores (Previous Year - Rs. Nil)

13 Inventories		
Current		
- At Lower of Cost and Net Realisable Value		
Raw Materials	215.14	394.70
Work-in-progress	625.84	818.98
Finished Goods	144.47	315.45
Stores and Spares	30.12	35.58
Loose Tools	0.90	0.94
	1,016.47	**1,565.65**

13.1 Above includes Inventories-in-transit:

Raw Materials	79.15	69.05
Work-in-progress	3.88	9.82
Finished Goods	58.75	66.76
Stores and Spares	0.19	0.49

13.2 Above includes Inventories carried at Fair Value Less Cost to Sell (Refer Note 44)

Raw Materials	161.78	340.50
Work-in-progress	482.46	628.86
Finished Goods	110.34	238.79

13.3 Refer Note 42 for Information on Inventories Pledged as Security

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

14 Other Assets	**As at 31st March, 2021**	**As at 31st March, 2020**
Non-current		
Unsecured, Considered Good :		
Capital Advances	5.86	17.84
Balances with Government Authorities @	4.76	4.74
Others		
Prepaid Expenses	0.47	0.58
	11.09	**23.16**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities #	114.37	186.96
Advance to Suppliers/Service Providers (other than capital)	13.15	9.76
Prepaid/Advance for Expenses	2.82	3.30
	130.34	**200.02**
	141.43	**223.18**

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

Balances with Government Authorities primarily include amounts realisable from 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 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, 2021 and 31st March, 2020.

(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	11,98,23,336	11,96,75,004
Shree Laxmi Agents Private 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 Parent Company:

	Number of Shares	**Number of Shares**
Emerald Company Private Limited	11,98,23,336	11,96,75,004
	(61.33%)	(61.25%)

* 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, 2021

(Rs. in Crores)

15.2 Other Equity

	As at 31st March, 2021	As at 31st March, 2020
- 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]	11.66	7.19
Retained Earnings [Refer (ii) below]	2,906.57	2,944.81
	4,461.91	**4,495.68**
- Other Reserve		
Foreign Currency Translation Reserve [Refer (iii) below]	40.76	19.51
	4,502.67	**4,515.19**

(i) Reserve Fund - Movement during the year

Opening Balance	7.19	6.59
Transfer from Retained Earnings	4.47	0.60
Closing Balance	**11.66**	**7.19**

(ii) Retained Earnings - Movement during the year

Opening Balance	2,944.81	3,775.21
Profit for the Year	(32.08)	44.96
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements on Post-employment Defined Benefit Plans (Net of Tax)	(1.69)	(3.27)
Final Dividend on Equity Shares for the Financial Year 2018-19 [Refer Note 41(b)]	-	(683.81)
Dividend Distribution Tax on Above	-	(140.56)
Interim Dividend on Equity Shares for the Financial Year 2019-20 [Refer Note 41(b)]	-	(39.08)
Dividend Distribution Tax on Above	-	(8.03)
Financial Lease contract adjustments	-	(0.01)
Transfer to Reserve Fund	(4.47)	(0.60)
Closing Balance	**2,906.57**	**2,944.81**

(iii) Foreign Currency Translation Reserve - Movement during the year

Opening Balance	19.51	(13.98)
Exchange Differences on Translation of Foreign Operations during the year	21.25	33.49
Closing Balance	**40.76**	**19.51**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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.

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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.

Retained Earning

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

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(p)(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

16 Borrowings	As at 31st March, 2021	As at 31st March, 2020
Current		
Secured*		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	40.34	124.38
Unsecured		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	183.06	191.82
Buyer's Credit	-	99.41
	223.40	**415.61**
Aggregate Secured Loans	40.34	124.38
Aggregate Unsecured Loans	183.06	291.23

*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 42 for details of carrying amount of assets pledged as security for secured borrowings and Note 40 for information about liquidity risk and market risk on borrowings.

16.2 Changes in Liabilities arising from financing activities-

(Rs. in Crores)

Particulars	April 1, 2020	Cash Flows	Exchange Differences	March 31, 2021
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	124.38	(84.04)	-	40.34
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	191.82	(8.76)	-	183.06
- Buyer's Credit	99.41	(99.99)	0.58	-
Total Liabilities from Financing activities	**415.61**	**(192.79)**	**0.58**	**223.40**

Particulars	April 1, 2019	Cash Flows	Exchange Differences	March 31, 2020
Borrowings				
Secured				
- Bill Discounting Facility	0.74	(0.74)	-	-
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	152.31	(27.93)	-	124.38
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	105.72	86.10	-	191.82
- Buyer's Credit	100.82	(7.05)	5.64	99.41
Total Liabilities from Financing activities	**359.59**	**50.38**	**5.64**	**415.61**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

		As at 31st March, 2021	As at 31st March, 2020
17	**Trade Payables**		
	Current		
	Trade Payables		
	Total Outstanding Dues of Micro Enterprises and Small Enterprises	20.13	3.17
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	209.84	188.28
		229.97	**191.45**

17.1 Refer Note 40 for information about liquidity risk and market risk on trade payables.

18	**Other Financial Liabilities**		
	Financial Liabilities carried at Amortised Cost unless otherwise stated		
	Non-current		
	Finance Lease Liabilities (Refer Note 33)	1.38	-
		1.38	**-**
	Current		
	Employee Benefits Payable	24.07	29.68
	Interest Accrued	0.10	1.27
	Unpaid Dividend @	6.38	7.11
	Liability towards Corporate Social Responsibility (Refer Note 29.3)	70.06	-
	Capital Liabilities	13.17	3.63
	Claims/Charges Payable	3.63	5.47
	Security Deposits	0.42	0.42
	Finance Lease Liabilities (Refer Note 33)	0.65	2.35
	Remuneration Payable to Non-executive Directors	0.44	-
		118.92	**49.93**
		120.30	**49.93**

@ Unpaid Dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

19	**Other Current Liabilities**		
	Dues Payable to Government Authorities @	13.87	10.20
	Advances from Customers	16.79	13.38
	Advance Held against Sale of Assets	3.99	3.99
		34.65	**27.57**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

20	**Provisions**	**As at 31st March, 2021**	**As at 31st March, 2020**
	Non-current		
	Provisions for Employee Benefits (Refer Note 36)	3.66	3.80
		3.66	**3.80**
	Current		
	Provisions for Employee Benefits (Refer Note 36)	28.88	27.72
	Provision for Litigations/Claims (Refer Note 34)	10.50	10.51
		39.38	**38.23**
		43.04	**42.03**

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, 2020	**Recognised in Profit or Loss**	**As at 31st March, 2021**
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	75.24	(1.86)	73.38
Financial Assets at Fair Value through Profit or Loss - Investments	21.30	12.05	33.35
Total Deferred Tax Liabilities	**96.54**	**10.19**	**106.73**
Set-off pursuant to set-off provisions	**(14.68)**	**0.69**	**(13.99)**
Deferred Tax Liabilities (Net)	**81.86**	**10.88**	**92.74**

	As at 31st March, 2019	**Recognised in Profit or Loss**	**As at 31st March, 2020**
Deferred Tax Liabilities ^			
Property, Plant and Equipment and Intangible Assets	106.22	(30.98)	75.24
Financial Assets at Fair Value through Profit or Loss - Investments	32.03	(10.73)	21.30
Total Deferred Tax Liabilities	**138.25**	**(41.71)**	**96.54**
Set-off pursuant to set-off provisions	**(24.30)**	**9.62**	**(14.68)**
Deferred Tax Liabilities (Net)	**113.95**	**(32.09)**	**81.86**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

21.2 Deferred Tax Assets (Net) ^

Significant Components and Movement in Deferred Tax Assets during the year

(Rs. in Crores)

	As at 31st March, 2020	Recognised in Profit or Loss	As at 31st March, 2021
Deferred Tax Assets			
Provisions for Employee Benefits	5.26	0.51	5.77
Employee Benefits Payable	0.18	0.01	0.19
Dues Payable to Government Authorities	1.30	(0.33)	0.97
Trade Receivables	1.16	(0.07)	1.09
Provision towards Voluntary Retirement Scheme	6.72	(1.68)	5.04
Tax Credits Carry Forward	0.06	-	0.06
Carry Forward Business Loss	0.80	0.50	1.33 #
Inventories	4.11	(1.58)	2.53
Total Deferred Tax Assets	**19.59**	**(2.64)**	**16.98**
Set-off pursuant to set-off provisions	**(14.68)**	**0.69**	**(13.99)**
Deferred Tax Assets (Net)	**4.91**	**(1.95)**	**2.99**

	As at 31st March, 2019	Recognised in Profit or Loss	As at 31st March, 2020
Deferred Tax Assets ^			
Provisions for Employee Benefits	6.54	(1.28)	5.26
Employee Benefits Payable	0.14	0.04	0.18
Dues payable to Government Authorities	2.24	(0.94)	1.30
Trade Receivables	3.65	(2.49)	1.16
Provision towards Voluntary Retirement Scheme	11.67	(4.95)	6.72
Tax Credits Carry Forward	0.06	-	0.06
Carry Forward Business Loss	0.71	0.04	0.80 #
Inventories	4.01	0.10	4.11
Total Deferred Tax Assets	**29.02**	**(9.48)**	**19.59**
Set-off pursuant to set-off provisions	**(24.30)**	**9.62**	**(14.68)**
Deferred Tax Assets (Net)	**4.72**	**0.14**	**4.91**

After considering Rs. 0.03 Crores (Previous Year - Rs. 0.05 Crores) on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

^ Refer Note 30.2.

(Rs. in Crores)

21.3 Tax Losses

	As at 31st March, 2021	As at 31st March, 2020
Relating to Overseas Subsidiaries		
Unused tax losses for which no deferred tax asset has been recognised	240.61	12.65
Potential tax benefit @ 28.08% (Previous Year - 28.08%)	67.55	3.55
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.		

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

22 Revenue from Operations	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	1,530.61	2,680.42
Carbon Paste	5.96	10.06
Calcined Petroleum Coke	82.91	60.37
Impervious Graphite Equipment and Spares	148.19	154.25
GRP/FRP Pipes and Tanks	12.75	9.72
High Speed Steel	86.44	71.61
Alloy Steel	4.17	2.80
Electricity	16.24	12.00
Others	15.69	17.36
Sale of Services (Processing/Service Charges)	10.09	18.77
Other Operating Revenues		
Export Entitlements	19.93	53.30
Others #		
Dividend on Investments carried at Fair Value through Profit or Loss	0.15	0.10
Net Gain on Investments carried at Fair Value through Profit or Loss	24.49	2.82
	1,957.62	**3,093.58**

#Relates to a subsidiary engaged in investing/financing activities

23 Other Income		
Interest Income		
From Financial Assets carried at Amortised Cost		
- Investments	36.45	46.24
- Loans and Deposits	23.67	35.09
- Trade Receivables	0.68	2.24
From Financial Assets carried at Fair Value through Profit or Loss		
- Investments	14.37	-
From Income-tax/Other Government Authorities	0.95	0.29
	76.12	**83.86**
Dividend Income	0.01	-
	0.01	**-**
Others		
Net Gain on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. 90.85 Crores (Previous Year - Rs. 25.46 Crores)]	108.11	45.10
Liabilities no Longer Required Written Back	19.28	16.82
Provision for Doubtful Debts Written Back	0.22	4.01
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.08 Crores (Previous Year - Rs. 0.18 Crores)]	1.96	0.11
Net Gain on Foreign Currency Transactions and Translation	-	9.14
Refund of Excess Energy Charges in respect of Earlier Years (Refer Note 46)	90.53	-
Other Non-operating Income	19.71	15.37
	239.81	**90.55**
	315.94	**174.41**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

24 Cost of Materials Consumed	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Inventory	394.70	905.27
Add : Purchases	644.24	1,540.68
	1,038.94	2,445.95
Less : Closing Inventory	215.14	394.70
	823.80	**2,051.25**

24.1 For details of Net Realisable Value, Refer Note 13.2 and 44

25 Changes in Inventories of Finished Goods and Work-in-progress		
Finished Goods		
Closing Stock	144.47	315.45
Deduct: Opening Stock	315.45	379.76
	170.98	**64.31**
Work-in-progress		
Closing Stock	625.84	818.98
Deduct: Opening Stock	818.98	840.56
	193.14	**21.58**
	364.12	**85.89**

25.1 For details of Net Realisable Value, Refer Note 13.2 and 44

26 Employee Benefits Expense (Refer Note 47)		
Salaries and Wages	224.21	245.93
Contribution to Provident and Other Funds (Refer Note 36)	24.47	27.09
Staff Welfare Expenses	8.31	9.91
	256.99	**282.93**

27 Finance Costs		
Interest Expense on		
- Borrowings from Banks	5.55	16.01
- Others	0.28	1.52
Other Borrowing Costs	0.23	0.23
	6.06	**17.76**

28 Depreciation and Amortisation Expense		
Depreciation of Property, Plant and Equipment (Refer Note 5.1)	50.85	50.49
Amortisation of Intangible Assets (Refer Note 6)	0.42	0.44
Depreciation of Right-of-Use Assets (Refer Note 6.4)	0.63	0.52
	51.90	**51.45**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

29 Other Expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of Stores and Spare Parts (Refer Note 29.1)	136.20	161.00
Power and Fuel	267.25	279.48
Rent (Refer Note 33)	1.06	1.24
Repairs and Maintenance:		
- Buildings	4.09	7.86
- Plant and Machinery	26.30	53.85
- Others	3.73	3.86
Insurance	15.17	12.43
Rates and Taxes	2.41	8.87
Freight and Transport	60.92	50.61
Commission to Selling Agents	16.57	33.90
Travelling and Conveyance	0.90	6.18
Directors' Remuneration (Other than Executive Director)	0.55	0.13
Bad Debts/Advances Written Off (Refer Note 29.2)	0.38	39.11
Provision for Doubtful Debts	-	3.05
Processing Charges	6.33	8.46
Net Loss on Foreign Currency Transactions and Translation	22.79	-
Contractors' Labour Charges	43.46	40.70
Expenditure towards Corporate Social Responsibility Activities (Refer Note 29.3)	73.15	3.78
Miscellaneous Expenses	36.54	38.08
	717.80	**752.59**

29.1 Consumption of Stores and Spare Parts includes:		
Packing Materials	14.53	15.52
Loose Tools	2.78	2.39

29.2 The Parent Company has recognised loss of Rs. Nil (Previous Year - Rs. 38.54 Crores) towards Sales made to one of its customers in earlier year, as per the approved resolution plan vide Supreme Court's order dated November 15, 2019 in respect of Insolvency Resolution process of the said customer.

29.3 Corporate Social Responsibility Expenditure:		
(a) Gross amount required to be spent by the Parent Company during the year	38.17	38.29
(b)(i) Expenditure towards Corporate Social Responsibility Activities comprises of overhead expenses of Rs. 0.10 Crores (Previous Year - Rs. 0.09 Crores), amount paid to B D Bangur Endowment towards construction/acquisition of assets Rs. 1.24 Crores (Previous Year - Rs. 1.82 Crores) and for other purposes Rs. 0.25 Crores (Previous Year - Rs. 1.29 Crores), Contribution to PM Cares Fund - Rs. 1.00 Crore (Previous Year - Rs. Nil), Ambulance donated to Durgapur Correctional Home Rs. Nil (Previous Year - Rs. 0.08 Crores) and amount paid to JSW Foundation towards promoting sports Rs. 0.50 Crores (Previous Year - Rs. 0.50 Crores).	3.09	3.78
(ii) Liability towards Unspent Corporate Social Responsibility for the year for ongoing projects (including Rs. 34.98 Crores towards unspent amount of previous years) @	70.06	-
	73.15	**3.78**

@ In compliance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, during the year the Parent Company has provided for expenditure towards unspent Corporate Social Responsibility (CSR) towards ongoing projects. Subsequent to the year end, the said amount which is remaining unspent under section 135(5) of the Act, on account of ongoing projects has been transferred to a special account opened by the Parent Company within prescribed time limit in this behalf for the financial year ended March 31, 2021 in a scheduled bank.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

30 Tax Expense	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Tax Expense Recognised in Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	66.83	7.76
Adjustment for Current Tax of Earlier Years	(4.77)	(1.30)
	62.06	**6.46**
Deferred Tax (Refer Note below)		
Origination and Reversal of Temporary Differences (Refer Note 21)	12.83	(32.23)
Tax Expense	**74.89**	**(25.77)**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	0.56	1.12
	0.56	**1.12**

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

Profit before Income Tax Expense	42.81	19.19
Enacted Statutory Income Tax Rate in India applicable to the Parent Company	25.168%	25.168%
Computed expected Income Tax Expense	**10.77**	**4.83**
Adjustments:-		
Expenses not Deductible for Tax Purposes	19.90	2.11
Income Exempt from Income Taxes	-	(0.02)
Impact of Capital Gains on Investments	(17.07)	(5.30)
Reversal of Deferred Tax due to change in Rate of Income Tax (Refer Note below)	-	(28.25)
Difference in Tax Rates applicable for Subsidiaries	(6.52)	(0.48)
Deferred Tax Assets not recognised on Tax Losses of Current Year	75.88	-
Interest and Other Disallowable Expenses	1.51	-
Others	(4.81)	2.64
Adjustment for Current Tax of Earlier Years	(4.77)	(1.30)
Tax Expense	**74.89**	**(25.77)**

30.2 The Parent Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the previous year. Accordingly, the Deferred Tax Liabilities (net) as at 1st April, 2019 has been re-measured and the resultant impact has been recognised in financial statements of previous year.

31 Earnings per Equity Share

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 Share 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)	(32.08)	44.96
(vi)	Basic/Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	(1.64)	2.30

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

32 Research and Development Expenditure	Year ended 31st March, 2021	Year ended 31st March, 2020
Research and Development Expenditure of revenue nature recognised in statement of profit or loss during the year.	0.05	0.04

33 Leases

Group as a lessee

The Group has lease contracts for plant and equipments used in operations. Leases of plant and equipments generally have lease terms between 3 and 6 years, while leasehold lands generally have lease terms between 60 and 999 years.

The Group has lease contracts for various lands which are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and Group had initially made one time lump-sum lease payments and there is no further cash outflow.

The Group also has cancellable lease arrangements for certain accommodation. Terms of such lease include one month's notice by either party for cancellation, option for renewal on mutually agreed terms and there are no restrictions imposed by such lease arrangements. The Group has applied the 'short-term lease' exemptions for these leases.

(i) Set out below are the carrying amounts of Right-of-Use Assets recognised and the movements during the period:

(Rs. in Crores)

	Leasehold Lands	Plant & Equipments	Total
As at April 1, 2019	**0.69**	**1.13**	**1.82**
Additions	-	1.58	1.58
Deletions	-	-	-
Exchange Differences	-	0.12	0.12
Depreciation charge	0.02	0.50	0.52
As at March 31, 2020	**0.67**	**2.33**	**3.00**
Additions	-	0.19	0.19
Deletions	-	-	-
Exchange Differences	-	0.10	0.10
Depreciation charge	0.02	0.61	0.63
As at March 31, 2021	**0.65**	**2.01**	**2.66**

(ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	31st March, 2021	31st March, 2020
Opening Balance	2.35	1.14
Additions	0.19	1.58
Accretion of interest	0.03	0.03
Deletions/termination	-	-
Payments	0.64	0.53
Exchange Differences	0.10	0.13
Closing Balance	**2.03**	**2.35**
Current	0.65	2.35
Non-current	1.38	-

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 1.35%.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

The following are the amounts recognised in Statement of Profit or Loss:

(Rs. in Crores)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Depreciation expense of Right-of-Use Assets	0.63	0.52
Interest expense on lease liabilities	0.03	0.03
Expense relating to short-term leases (included in other expenses)	1.06	1.24
Total amount recognised in the Statement of Profit and Loss	**1.72**	**1.79**

The Group had total cash outflows for leases of Rs. 0.64 Crores (March 31, 2020 : Rs. 0.55 Crores).

The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligation related to the lease liabilities as and when they fall due.

Rental Expenses recorded for the short-term leases is Rs. 1.06 Crores (March 31, 2020 : Rs. 1.24 Crores)

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(Rs. in Crores)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Less than one year	0.65	2.35
More than one year but less than five years	1.37	-
More than five years	0.01	-

(Rs. in Crores)

	34 Contingencies –	**As at 31st March, 2021**	**As at 31st March, 2020**
(i)	Claims not acknowledged as debts:		
	Taxes, duties and other demands (under appeal/dispute)		
	(a) Excise Duty	2.55	2.66
	(b) Customs Duty	10.63	10.61
	(c) Service Tax	8.40	8.40
	(d) Sales Tax/Value Added Tax	4.77	4.77
	(e) Entry Tax	0.32	0.32
	(f) Income Tax	49.13	49.88
	(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	18.97	18.11
(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

	35 Commitments		
	(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38.45	53.26
	(B) Other Commitments - Investments (Venture Capital Fund)	6.00	-

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

36 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)

		Year ended March 31, 2021	Year ended March 31, 2020
(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	43.93	39.37
	Current Service Cost	3.06	2.79
	Interest Cost	2.73	2.75
	Remeasurements Losses/(Gains)		
	Actuarial Losses/(Gains) arising from Changes in Financial Assumptions	2.14	3.22
	Actuarial Losses/(Gains) arising from Changes in Experience Adjustments	(0.24)	0.85
	Benefits Paid	(3.67)	(5.05)
	Present Value of Obligation at the end of the year	**47.95**	**43.93**
(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	37.55	36.40
	Interest Income	2.53	2.65
	Remeasurements Gains/(Losses)		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.56)	0.18
	Contributions by Employer	6.63	3.37
	Benefits Paid	(3.67)	(5.05)
	Fair Value of Plan Assets at the end of the year	**42.48**	**37.55**
(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	47.95	43.93
	Fair Value of Plan Assets at the end of the year	42.48	37.55
	Liabilities Recognised in the Balance Sheet	**5.47**	**6.38**
(d)	**Actual Return on Plan Assets**	**1.98**	**2.83**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses (Net)	2.46	3.88
		2.46	**3.88**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	3.06	2.79
	Net Interest Cost	0.20	0.10
	Total @	**3.26**	**2.89**

@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.71	99.57
	Cash and Cash Equivalents	0.29	0.43
		100.00	**100.00**

		31st March, 2021	31st March, 2020
(h)	**Principal Actuarial Assumptions:**		
	Discount Rate	6.00%	6.50%
	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 (2020-21)**	**Impact on defined benefit obligation (2019-20)**
	Discount Rate	Increase by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.46 Crores
		Decrease by 1%	Increase by Rs. 4.88 Crores	Increase by Rs. 3.82 Crores
	Salary Growth Rate	Increase by 1%	Increase by Rs. 4.78 Crores	Increase by Rs. 3.77 Crores
		Decrease by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.47 Crores

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. 8.92 Crores (Previous Year - Rs. 9.43 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation is 9.55 years (Previous Year – 8.80 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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. 0.40 Crores (Previous Year - Rs. 0.36 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. 0.26 Crores (Previous Year – Rs. 0.36 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, 2021	31st March, 2020
Principal Actuarial Assumptions		
Discount Rate	5.50% & 4.70%	6.05% & 5.18%
Expected Return on Exempted Fund	7.14% & 6.94%	7.13% & 7.68%
Guaranteed Interest Rate	8.50%	8.50%

(C) Pension (Unfunded)

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.

The following table sets forth the particulars in respect of the Pension Plan (unfunded) of the certain foreign subsidiaries for the year ended 31st March, 2021:

(Rs. in Crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(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	3.86	3.13
	Exchange Differences	0.15	0.23
	Current Service Cost	0.06	0.05
	Interest Cost	0.02	0.05
	Remeasurements Losses		
	Actuarial Losses arising from Changes in Financial Assumptions	(0.21)	0.51
	Benefits Paid	(0.15)	(0.11)
	Present Value of Obligation at the end of the year	**3.73**	**3.86**
(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	3.73	3.86
	Fair Value of Plan Assets at the end of the year	-	-
	Liabilities Recognised in the Balance Sheet	**3.73**	**3.86**
(c)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses	(0.21)	0.51
		(0.21)	**0.51**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

		Year ended March 31, 2021	Year ended March 31, 2020
			(Rs. in Crores)
(d)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	0.06	0.05
	Interest Cost	0.02	0.05
	Total @	**0.08**	**0.10**

@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.

		As at 31st March, 2021	As at 31st March, 2020
(e)	**Principal Actuarial Assumptions:**		
	Discount Rate	0.74%	0.60%
	Pension in Payment Increase Rate	1.50%	1.50%

Assumptions regarding future mortality experience are based on mortality tables of Heubeck 2018.

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 (2020-21)**	**Impact on defined benefit obligation (2019-20)**
	Discount Rate	Increase by 1%	Decrease by Rs. 0.63 Crores	Decrease by Rs. 0.67 Crores
		Decrease by 1%	Increase by Rs. 0.83 Crores	Increase by Rs. 0.89 Crores
	Pensions in Payment Rate	Increase by 1%	Increase by Rs. 0.63 Crores	Increase by Rs. 0.66 Crores
		Decrease by 1%	Decrease by Rs. 0.51 Crores	Decrease by Rs. 0.53 Crores

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. 9.83 Crores (Previous Year - Rs. 10.07 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. 11.03 Crores (Previous Year - Rs. 13.67 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(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. 22.94 Crores (Previous Year - Rs. 20.92 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, 2021	**31st March, 2020**
Leave provision not expected to be settled within the next 12 months	20.93	18.64

(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.

37 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 two 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 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 Consolidated Financial Statements as at and for the year ended 31st March, 2021

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue from Operations						
External Sales	1,793.33	2,942.03	119.72	95.34	1,913.05	3,037.37
Other Operating Revenues	19.93	53.28	24.64	2.93	44.57	56.21
	1,813.26	2,995.31	144.36	98.27	1,957.62	3,093.58
Inter Segment Sales	-	-	0.19	0.24	0.19	0.24
Segment Revenues	**1,813.26**	**2,995.31**	**144.55**	**98.51**	**1,957.81**	**3,093.82**
Segment Results	**(67.31)**	**(53.70)**	**37.23**	**2.50**	**(30.08)**	**(51.20)**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					108.11	45.10
Interest Income					73.81	76.21
Dividend Income					0.01	-
Finance Costs					(6.06)	(17.76)
Other Un-allocable Expenditure (Net)					(92.90)	(26.23)
Profit before Tax and Share of Loss of an Associate					**52.89**	**26.12**
Share of Loss of an Associate					(10.08)	(6.93)
Profit before Tax					**42.81**	**19.19**
Depreciation and Amortisation	**46.81**	**46.11**	**3.72**	**3.90**	**50.53**	**50.01**
Unallocable					1.37	1.44
Total					**51.90**	**51.45**
Non-cash Expenses other than Depreciation and Amortisation	**71.14**	**625.90**	**0.05**	**0.53**	**71.19**	**626.43**
Unallocable					*	*
Total					**71.19**	**626.43**
Interest Income	**1.70**	**6.92**	**0.61**	**0.73**	**2.31**	**7.65**
Unallocable					73.81	76.21
Total					**76.12**	**83.86**
Capital Expenditure	**98.30**	**36.71**	**0.22**	**0.18**	**98.52**	**36.89**
Unallocable					0.27	0.71
Total					**98.79**	**37.60**
Segment Assets	**2,368.00**	**3,177.38**	**214.31**	**196.72**	**2,582.31**	**3,374.10**
Reconciliation to Total Assets:						
Investments					2,726.96	2,014.97
Current Tax Assets (Net)					143.30	134.80
Deferred Tax Assets (Net)					2.99	4.91
Other Unallocable Assets					74.79	54.27
Total					**5,530.35**	**5,583.05**
Segment Liabilities	**321.67**	**275.39**	**23.88**	**20.14**	**345.55**	**295.53**
Reconciliation to Total Liabilities:						
Borrowings					223.40	415.61
Current Tax Liabilities (Net)					244.50	220.33
Deferred Tax Liabilities (Net)					92.74	81.86
Other Unallocable Liabilities					82.41	15.45
Total					**988.60**	**1,028.78**

*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, 2021

C. Entity-wide disclosures:-

(Rs. in Crores)

	2020-21	2019-20
(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	1,082.71	1,472.25
Rest of the World	830.34	1,565.12
	1,913.05	**3,037.37**

	31st March, 2021	31st March, 2020
(ii) Non-current assets (excluding Financial Assets and Deferred Tax Assets) by location of assets is shown below:		
India	671.62	641.64
Rest of the World	59.38	53.52
	731.00	**695.16**

(iii) No customer individually accounted for more than 10% of the revenues from external customers during the year ended March 31, 2021. Revenue from one customer amounting to Rs. 376.45 Crores arising from sales in the Graphite and Carbon segment during the year ended March 31, 2020.

38 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 Private 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, KKB Family Trust and Krishna Kumar Bangur Family Welfare Trust	Entities under significant influence of UCP
Mr. M.B. Gadgil	Key Management Personnel - Executive Director (ED till 31st March, 2020)
Mr. A. Dixit	Key Management Personnel - Executive Director (ED from 1st April, 2020)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, 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, Khaitan & Co. LLP. - Noida Firm in which a Director is a Partner	Entities under significant influence of NED
Paharpur Cooling Towers Ltd, Company in which a Director is on Board	
Ms. Yasmin Jemi Curravala	Relative of NED
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, 2021

(ii) Particulars of transactions during the year -

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
(A)	**Immediate and Ultimate Holding Company of the Parent Company**		
	Dividend Paid	-	442.44
(B)	**Fellow Subsidiary of the Parent Company**		
	Dividend Paid	-	3.27
(C)	**Associate of ECPL**		
	Dividend Paid	-	1.43
(D)	**Associate of Group**		
	Investment in Shares		
	General Graphene Corporation	-	42.91
(E)	**UCP**		
	Dividend Paid	-	6.32
	Sitting Fees	0.02	0.02
	Total	**0.02**	**6.34**
(F)	**Relatives of UCP**		
	Dividend Paid		
	Ms. Manjushree Bangur	-	0.92
	Ms. Divya Bagri	-	0.63
	Ms. Aparna Bangur	-	0.69
	Mr. Siddhant Bangur	-	*
	Ms. Rukmani Devi Bangur	-	0.20
	Total	**-**	**2.44**
(G)	**Entities under significant influence of UCP**		
	Dividend Paid		
	GKW Limited	-	14.80
	Emerald Family Trust	-	*
	KKB Family Trust	-	*
	Krishna Kumar Bangur Family Welfare Trust	-	0.74
	Rent Expenses		
	Salasar Towers Private Limited	0.07	0.07
	Contributions made		
	B.D. Bangur Endowment	1.49	3.11
	Total	**1.56**	**18.72**
(H)	**KMP**		
	ED		
	Dividend Paid	-	*
	Remuneration		
	- Short-term Employee Benefits	1.47	1.74
	- Post Employment Benefits	0.09	0.29
	Total	**1.56**	**2.03**
	CFO		
	Dividend Paid	-	*
	Sitting Fees	*	*
	Loan Recovered	*	*
	Remuneration		
	- Short-term Employee Benefits	0.38	0.56
	- Post Employment Benefits	0.05	0.05
	Total	**0.43**	**0.61**

*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, 2021

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

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
(I)	**NED**		
	Dividend Paid		
	Mr. N. Venkataramani	-	0.03
	Mr. J.D. Curravala	-	0.02
	Sitting Fees		
	Mr. N.S. Damani	0.01	0.01
	Mr. A.V. Lodha	0.01	0.01
	Mr. P.K. Khaitan	0.01	0.02
	Mr. N. Venkataramani	0.02	0.03
	Mr. J.D. Curravala	0.01	0.01
	Mr. Gaurav Swarup	0.02	0.02
	Ms. Shalini Kamath	0.01	0.01
	Commission		
	Mr. N.S. Damani	0.05	-
	Mr. A.V. Lodha	0.07	-
	Mr. P.K. Khaitan	0.05	-
	Mr. N. Venkataramani	0.10	-
	Mr. J.D. Curravala	0.05	-
	Mr. Gaurav Swarup	0.07	-
	Ms. Shalini Kamath	0.05	-
	Total	**0.53**	**0.16**
(J)	**Entities under significant influence of NED**		
	Professional fees		
	Khaitan & Co. LLP, New Delhi	0.03	0.13
	Khaitan & Co. AOR, New Delhi	-	0.06
	Khaitan & Co. LLP, Kolkata	0.33	0.26
	Khaitan & Co., Mumbai	0.53	0.85
	Khaitan & Co. LLP, Noida	0.04	-
	Purchase of Spares		
	Paharpur Cooling Towers Ltd	0.01	-
	Total	**0.94**	**1.30**
(K)	**Relatives of NED**		
	Dividend Paid		
	Ms. Yasmin Jemi Curravala	-	*
	Total	**-**	*****
(L)	**KMP of ECPL**		
	Remuneration		
	Mr. M.C. Darak	0.21	0.28
	Mr. S. Marda	0.24	0.33
	Mr. B. Shiva	0.46	0.64
	Dividend Paid		
	Mr. M.C. Darak	-	*
	Mr. S. Marda	-	*
	Mr. B. Shiva	-	*
	Total	**0.91**	**1.25**
(M)	**Relative of KMP of ECPL**		
	Remuneration		
	Mr. R.G. Darak	0.17	0.25
	Dividend Paid		
	Mr. R.G. Darak	-	*
	Total	**0.17**	**0.25**

*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, 2021

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

(Rs. in Crores)

	Year ended 31st March, 2021	Year ended 31st March, 2020
(N) PEBP		
Contribution Made		
Graphite India Limited Employees' Gratuity Fund	2.71	2.88
Graphite Vicarb India Limited Employees' Gratuity Fund	1.15	0.17
Graphite India Limited (PSD) Employees' Gratuity Fund	0.14	0.30
Graphite India Employees Group Gratuity Scheme	2.62	0.03
Graphite India Limited Senior Staff Superannuation Fund	1.80	1.25
Graphite India Employees Group Superannuation Scheme	1.03	1.18
Graphite India Limited Provident Fund	0.08	0.08
GIL Officers Provident Fund	0.18	0.27
Total	**9.71**	**6.16**

(iii) Balances Outstanding

(Rs. in Crores)

	As at 31st March, 2021	As at 31st March, 2020
(A) KMP		
Other Current Liabilities		
ED	0.49	0.30
CFO	0.03	0.11
CS	0.04	0.12
Financial Assets - Loan		
CFO	-	*
Total	**0.56**	**0.53**
(B) NED		
Other Current Liabilities		
Mr. N.S. Damani	0.05	-
Mr. A.V. Lodha	0.07	-
Mr. P.K. Khaitan	0.05	-
Mr. N. Venkataramani	0.10	-
Mr. J.D. Curravala	0.05	-
Mr. Gaurav Swarup	0.07	-
Ms. Shalini Kamath	0.05	-
Total	**0.44**	**-**
(C) Entities under significant influence of NED		
Other Current Liabilities		
Khaitan & Co. LLP, Kolkata	**-**	**0.01**
(D) KMP of ECL		
Mr. M.C. Darak	0.02	0.03
Mr. S. Marda	0.02	0.06
Total	**0.04**	**0.09**
(E) Relative of KMP of ECL		
Remuneration		
Mr. R.G. Darak	**0.01**	**0.03**

*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, 2021

(Rs. in Crores)

(iii) Balances Outstanding (Contd.)

	As at 31st March, 2021	As at 31st March, 2020
(F) PEBP		
Other Current Liabilities		
Graphite India Limited Provident Fund	0.01	0.10
GIL Officers Provident Fund	0.03	0.07
Total	**0.04**	**0.17**
(G) Associate of the Group		
Investment in Shares		
General Graphene Corporation	**85.04**	**91.64**

(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. All transactions with the related parties have taken place at arm's length and in accordance with laws and regulations, as applicable.

39 Fair Value Measurements

(i) Financial Instruments by Category

	Notes	31st March, 2021 Carrying Amount/ Fair Value	31st March, 2020 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Quoted equity shares	7	123.21	42.06
- Unquoted equity shares	7	41.02	0.02
- Mutual Funds/Other Funds	7	1,459.01	978.47
- Perpetual Bonds	7	220.07	135.61
- Venture Capital Fund	7	25.77	-
- Market Linked Debenture	7	21.17	-
Other Financial Assets	12	8.44	-
Assets Carried at Amortised Cost			
Investments			
- Corporate Deposits and Debentures	7	829.00	819.00
Trade Receivables	8	339.59	402.60
Cash and Cash Equivalents	9	229.97	363.86
Other Bank Balances	10	14.19	91.99
Loans	11	4.82	8.32
Other Financial Assets	12	104.95	48.94
Total Financial Assets		**3,421.21**	**2,890.87**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	16,18	223.50	416.88
Trade Payables	17	229.97	191.45
Other Financial Liabilities	18	120.20	48.66
Total Financial Liabilities		**573.67**	**656.99**

(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, 2020.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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

(a) The fair values of the quoted shares are based on price quotations at the reporting date. The fair value of unquoted equity shares have been estimated using a discounted cash flow analysis, net asset value, comparable companies multiple method and comparable transaction method. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility, earnings per share and price earnings ratio of comparable companies in the sector. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(b) In respect of investments in mutual funds/other funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements as at the year end. Net asset values represent the price at which the issuer will issue further units in the mutual fund/other 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/ other funds are carried out at such prices between investors and the issuers of these units of mutual funds/other funds.

(c) The management has assessed that the fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets, investments in Commercial Papers, Corporate Deposits, Trade Payables, Borrowings and Other Financial Liabilities approximate to their respective carrying amounts of these instruments. Further, management has also assessed the carrying amount of certain loans bearing floating interest rates which are a reasonable approximation of their respective fair values and any difference between their carrying amounts and fair values is not expected to be significant.

(d) Investments in venture capital funds are valued using valuation techniques, which employs the use of market observables inputs and the assessment of Net Asset Value.

(e) Perpetual Bond and Market Linked Debenture are valued based on the trends observed in primary and secondary markets mainly Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN through book building and secondary trades in the same ISIN of the same issuer of similar maturity.

(f) The fair value of remaining financial instruments is determined on discounted cash flow model using a current lending/discount rate, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their respective fair values.

(iii) Fair Value Hierarchy

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

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

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, 2021 and 31st March, 2020.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

	31st March, 2021			31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(a) Recognised and Measured at Fair Value						
Financial Assets						
Investments						
- Mutual Funds/Other Funds	-	1,459.01	-	-	978.47	-
- Perpetual Bonds	-	220.07	-	-	135.61	-
- Quoted Equity Investments	123.21	-	-	42.06	-	-
- Unquoted Equity Investments	-	-	41.02	-	-	0.02
- Venture Capital Fund	-	25.77	-	-	-	-
- Market Linked Debenture	-	21.17	-	-	-	-
	123.21	**1,726.02**	**41.02**	**42.06**	**1,114.08**	**0.02**
(b) Amortised Cost for which Fair Values are Disclosed						
Financial Assets ^						
Investments						
- Debentures, Bonds and Corporate Deposits	-	829.00	-	-	819.00	-
	-	**829.00**	**-**	**-**	**819.00**	**-**

Fair value measurements using significant unobservable inputs (Level 3)

Fair valuation of unquoted equity investments is based on Valuation report using given weighted average of net asset value, comparable companies multiple method and comparable transaction method. A change in significant unobservable inputs used in such valuation (mainly earnings per share and price earnings ratio of comparable companies in the sector) is not expected to have a material impact on the fair values of such assets as disclosed above.

Particulars	Valuation Technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted equity shares	Net asset value, comparable companies multiple method and comparable transaction method	Earnings per share and price earnings ratio of comparable companies in the sector	a) 5% decrease in EPS or PE ratio will decrease profit before tax by Rs. 1.10 Crores and 5% increase in EPS or PE ratio will increase profit before tax by Rs. 1.10 Crores. b) 5% decrease in EPS and 5% decrease in PE ratio will decrease profit before tax by Rs. 2.13 Crores.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	**(Rs. in Crores)**
As at 01.04.2019	-
Purchases/Addition during the year	-
Fair Value Changes	-
As at 31.03.2020	-
Purchases/Addition	33.78
Disposal/Deletion	-
Fair Value Changes	7.24
As at 31.03.2021	41.02

^ Amortised 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, 2021

40 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/other 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 is monitored by the Group's senior management periodically.

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, 2021 and 31st March, 2020 is the carrying amounts as disclosed below.

Financial Assets that are Neither Past Due Nor Impaired

None of the Group's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2021 and 31st March, 2020. Of the total trade receivables, Rs. 143.04 Crores as at 31st March, 2021, Rs. 249.83 Crores as at 31st March, 2020 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, 2021	As at 31st March, 2020
1-90	192.29	139.46
91-180	0.50	11.71
More than 180	3.76	1.60
	196.55	**152.77**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

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, 2021	31st March, 2020
Opening Balance	7.76	10.43
Provision made during the year	-	3.05
Provision utilised during the year	(3.36)	(1.86)
Exchange Differences	0.16	0.15
Provision written back during the year	(0.22)	(4.01)
Closing Balance	**4.34**	**7.76**

(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, 2021	As at 31st March, 2020
Floating/Fixed Rate		
-Expiring within one year (working capital facilities)	462.37	383.11
	462.37	**383.11**

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.

(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, 2021			
Borrowings	223.40	-	223.40
Trade Payables	229.97	-	229.97
Other Financial Liabilities ^	119.42	1.38	120.80
Total	**572.79**	**1.38**	**574.17**
31st March, 2020			
Borrowings	415.61	-	415.61
Trade Payables	191.45	-	191.45
Other Financial Liabilities ^	52.87	-	52.87
Total	**659.93**	**-**	**659.93**

^ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 0.50 Crores (Previous Year - Rs. 2.94 Crores).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

(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, 2021		31st March, 2020	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables	76.70	3.32	148.18	7.22
Cash and Cash Equivalents	92.41	-	-	-
Investments	168.82	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**337.93**	**3.32**	**148.18**	**7.22**
Financial Liabilities				
Borrowings (including current maturities)	-	-	99.41	-
Trade Payables	56.57	1.64	54.96	5.28
Other Financial Liabilities	7.58	0.82	5.69	0.31
Net Exposure to Foreign Currency Risk (Liabilities)	**64.15**	**2.46**	**160.06**	**5.59**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**273.78**	**0.86**	**(11.88)**	**1.63**

(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, 2021	**31st March, 2020**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 7%)*	13.69	(0.83)
INR/USD - Increase by 5% (Previous year 7%)*	(13.69)	0.83
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 7%)*	0.04	0.11
INR/EUR - Increase by 5% (Previous year 7%)*	(0.04)	(0.11)

* Holding all other variables constant

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(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, Commercial Papers, Corporate Deposits and Bonds/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, 2021	31st March, 2020
Variable Rate Borrowings	223.40	316.20
Fixed Rate Borrowings	-	99.41
Total Borrowings	**223.40**	**415.61**

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

(Rs. in Crores)

	31st March, 2021			31st March, 2020		
	Weighted average interest rate (%)	Balance	% of Total Loans	Weighted average interest rate (%)	Balance	% of Total Loans
Cash Credit/Export Credit Facilities	3.47%	223.40	100%	4.05%	316.20	76%

An analysis by maturities is provided in Note 40(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, 2021	31st March, 2020
Interest Rates – Increase by 100 basis points (100 bps) *	(2.23)	(3.16)
Interest Rates – Decrease by 100 basis points (100 bps) *	2.23	3.16

*Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

(iii) Equity Price Risk

The Group invests in listed and non-listed equity securities which are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(iv) 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 & other funds, short term debt funds & income funds and perpetual bonds & Market linked debenture. To manage its price risk arising from investments in mutual funds, perpetual bonds and Market linked debenture, the Group diversifies its portfolio.

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

(a) Securities Price Risk Exposure

The Group's exposure to securities price risk arises primarily from investments in mutual funds & other funds, perpetual bonds and Market linked debentures held by the Group and classified in the Balance Sheet as fair value through profit or loss (Note 39).

(b) Sensitivity

The sensitivity of profit or loss to changes in Net Assets Values (NAVs) and interest rate as at year end for investments in mutual funds & other funds and perpetual bonds.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2021	**31st March, 2020**
NAV - Increase by 1%*	16.58	9.78
NAV - Decrease by 1%*	(16.58)	(9.78)
Interest Rates – Increase by 100 basis points (100 bps)*	(6.19)	(4.30)
Interest Rates – Decrease by 100 basis points (100 bps)*	6.19	4.30

*Holding all other variables constant.

(v) 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.

41 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

The following table summarises the capital of the Group:

(Rs. in Crores)

	31st March, 2021	31st March, 2020
Total Borrowings	223.40	415.61
Less: Cash and Cash Equivalents	(229.97)	(363.86)
Net Debt	**(6.57)**	**51.75**
Equity	**4,541.75**	**4,554.27**
Total Capital (Equity + Net Debt)	**4,535.18**	**4,606.02**
Net Debt to Equity Ratio	**Nil**	**0.01**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

(Rs. in Crores)

(b) Dividend on Equity Shares	Year ended 31st March, 2021	Year ended 31st March, 2020
Dividend declared and paid during the year		
Final dividend for the year ended 31st March, 2020 of Rs. Nil (31st March, 2019 – Rs. 35) per fully paid share.	-	683.81
Dividend Distribution Tax on above	-	140.56
Interim dividend for the year ended 31st March, 2021 of Rs. Nil (31st March, 2020 – Rs. 2) per fully paid share	-	39.08
Dividend Distribution Tax on above	-	8.03
	-	**871.48**
Proposed dividend not recognised at the end of the reporting period		
The directors have recommended the payment of a dividend of Rs. 5/- per fully paid share (Previous Year – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	97.69	-

Dividend Distribution Tax ('DDT') under section 115 (O) of Income-tax Act, 1961 has been abolished with effect from 1st April, 2020.

42 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Current		
First Charge		
Financial Assets		
Other Trade Receivables @	291.76	342.44
Non-financial Assets		
Inventories	823.42	1,209.15
Sub-total	**1,115.18**	**1,551.59**
Non-current		
First Charge / Second Charge #		
Plant and Equipments	374.48	376.36
Furniture and Fixtures	1.34	1.55
Office Equipments	1.50	1.72
Vehicles	3.54	4.04
Sub-total	**380.86**	**383.67**
Total	**1,496.04**	**1,935.26**

@ 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).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

43 The operations of the Group were affected in the month of March 2020 due to temporary shutdown of all factories following nationwide lockdown declared on 24th March, 2020 by Government of India and voluntarily by the local management in Germany because of COVID-19 pandemic. The operations have since commenced in a phased manner in all the factories in April/May 2020 adhering to the guidelines / permissions of government authorities as applicable, which impacted the production and sales volume for the year ended 31st March, 2021.

Further, in view of such highly uncertain economic environment which is continuously evolving, the Group has considered the possible effects that may result from COVID-19 pandemic in the preparation of these financial results. As per Group's present assessment, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities as on 31st March, 2021 and the Group does not expect any impact of COVID-19 on its ability to continue as a going concern. The above evaluations are based on management's analysis after taking into consideration the internal and external information available up to the date of approval of these financial results, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery. The impact of the pandemic in the subsequent period is highly dependent on the situations as they evolve which is presently uncertain.

44 Due to the deteriorating market conditions and overall fall in the electrode prices, the Group, in accordance with the applicable Ind AS Accounting Standards, had recognized its carrying Inventory as on March 31, 2020 on Net realizable Value (NRV) basis to the extent applicable and had created an NRV provision on inventory by writing down the cost of inventory by Rs. 583.82 Crores during the year ended 31st March, 2020.

During the current year, the Group has continued to recognise its Inventory on Net realizable Value (NRV) basis (to the extent applicable) after making appropriate adjustments viz., recycling of opening NRV provision in respect of products consumed, further adjustments for relative movement in cost and net realisable value on the closing inventory balance, etc., as applicable. As on March 31, 2021, the closing balance of NRV provision on Raw Materials being Rs. 110.46 Crores (Rs. 263.68 Crores as on March 31, 2020) and on Work-in-progress and Finished Goods being Rs. 243.04 Crores (Rs. 320.14 Crores as on March 31, 2020) (Refer Note 13.2).

45 **Investment in Associate**

During the year, the Group has not invested any further amounts in General Graphene Corporation, USA an associate of the Group. Thus Total investment in General Graphene Corporation remained at Eur 12.32 Million (Carrying Value Euro 9.90 Million) and Group's ownership at 39.43% as on 31st March, 2021. 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 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, 2021**	**As at 31st March, 2020**
Current assets	14.72	43.92
Non-current assets	31.91	28.11
Current liabilities	(11.70)	(13.14)
Intangible assets (fair value adjustment made at the time of acquisition)	33.46	39.10
Total Equity	**68.39**	**97.99**
Proportion of the Group's ownership	**39.43%**	**39.43%**
Group's share of Equity of the Associate	**26.96**	**38.63**
Goodwill included in the carrying amount of Investment	**72.51**	**72.51**
Adjustment on account of Foreign Currency Translation	**14.43**	**19.50**
Carrying Amount of Investment (including share of loss amounting to Euro 1,163,373.61 for the year ended 31st March, 2021; Euro 879,517.75 for the year ended 31st March, 2020)	**85.04**	**91.64**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021

(Rs. in Crores)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue	2.92	-
Profit/(loss) before tax	(25.58)	(22.19)
Profit/(loss) for the year	**(25.58)**	**(22.19)**
Group's share of profit/(loss) for the year	**(10.08)**	**(6.93)**

46 Pursuant to the publication of Tariff Order for the years 2006-07 to 2008-09 by Hon'ble West Bengal Electricity Regulatory Commission, the Parent Company has been awarded a net refund of Rs. 84.82 Crores from Damodar Valley Corporation (DVC) towards electricity charges paid in respect of its Durgapur plant for the above years, which is/will be adjusted against monthly energy bill/s in 24 equal instalments starting December 2020. Out of the above refund entitlement, Rs. 80.28 Crores has been accounted for as Other income while the differential amount of Rs. 4.54 Crores will be accrued as interest income over the period of 24 months in accordance with applicable Ind AS standards. Out of the total receivables, Rs. 14.14 Crores has been adjusted against monthly energy bills till March 31, 2021. Further, DVC has refunded Rs. 10.25 Crore levied by them towards penal charges for overdraw during frequent restrictions for the period August 2018 to October 2018, which was then contested by the Parent Company. The aforesaid refund has been adjusted against monthly energy bills of January'21 to March'21 and has also been appropriately accounted for as 'Other income' during the year ended March 31, 2021 (Refer Note 23).

47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Parent Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48 Pending completion of the relevant formalities of transfer of certain assets and liabilities of Powmex Steels Undertaking of GKW Limited (GKW) acquired pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta vide Order dated 22nd May, 2009, such assets and liabilities remain included in the books of the Parent Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).

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 - 28th June, 2021

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

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

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 share-holding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Carbon Finance Limited, India	**INR**	**5.30**	**82.32**	**14.03**	**0.89**	**77.34**	**25.83**	**25.41**	**3.04**	**22.37**	-	**100%**
2	Graphite International B.V., The Netherlands	EURO	17,300.00	59,856.27	53,948.48	438.28	23,646.07	452.75	(1,810.42)	(431.64)	(1,378.78)	-	**100%**
		INR	**148.56**	**513.99**	**463.26**	**3.76**	**203.05**	**3.89**	**(15.55)**	**(3.71)**	**(11.84)**	-	
3	Graphite COVA GmbH, Germany	EURO	16,320.00	(9,906.37)	42,833.38	36,419.75	-	30,879.82	(24,120.61)	-	(24,120.61)	-	**100%**
		INR	**140.14**	**(127.49)**	**367.55**	**354.90**	**-**	**265.16**	**(249.55)**	**-**	**(249.55)**	-	
4	Bavaria Electrodes GmbH, Germany	EURO	100.00	447.00	3,244.82	2,697.82	-	10,339.95	188.43	54.31	134.12	-	**100%**
		INR	**0.86**	**3.83**	**27.86**	**23.17**	**-**	**88.79**	**1.62**	**0.47**	**1.15**	-	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	465.00	1,254.49	689.49	-	6,552.55	283.75	81.26	202.49	-	**100%**
		INR	**0.86**	**3.99**	**10.77**	**5.92**	**-**	**56.27**	**2.44**	**0.70**	**1.74**	-	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	774.70	1,997.86	948.16	-	614.57	458.04	77.02	381.02	-	**100%**
		INR	**2.36**	**6.65**	**17.15**	**8.14**	**-**	**5.28**	**3.93**	**0.66**	**3.27**	-	

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, 2021 has been taken @ 1 Eur = Rs.85.87

	S.W.Parnerkar	**B.Shiva**	**A.Dixit**	**K.K.Bangur**
28th June, 2021	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

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-2021	31-Aug-2018	814,890 Series B Preferred Stock.	13,979.67	39.43%	Extent of equity holding in the associate company exceeds 20%	No Control exists	1,881.60	(3,014.36)	–

	S.W.Parnerkar	**B.Shiva**	**A.Dixit**	**K.K.Bangur**
28th June, 2021	Sr.Vice President-Finance	Company Secretary	Executive Director	Chairman