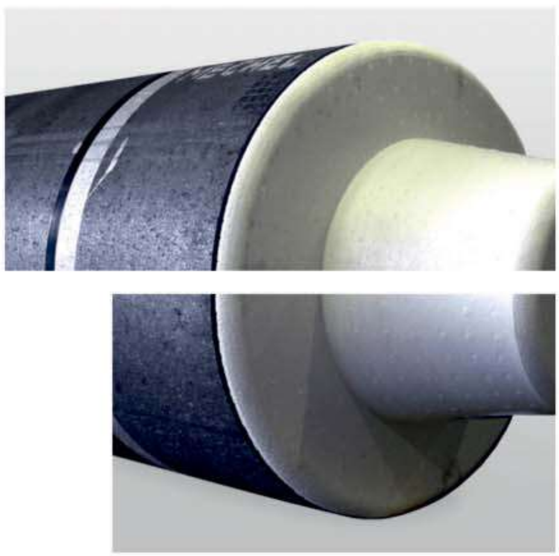
ANNUAL REPORT 2021-22



Graphite India Limited

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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 Gaurav Swarup

Mrs Sudha Krishnan

Mr A Dixit, Executive Director

COMPANY SECRETARY

Mr B Shiva

AUDITORS

S R Batliboi & Co. LLP

SOLICITORS

Khaitan & Co.

BANKERS

UCO Bank

Axis Bank Limited

Canara Bank

Citibank N.A.

DBS Bank India Limited

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

REGISTERED OFFICE

31, Chowringhee Road, Kolkata 700 016

Phone No. : +91 33 22265755/2334/4942, 40029600

Fax No. (033)22496420

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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 Seventh ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Friday, the 5th day of August, 2022 at 10.30 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, 2022 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, 2022 and the Report of the Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March, 2022.

3. To appoint a Director in place of Mr. K K Bangur (DIN: 00029427) who retires by rotation and being eligible, offers himself for re-appointment.

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

   RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) S R Batliboi and Co. LLP Chartered Accountants (Firm Registration No 301003E/E300005) be and are hereby re appointed as Auditors of the Company for the second term of five consecutive years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 52nd Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

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

   RESOLVED THAT in pursuance to provisions of Section 188(1)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and other applicable provisions, if any of the Companies Act 2013, together with Regulation 23 as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications thereto for the time being in force, and as may be enacted from time to time, consent of the members of the Company be and is hereby accorded to the appointment of Mr Siddhant Bangur, son of Mr Krishna Kumar Bangur, Chairman of the Company, as Business Development Executive, of the Company for an aggregate remuneration not exceeding Rs. 60 lacs per annum, with effect from September 1, 2022.

   RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorised to finalise and decide the change in designation and / or revisions in the remuneration payable to Mr Siddhant Bangur from time to time in accordance with the Company's policy on performance measurement and appraisal and such other relevant policies.

   RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee there of be and is hereby authorised to do all such acts, deeds and things, as may be deemed necessary to give effect to the foregoing resolutions.

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

   RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s)/or re-enactment(s) thereof for the time being in force) the remuneration payable to the Cost Auditors of the various divisions/plants of the Company to conduct the audit of the cost accounting records maintained for the financial year ending March 31, 2023 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	Durgapur Plant and captive power generation facility in Chunchunkatte, Mysore	3,05,000
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.

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

RESOLVED THAT pursuant to Section 42 and 71 of Companies Act, 2013 and Companies (Prospectus & Allotment of Securities) Rules, 2014 and other applicable provisions/rules of the Companies Act, 2013 and subject to, wherever required, the guidelines and/or approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and subject to such other approvals and consents of the concerned authorities as required by law, and subject to such conditions, modifications and stipulations as may be imposed under the said approvals, permissions and consents and in terms of the Articles of Association of the Company, the Board of Directors of the Company (Board) be and is hereby authorised to issue and allot secured/unsecured, redeemable, cumulative/non-cumulative, non-convertible debentures/ Bonds up to 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 may in its absolute discretion, consider necessary, expedient, usual or proper.

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

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

By Order of the Board
For Graphite India Limited

Kolkata
15th June, 2022

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, July 26, 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, 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, July 26, 2022 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories for this purpose. Final Dividend on equity shares, if declared at the AGM will be paid/ despatched by 20th August, 2022.

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 prescribe 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 July 28, 2022. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors(FPIs)] can avail benefi cial 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 July 28, 2022.

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 / unencashed dividend declared by the Company for the year ended 31st March, 2015 would be transferred to the said fund in the third week of September, 2022

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office / office of the Company for revalidation and encash them immediately. Unclaimed / unencashed dividend up to the years ended 31st March, 2014 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 20.08.2021 (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. (i) As per Regulations 39 and 40 of the Listing Regulations, as amended, listed companies can effect **issuance of duplicate securities certificate; renewal / exchange, endorsement, sub-division / split, consolidation of securities certificate; transfer, transmission and transposition, as applicable in Dematerialised form only with effect from 24th January, 2022.**

Further, SEBI vide its circular dated 3rd November, 2021, read with clarification dated 14th December, 2021 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, **effective 1st January, 2022, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are updated. On or after 1st April, 2023, in case of any of the above cited documents/details are not available in the folios, RTA shall be constrained to freeze such folios.** The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form.

The said form are available on our website at **http://ir.graphiteindia.com**

As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with LIIPL or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DPs. The relevant forms are available on the company website at **http://ir.graphiteindia.com**

(ii) 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 47th 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 Link Intime India Private Limited (LIIPL).

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, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars"). 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 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 Link Intime India Private Limited (LIIPL) 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 LIIPL.

IV The Members can join the AGM in the VC/OAVM mode 15 minutes before 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 at least 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 LIIPL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. https://instavote.linkintime.co.in

VIII **REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS**

The voting period begins on 02.08.2022 at 9.00 am (IST) and ends on 04.08.2022 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 29.07.2022 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

A. Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are 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://eservices.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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

B. Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, can login through their 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 www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
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 link in 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 provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

C. 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. Upon logging in, you will be able to see e-Voting option. 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:-

   A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact Mr. Rajiv Ranjan, Assistant Vice President at 022-49186060

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
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
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 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

IX **PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the **"Company"** and **'Event Date'** and register with your following details:-
  - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
  - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. **Mobile No.:** Enter your mobile number.
  - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. 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 investorgrievance@graphiteindia.com between 29.07.2022 (9.00 a.m. IST) to 01.08.2022 at (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number.
2. 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.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

i. 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 (29th July, 2022) only shall be entitled to avail the facility of e-voting.

j. 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.

k. Mrs. Swati Bajaj, Partner, M/s. Bajaj Todi & Associates, Practicing Company Secretaries, Kolkata has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

l. 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.

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

By Order of the Board
For Graphite India Limited

Kolkata
15th June, 2022

B. Shiva
Company Secretary

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

ITEM NO. 5

In accordance with the provisions of Section 188 (1)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Company's policy on Related Party Transactions, except with the consent of the board of directors and shareholders, no company shall enter into any contract or arrangement with a related party with respect to such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees.

Mr Siddhant Bangur, son of Mr Krishna Kumar Bangur, Chairman of the Company, holds a Bachelor's degree with high distinction in Finance and Operations Management from the Kelley School of Business, Indiana University. He has been active in the developmental activities of General Graphene Corporation, USA (GCC) since mid-2021. The Audit Committee of the Company was informed of this in the meeting held on 6 August 2021. Mr Siddhant Bangur is now employed with GCC as an Operations Officer, and earns a remuneration of USD 63,000 per annum. With effect from 1st February 2022, GCC has become a subsidiary of the Company.

The Board of Directors of the Company, at their meeting held on 11.05.2022, on the recommendation of the Nomination and Remuneration Committee have approved the appointment of Mr Siddhant Bangur as Business Development Executive of the Company, subject to the approval of the members of the Company by way of an Ordinary resolution. Details of Remuneration is given in Resolution No. 5

Except Mr Krishna Kumar Bangur, none of the Directors or KMP or their relatives are in any way concerned with or interested financially or otherwise in the said resolution.

The ordinary resolution is recommended for your approval.

ITEM No. 6

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

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution. The ordinary resolution is accordingly recommended for approval of the members.

ITEM No. 7

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 up to 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 Directors proposed to be re-appointed/appointed

Mr. K. K. Bangur (DIN:00029427) aged 61 years, Chairman is an industrialist of repute. He has been exposed to business and industry at an early age and has around 37 years of experience in managing the affairs of companies and its business activities. He has been a director of the Company since July 1998 and Chairman since July 1993. He is a past President of All India Organization of Employers (AIOE) and Member, Board of Governors of Indian Institute of Social Welfare and Business Management (IISWBM) and a past Chairman of Council of Indian Employers (CIE). He is a past President of Indian Chamber of Commerce, Kolkata and Executive Committee member of FICCI. He is Chairman of the Stakeholders Relationship Committee', 'Committee for Borrowings', and 'Investment Committee' of the Company. As per Company records, he holds 2,61,005 shares of the Company including 50500 equity shares held as Karta of HUF & 199505 equity shares on behalf of Family Welfare Trust. He is not related to any director or Key Managerial Personnel of the Company.

Other Directorships

Sr. No.	Name of Company	Committee membership	Position
1	**Listed** GKW Ltd.	Nomination & Remuneration Committee	Chairman
1.	**Unlisted** Emerald Company Pvt. Ltd.	Corporate Social Responsibility Committee Audit Committee	Chairman
2.	Shree Laxmi Agents Pvt. Ltd.	Audit Committee Nomination Committee	Chairman
3.	Carbon Finance Ltd.	–	Chairman
4.	Matrix Commercial Pvt. Ltd.	–	Director
5.	The Marwar Textiles (Agency) Pvt. Ltd.	–	Director

DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty Seventh Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2022.

Financial Results **Rs. in Crores**

Particulars	2021-22	2020-21	2021-22	2020-21
	Graphite India Limited		**Graphite India Limited Consolidated**	
Revenue from Operations (Gross)	2799	1839	3026	1958
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Tax and other Comprehensive Income	**803**	**322**	**769**	**111**
Finance Costs	4	6	5	6
Profit before Depreciation and Tax	**799**	**316**	**764**	**105**
Depreciation and Amortisation Expense	46	45	55	52
Profit before Share of Profit/(Loss) of Associate and Tax	**753**	**271**	**709**	**53**
Share of (Loss) of Associate	**-**	**-**	**(16)**	**(10)**
Profit before Tax	**753**	**271**	**693**	**43**
Tax Expense for the Current Year				
Current Tax	158	64	160	62
Deferred Tax	21	8	28	13
Profit for the Year	**574**	**199**	**505**	**(32)**
Other Comprehensive Income (net of tax)	3	(2)	(2)	19
Total Comprehensive Income for the year	**577**	**197**	**503**	**13**
Statement of Retained Earnings				
Retained Earnings at the beginning of the year	**2425**	**2228**	**2906**	**2945**
Add Profit for the year	574	199	505	(32)
Add Comprehensive Income/(Loss)	3	(2)	3	(2)
Less Final Dividend on Equity Shares	98	-	98	-
Less transfer to Reserve Fund	-	-	7	5
Retained Earnings at the end of the year	**2904**	**2425**	**3309**	**2906**

REVIEW OF THE ECONOMY

As the world enters the third year of the Covid-19 pandemic crisis, economic developments have been both encouraging and disconcerting, clouded by several risks and considerable uncertainties with regard to new variants of Covid-19 and the Russia-Ukraine crisis. The GDP output in many countries rebounded in 2021 after a sharp decline in 2020. International trade has picked up, however, high commodity prices, rising interest rates continue to put pressure on the growth outlook. Spending in developing countries surged to support economic activity during the crisis, but many countries are now facing record levels of external and domestic debt. Adding to these debt-related risks is the likelihood of higher interest rates. It is difficult to predict how rapidly interest rates will rise as advanced economies have slowed down their expansion in monetary policies. Amidst these evolving economic conditions, global economy registered a strong recovery of 6.1% in 2021 compared to 3.1% de-growth in 2020. Similarly, emerging and developing economies registered a growth of 6.8% in 2021 compared to de-growth of 2.0% in 2020. Overall, the growth during the year turned out to be stronger than expected primarily driven by the pent-up demand and fiscal and monetary support extended by governments across the world to overcome the Covid-19 crisis.

In the United States, the economy exited 2021 in overdrive, but the growth restricted by global supply chain constraints has pushed inflation higher than expected. Interest rate hikes are predicted to cool the economy. The US GDP registered a growth of 5.7% in 2021 compared to de-growth of 3.4% in 2020. Similarly, the European economy GDP bounced back to 5.3% in 2021 after registering a major decline of 6.4% in 2020, reflecting a recovery in domestic demand. Despite the strong rebound, the economy continues to face added pressure due to rising fuel prices and higher inflation. In Asia, China registered a robust GDP growth of 8% in 2021. Growth in China is expected to moderate to 5.1% in 2022, amid the lingering effects of the pandemic, environmental concerns and tighter regulations on certain sectors of the economy, however export market registered a strong growth.

In 2021, the steel demand turned out to be stronger than expected in many regions, especially in the EU and the US, despite the rise of subsequent waves of Covid-19 and supply chain constraints. However, the outlook for 2022 has weakened due to inflationary pressure, which is further subdued by the consequences of the Ukraine crisis. The impact of this conflict on the global economies will depend on their trade and financial exposure to Russia and Ukraine. The European region will be majorly impacted due to their close proximity and higher dependence on Russian energy. Various nations have put in strict sanctions on Russia which in turn has led to trade barriers, increase in commodity and fuel prices leading to higher inflation. The ongoing crisis is expected to have a cascading effect thereby deteriorating the global economic outlook. The International Monetary Fund (IMF) has reduced the expected World GDP growth to 3.6% for 2022 and 2023 as compared to earlier projected growth of 4.4% for 2022 and 3.8% for 2023.

Indian economy registered a strong growth of 8.9% in 2021 and real GDP surpassed the pre-pandemic level of 2020 by 1.8%. The recovery was broad-based as all constituents of demand, including private consumption, have recuperated and surpassed their respective pre-pandemic levels. The economic impact of the "second wave" in Q1 FY 2021-22 was lower due to mini lockdown restrictions imposed by the states, however, its impact on the human lives was much more severe. The country's index of industrial production (IIP) grew by 13.7% in FY 2021-22 as compared to de-growth of 12% in FY 2020-21. Government's greater push on infrastructure, incentives to facilitate industrial production and 'Make in India' initiative has supported accelerated growth during the year. In addition, the strong rebound was backed by phased unlocking of the economy, favorable fiscal policy measures and robust consumer demand.

India is the second-largest producer of crude steel after China and also the second largest consumer of steel. The crude steel production is estimated to have increased by 18% to reach 120 million tonnes (MT) in FY 2021-22, and the robust production is driven by strong demand from steel consuming sectors. Overall, the demand for steel globally during the year was driven by pick-up in economic activity across nations and lower export from China.

The growth in the Indian steel sector is further driven by government's increased focus on Aatmanirbar Bharat and the government announced guidelines for the approved speciality steel production-linked incentive (PLI) scheme. The scheme is expected to attract investment worth Rs. 400 billion (US$ 5.37 billion) and expand speciality steel capacity by 25 MT to 42 MT in FY 2026-27, from 18 MT in FY 2020-21. The Indian steel industry is modern with state-of-the-art steel mills and the corporates continue to upgrade them to higher energy efficiency levels and are well positioned to meet the growing demand.

As per IMF, the Indian economy is expected to register a strong GDP growth of 8.2% in 2022. The economic activity is expected to remain robust, however, the macroeconomic deterents such as higher inflation, commodity price volatility and supply chain disruption arising from Russia-Ukraine conflict may put pressure on the outlook.

GRAPHITE INDIA

The Company's performance for FY 2021-22 was impressive compared to FY 2020-21. Revenue from operations increased by 52% to Rs. 2,799 crore for FY 2021-22 as against Rs. 1,839 crore in the previous year and PBT increased to Rs. 753 crore as against Rs. 271 crore of previous year which also includes investment income of Rs. 241 crore as against Rs. 158 crore in the last year. The performance of the Company was comparatively better due to higher volume and higher realization as compared to last year. The global demand for graphite electrodes had improved during the financial year owing to – (1) waning impact of Covid-19 and resultant pick up in the industrial activities; (2) revival of demand with recovery in the steel industry and increased capacity utilization; and (3) strong recovery in the major consuming industries such as construction, automobile and the focussed thrust of all steel consuming nations on infrastructure - augured well for the electrode industry. However, the continued increase in cost of key inputs such as calcined petroleum coke, pitch etc has kept the operating margins under pressure.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 94% of the total revenue.

OVERSEAS SUBSIDIARIES

The performance of the German subsidiaries continued to be worrisome during the year although losses were lower as compared to last financial year. Continued increase in cost of electricity and gas in Germany, pre and post Russia–Ukraine war has adversely impacted the operations despite recovery in demand and improvement in realisations.

DIVIDEND

Dividend @ Rs. 10/- per share on 19,53,75,594 equity shares of Rs. 2/- each for the financial year ended 31st March 2022 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 4.5% 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 BOF capacities. China has also begun to comply with environmental regulations to improve air quality impacted by CO2 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's Customs and Baiinfo, Chinese steel exports declined from 112 million MT in 2015 to 67 million MT in 2021. 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% upto 2021 and is estimated to become higher going forward as per S&P Platts report.

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 environmental 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 quite robust this year because of improved market condition in its user industries namely steel, aluminium and graphite electrodes.

Impervious Graphite Equipment (IGE)

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 for process/product design, manufacturing, inspection and 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. Further expansions are planned to meet increasing market demands.

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 virtually absent during the year.

Steel

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 Central budget for the year 2022-23, the Government has withdrawn the order for imposition of Anti-dumping Duty 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. This division has seen buoyancy in the plant capacity utilisation due to improved demand conditions.

18 MW Hydel Power

The Company has an installed capacity of 18 MW of power generation through Hydel route. The renewal of Wheeling & Banking agreement which was pending with Government authorities has now been cleared by Karnataka Electricity Regulatory Commission, permitting third party sale of unutilized banked energy.

Capex on Hybrid Renewable Power Plant

A 35 MW Hybrid (Wind and Solar) renewable power plant to supply captive power to the electrode plant in Satpur, Nashik, has been undertaken during the year 2021-22 and is under implementation.

(ii) Opportunities and threats

During FY 2021-22, India crude steel production stood at 120 MT, registering a robust growth of 18% year-on-year (y-o-y) and India continues to remain second largest steel producer in the world. Domestic crude steel capacity expanded by 8% to 154 million tonnes per annum (MTPA) in 2021 from 143 MPTA in 2020. Finished steel production was at 112 MT, a growth of 21.3% y-o-y and total steel consumption was 106 MT, a growth of 18.8% y-o-y. The steel demand and consumption was driven by the strong demand from the construction and infrastructure sectors which started picking up especially after lifting of Covid-19 restrictions. Over the last four years, India's annual import of steel has steadily declined, while its export has increased, making India a net exporter both in 2020 and 2021. India was the net exporter of finished steel in 2021 with a net trade surplus of 7.80 MT, a significant increase of 37% y-o-y.

The Indian steel industry is supported by its strong manufacturing capabilities and robust in-house consumption by steel consuming sectors coupled with strong demand for Indian steel products from rest of the world. The third wave of Covid-19 in early 2022 was short-lived and did not have a major impact on the economic activity. However, the concerns arising from geopolitical tensions between Russia and Ukraine, higher energy cost and commodity prices, as well as the low growth in China, all these factors have together dampened the steel demand outlook. Despite these uncertainties, the demand for Indian steel products is expected to remain strong driven by higher consumption from the key steel consuming sectors. Furthermore, the government's increased budget allocations for infrastructure development is expected to create a demand across multiple categories of products, including steel. The Gati Shakti Master Plan focuses on building infrastructure over the next five years at an investment of Rs. 100 lakh crore. Since construction and infrastructure sectors are major consumers of steel, the demand is expected to remain strong and it will drive the steel production and in turn the demand for graphite electrodes.

China is the largest steel producer in the world, in 2021, China's steel demand recovered in the first half of the year, however, it slowed down considerably in the second half with the government capping to maintain the output levels of 2020. This was primarily due to country's aim to reduce its carbon emission in line with its goal to achieve carbon neutrality by 2060. As a result, China's steel production declined by 3.0% in 2021 for the first time in six years, despite a strong growth of 12% in the first part of the year. The China government has further extended the capping for 2022, to maintain the output levels of 2021. In addition, China is moving towards adopting more efficient Electric Arc Furnace (EAF) process to reduce its carbon emission and 43 new EAF's with a total crude steel capacity of 29 million MT/year are expected to be set up between 2022 to 2025. The new EAF capacities are expected to drive the demand of graphite electrode in the country and may result in lower export of electrode to other countries.

Opportunities in the near term include: (a) domestic steel demand is expected to remain robust despite challenging macro environment, largely driven by government's greater push on infrastructural development; (b) in October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme which will enhance steel production capacity domestically and at the same time increase domestic demand and usage of steel which in turn will drive demand for graphite electrode; (c) under the Government's National Steel Policy 2017, per capita steel consumption is expected to increase to 160 kg by 2030-31; (d) Indian government has withdrawn duty on scrap imports, which will benefit EAF steel manufacturers; (e) China's curb on steel output to maintain the levels of 2021 and further abolishment of rebate of 13% VAT on certain steel exports to reduce steel production and exports. The lower exports from China may lead to higher steel production in the EAF steel producing nations; g) Countries around the world are moving towards their carbon neutrality goals and therefore corporates are becoming environment conscious and adopting environment friendly manufacturing processes. With this backdrop, steel manufacturers are gradually moving towards EAF process which is expected to create sustainable demand for graphite electrode in the longer term.

The threats in the near terms include: (a) slowdown in global economic activities due to ongoing Russia-Ukraine crisis and subsequent waves of Covid-19 pandemic; (b) the continuous rise in global energy and commodity prices and continued supply chain disruptions may impact the growth momentum; (c) higher than expected inflation due to increasing fuel and food prices; (d) Central banks rising interest rates to curb the inflation may impact the steel industry expansion plans; (e) Lower steel consumption in China due to tough real estate market and uncertainties surrounding Covid-19. This may result in higher export of steel from China which may impact steel production in other steel producing nations.

Graphite India is one of the largest producers of graphite electrodes globally, by capacity. The company has three plants - Durgapur and Nashik in India, and Nurnberg in Germany, with a combined production capacity of 98,000 tonnes per year. It manufactures the full range of graphite electrodes, but its focus is on large diameter, ultra-high power (UHP) electrodes preferred by the large steel manufacturers and is therefore well positioned to meet the growing demand for electrodes from both domestic industry and EAF steel producing nations with improving operational efficiencies and delivering profitable growth despite rising cost pressure.

(iii) Segment-wise Performance

Revenue of the Company

The revenue from operations amounted to Rs. 2,799 crore as against Rs. 1,839 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 1,034 crore as against Rs. 733 crore in the previous year.

Graphite and Carbon Segment

The performance of the segment was impressive in FY 2021-22 as compared to FY 2020-21 with declining impact of Covid-19 and recovery in economic conditions globally.

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 91,214 MT as against 66,871 MT in the previous year.

Production of Calcined Petroleum Coke during the year was 32,184 MT as against 32,679 MT in the previous year.

Production of Carbon Paste during the year was 4,358 MT against 3,210 MT in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares during the year was 1,802 MT as against 1,776 MT in the previous year.

The segment revenue increased to Rs. 2,619 crore from Rs. 1,719 crore in the previous year with increase in domestic and export sales both on volume and value terms. Segment recorded profit of Rs. 526 crore in FY 2021-22 compared to Rs. 176 crore in FY 2020-21.

Other Segments

GRP division produced 649 MT pipes as against 1,623 MT in the previous year.

Production of HSS and Alloy Steels was 2,712 MT during the year as against 1,829 MT in the previous year.

Power generated from Hydel Power Plant of 18 MW capacity amounted to 63.16 million units during the year as against 54.28 million units in the previous year. 65.54 million unit was sold during the year as against 39.97 million unit in 2020-21.

(iv) Outlook

Global steel production was severely impacted by the Covid-19 pandemic in the spring of 2020 and has been gradually recovering since then. As per World Steel Association (WSA), global crude steel production increased by 3.6% to 1,911.9 MT in 2021 compared to 1,844.9 in 2020. Furthermore, the global crude steel production excluding China registered a robust increase of 12.7% on y-o-y. From the start of 2022, there is a heightened global uncertainty due to Russia-Ukraine crisis and further evolution of Covid-19 variants continues to pose substantial risks to the outlook. The WSA has forecasted steel demand to grow nominally by 0.4% in 2022 to reach 1,840.2 MT after increasing by 2.7% in 2021. In 2023 steel demand will see further growth of 2.2% to reach 1,881.4 MT. The subdued growth in 2022, is primarily due to higher fuel prices, peak inflation levels in key economies and supply chain disruptions due to the ongoing Russia and Ukraine crisis.

The global graphite electrodes market had seen a significant upward trend in 2021. Market growth is driven by the pent-up demand for graphite electrodes from the key steel consuming sectors such as construction, automotive, infrastructure, and aerospace and defense. The global steel production in the countries excluding China went up 12.7% thereby driving the demand of graphite electrodes. Globally, the increased focus on curbing environment pollution and moving towards carbon neutrality has given a greater push to steel manufacturer to shift from blast furnace to electric arc furnace (EAF) which is more energy efficient. The shift has been gradual but expected to drive demand for graphite electrode in the longer run. Additionally, the increasing requirement for Ultra-High Power (UHP) graphite electrodes is another market trend that is projected to drive the market. UHP has a higher thermal and electrical conductivity and can swiftly melt scrap to manufacture steel. The steel industry therefore prefers higher thermal and electrical conductor to quickly melt scrap for manufacturing steel and therefore its demand is expected to grow in the coming years.

In 2021, China’s crude steel production was 1,033 MT, representing a decline of 3.0% y-o-y. This was in line with their policy to maintain the output levels of 2020 and now the government has further extended the capping for 2022, to maintain the output levels of 2021. This is a conscious step towards reducing carbon emission as the country plans to achieve carbon neutrality by 2060. In addition, the domestic steel demand in China has been on a downward trend with slowdown in infrastructural development and urbanization nearing completion. Furthermore, the government has encouraged steelmakers to replace obsolete and small steel plants with newer or more efficient facilities and the focus is on increasing EAF steel production to more than 15% of China’s total crude steel output by 2025 compared to 10% in 2021. As per S&P Platts, in 2021, China has approved the construction of 43 new EAFs with a total crude steel capacity of 29 million MT/year through capacity swaps, while in 2020, only about 10 million MT/year of new EAFs got construction approvals. The new EAF capacities are expected to drive the demand of graphite electrode in the country and may result in lower export of electrode to other countries.

In 2021, India's economy rebounded by 8.2% y-o-y after experiencing a severe contraction of 7% in 2020. The confidence of consumers and businesses is on the rise along with improved demand conditions. The construction and infrastructure activity continued to remain robust, with indicators of cement production and steel consumption showing consistent growth. The availability of raw material and labor cost-effectiveness has fueled the growth in the Indian steel sector. Consequently, the steel industry contributes significantly to India's manufacturing output. India’s crude steel production in FY 2021-22 was 120 MT, registering a strong increase of 18% y-o-y and remaining second largest steel producer in the world. As per latest estimate of Moody’s, India’s domestic demand for steel is expected to grow at 10% through 2022 riding on the government’s investment focus on construction of roads, ports, airports and railways.

The global steel production and demand momentum at the start of 2022 was impacted due to geopolitical tension arising between Russia-Ukraine and subsequent waves of Covid-19. The high inflationary pressure amidst the rising global energy and commodity price environment continues to add more uncertainty on the outlook. The impact of Russia-Ukraine crisis is expected to be more on the European region due to their proximity and increasing sanctions on Russia may create some demand and supply imbalance. As per WSA, the global, steel demand is expected to be slower in 2022 to just 0.4% from 2.7% recorded last year. The steel demand in the developed world is forecast to increase by 1.1% and 2.4% in 2022 and 2023 respectively, after recovering by 16.5% in 2021. India’s steel demand growth is expected to be the highest in 2022 at 7.5% among top consuming nations, including China and the US, driven by increased demand for Indian steel products from the other parts of the world amidst the ongoing geopolitical tension.

Overall, the steel production in India is expected to remain strong. Furthermore, the lower steel production in China will continue to drive higher steel production in other countries. With a steady shift towards EAF steel production around the world, the demand for graphite electrode is expected to remain strong in the near term. The ongoing challenges such as Ukraine crisis, high inflation, anticipated central bank policies to hike interest rate in order to curb inflation are some factors which continue to put pressure on the economic outlook.

(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 experience slowdown or financial distress that could adversely impact the Company.

Pricing for graphite electrodes has always reflected the demand trends of the global EAF steelmaking industry and the supply of graphite electrodes. Global graphite electrode excess capacity had 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 had 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 had again tightened with increase in demand by electrode industry and the lithium ion battery industry. Therefore, the performance of the Company is heavily 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 ongoing crisis between Russia and Ukraine and other regional geo-political tensions may also have crippling effect.

Covid-19 has dealt the biggest blow to the Global Freight trade, which was almost flat for the last 10 years. A demand supply imbalance, shortage of containers and vessel schedules, congestion in major hub ports, has led to delay in transit times of inbound and outbound freight and pushed up ocean freight to an all-time high. The current geo-political tension caused by the Russia-Ukraine crisis has further aggravated the situation. Going forward, international trade may remain largely regional in a bid to contain freight costs. No miraculous recovery in freight cost is expected in 2022, at least in the first half of the FY 2022-23. Easing of the demand-supply gap by introduction of new containers, new vessels with higher TEU (Twenty feet Equivalent Units) handling capacity, diverting traffic to mid-size ports in the vicinity of the major (already congested) ports are expected to happen in the latter half of the year.

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.

While the outbreak of Covid-19 has begun to subside in most parts of the world, the infection rates in some areas have experienced resurgence. As a result, we are unable to predict the resultant impact of the Covid-19 pandemic. 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 reduction 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. The situation continues to change rapidly and additional impact may arise that cannot be realistically 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 agencies like SGS.

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

Revenue from Operations recorded Rs. 2,799 crore as against Rs. 1,839 crore in the previous year.

Profit after tax was Rs. 574 crore as against Rs. 199 crore in the previous year. Profit before tax was higher at Rs. 753 crore as compared to Rs. 271 crore in the previous year.

Borrowing at Rs. 344 crore was higher than Rs. 223 crore as compared to previous year and the Finance Cost decreased to Rs. 4 crore from Rs. 6 crore in the previous year.

Capital expenditure during the year amounted to Rs. 78 crore as against Rs. 80 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 continue to focus on contemporary as well as pragmatic people centric initiatives.

While designing these policies, special attention is given to Company's vision as well as changing needs. Optimal utilisation of people and periodic review of the organogram is addressed continuously.

Training and development programs are specifically targeted to address Company's changing needs especially in view of the volatile and uncertain external environment as well as evolving complex business dynamics.

Multiskilling and multitasking of employees is achieved through suitably designed training modules as well as rotation through different job roles. This ensures a mix of learning, innovation and excellence leading to continual improvements.

Company considers its employees as an intelligent and responsible resource for effectively and optimally managing other resources like money, machines and materials. Hence productive and effective engagement of all at various levels is critical to achieve Company's objectives of cost optimisation, profitability as well as business growth. This is critical to ensure interests of all stake holders.

Specific initiatives are being taken to develop successors to key roles. Emphasis is given to improve the foundational understanding of leadership competencies of Team Building, lateral thinking, Influencing Outcomes and Problem Solving. In order to achieve this, targeted leadership and behavioural 'Coaching' for identified employees is undertaken. This will ensure seamless succession.

The total number of permanent employees in the Company is 1,719 as on 31st March, 2022.

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 intervals at 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 and 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. These measures have subsequently been eased out with decline in severity of pandemic, however, the safety procedures like temperature measurements, personal protective equipment, 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 are still in place.

Further the company also contributed Rs. 5 crore to West Bengal State Disaster Management Authority towards Covid-19 relief. The Company also spent Rs. 32.50 lakhs approx. towards free Covid vaccination through an implementing agency.

(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	2021-22	2020-21	Improvement / (deterioration)
1	Interest Coverage Ratio - (Finance cost / PBIDT)%	183.90	54.57	237%
2	Debt Equity Ratio - (Debts/Total Equity) -Times	0.07	0.05	33%
3	Operating Profit Margin - (PBDIT / Total Revenue)%	26.11	15.01	74%
4	Net Profit Margin - (PAT / Total Revenue)%	20.52	10.84	89.24%
5	Return on Net worth - (PAT / Net worth)%	12.86	4.97	159%

Explanations :-

The Company had recorded better performance during FY 2021-22 in terms of turnover and profitability. The performance has led to improvement in all profitability linked ratios. Debt equity ratio has slightly increased due to higher year end borrowings.

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).

	2021-22 (Rs. Cr.)	2020-21 (Rs. Cr.)
Dividend Paid	59.91	–

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. (GIBV) 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. General Graphene Corporation, USA, has become subsidiary of GIBV from 1st February, 2022.

The overseas subsidiaries recorded a turnover of Euro 43.28 million (Mn) as compared to Euro 29.85 Mn in the previous year. The subsidiaries have continued their dismal performance. However, during the current year, loss of Euro 10.08 Mn was lower against loss of Euro 29.71 Mn in the previous year.

The Company, by way of Royalty, earned Rs. 4.01 crore during the year, as against Rs. 2.68 crore in the previous year, from overseas subsidiary.

General Graphene Corporation (GGC)

General Graphene Corporation, USA, which was an associate company of GIBV, has become a subsidiary of GIBV (a 100% subsidiary of the Company) w.e.f. 1st February 2022. GIBV has made further investment of USD 2.5 Mn and total investments stood at USD 16.10 Mn as on 31.03.2022 which constitute 51.81% of capital. The investments in General Graphene is accounted for using the equity method as per IndAS 28 till 31st January, 2022 and as a subsidiary as per IndAS 110 for the remaining two months.

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

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.

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 2022 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 28th June 2021, 6th August 2021, 1st November 2021 and 14th February 2022.

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 several projects aimed at promoting education, employment enhancing vocational/employability skills, livelihood enhancement projects, healthcare initiatives, rural development projects etc. as detailed in the CSR annual report for the year ended 31st March, 2022 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 can be viewed on **http://ir.graphiteindia.com/**

DIRECTORS

Mr. K. K. Bangur retires by rotation in this AGM and being eligible offers himself for re-appointment.

Recognition/Award and Certificates

The Company continues to enjoy the status of a Four Star Export House. This year the Company has received Star Performer Award for 2018-19 for export performance from EEPC.

The Company has acquired certification with the standards ISO:9001 & 14001.

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 9**

Business Responsibility Report (BRR) forms part of our Annual Report. Annexure 10

Auditors

The first term of five consecutive years of appointment of S. R. Batliboi & Co. LLP, Chartered Accountants, as the statutory auditors of the Company ends on the date of the ensuing AGM. They can be re-appointed for another five year term. They have conveyed their eligibility and willingness to be reappointed.

The Board of Directors on the recommendation of the Audit Committee have also recommended to the members of the Company, appointment of S. R. Batliboi & Co. LLP, to audit financial accounts from FY 2022-23 onwards for a second term of five consecutive years.

Cost Auditors

The Company had appointed following Cost Auditors who conducted cost audit in respect of accounts and records made and maintained by the Company for FY 2021-22 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 and 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 2020-21 was filed with the Ministry of Corporate Affairs, Government of India, on 7th September 2021.

Cost auditors have been appointed to conduct cost audit in respect of accounts and records made and maintained by the Company for FY 2022-23 as under -

Shome & Banerjee	Electrode plant at Durgapur and Power generation facility at Chunchanakatte
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

Secretarial Audit/Compliance Report

Secretarial Audit Report and Secretarial Compliance Report for FY 2021-22 received from M/s. Bajaj Todi & Associates, Practicing Company Secretaries are annexed herewith - **Annexure 11 and 12**

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 14, 2022

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 Usd'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**	**117.11**	**13.75**	**7.91**	**116.57**	**39.75**	**39.31**	**4.53**	**34.79**	**-**	**100%**
2	Graphite International B.V., The Netherlands	EURO	17,300.00	61,049.42	31,429.99	645.85	47,565.29	1,705.16	1,393.31	200.16	1,193.14	-	**100%**
		INR	**145.51**	**513.49**	**264.36**	**5.43**	**400.07**	**14.34**	**11.72**	**1.68**	**10.04**	**-**	
3	Graphite COVA GmbH, Germany	EURO	16,320.00	(16,320.00)	54,311.23	54,311.23	-	44,202.04	(10,051.36)	20.70	(10,072.07)	-	**100%**
		INR	**137.27**	**(137.27)**	**456.81**	**456.81**	**-**	**371.78**	**(84.54)**	**0.17**	**(84.72)**	**-**	
4	Bavaria Electrodes GmbH, Germany	EURO	100.00	668.76	5,106.91	4,338.14	-	20,312.29	305.96	84.18	221.78	-	**100%**
		INR	**0.84**	**5.63**	**42.95**	**36.49**	**-**	**170.85**	**2.57**	**0.71**	**1.87**	**-**	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	679.21	1,922.05	1,142.84	-	7,627.00	301.63	87.41	214.21	-	**100%**
		INR	**0.84**	**5.71**	**16.17**	**9.61**	**-**	**64.15**	**2.54**	**0.74**	**1.80**	**-**	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	877.82	2,396.79	1,243.97	-	634.57	137.67	34.56	103.12	-	**100%**
		INR	**2.31**	**7.38**	**20.16**	**10.46**	**-**	**5.34**	**1.16**	**0.29**	**0.87**	**-**	
7	General Graphene Corporation, USA *	USD	20,260.53	(18,246.35)	3,641.60	1,627.41	-	18.87	(629.25)	-	(629.25)	-	**51.81%**
		INR	**153.41**	**(138.16)**	**27.57**	**12.32**	**-**	**0.14**	**(4.76)**	**-**	**(4.76)**	**-**	

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, 2022 has been taken @ 1 Eur= Rs.84.11 & @ 1 USD= Rs.75.72

* Became Subsidiary of Graphite International B.V., The Netherlands from 01st February,2022

Kolkata	**S.W.Parnerkar**	**B.Shiva**	**A.Dixit**	**K.K.Bangur**
23rd May, 2022	Sr.Vice President-Finance	Company Secretary	Executive Director	Chairman

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 thereunder for the time being in force.

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

Sitting Fees :

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

Remuneration to Other Employees :

The human resources department of the Company will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the human resources department of the Company.

BOARD DIVERSITY

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

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

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

Annexure 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.176.05 Crores	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs.5.98 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. 4.01 Crores.	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee	Valid upto 4th April 2024	Rs 0.41 Crores certain percentage of Corporate Guarantee utilised during the year.	10th November, 2014	Nil
5	Graphite Cova GmbH, Wholly-owned Subsidiary	Payment of Claims	Ongoing	Rs. 0.05 Crores	10th November, 2014	Nil

On behalf of the Board

K. K. Bangur
Chairman

June 14, 2022

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 (Savings 91500KWH)
- Efficient utilization of power by effective load & power factor management.
- Nipple processing through LWG#3 instead of Acheson furnace resulting in reduction of Specific Energy Consumption. (Savings of 6.64lacs KWH)
- Use of variable Frequency Drives for Fan in New Extrusion & Finishing #3 & For pump in LWG#5.
- Use of high efficiency pumps in LWG#4/5.
- Phase wise replacement of existing low efficiency lamps with LED lamps (Savings 3.0 Lac KWH till Jan22).
- Energy saving in Graphitization process by loading filler stock along with main stock.
- Decentralization of higher capacity Air Compressors with lower capacity air compressors for efficient utilization of compressed air wherever feasible.
- Use of Variable Frequency Drives in new crane
- Use of Hot air blower for curing of graphite product in place of heating pads (consume higher electrical power).
- Increasing of waste energy consumption in the calcination process by increasing the pressure of the Pump & combustion air line of HSD fired burner while initial firing of the Kiln.
- Efficient utilizing the waste thermal energy by enhancing the capacity of hot-oil pump and heat-transfer oil line in our Paste manufacturing Unit.
- For adoption of unwanted zonal temperature separate dust collecting system are provided with high power suction blower.
- For reducing the voltage loss by correcting all power cable of existing motors as per specification & diameter.
- Restricted continues use of Forklift for interplant transportation of liner pipes by developing internal path via conveyer system, resulting in saving of diesel.
- Installation of energy efficient pumps (Grundfos Make) with automation for New PF resin plant instead of conventional pumps as well use of electricity instead of LDO.

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

- Use of RE power wind & Solar has been Approved by the Board.
- Pipe natural Gas usage against fossil fuel is at the final stage of commissioning.
- In place of electrical energy, initiated the LOT (Liquid Off-take gas-LPG) based gas system in new paint booth, which is under commissioning.

c) Additional investment proposal on energy conservation

- 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.
- Replacement of LWG#3 Furnaces Concrete blocks with MS tub & use of LAMC as packing media in place of CPC. Expected savings of 7Lac KWH per month.
- 90 Cr has been sanctioned by the board to replace RC baking furnace by latest German tech furnace RH for Baking. This furnace is more fuel efficient and environment friendly.
- Use of variable Frequency Drives for blower Fans of dust collectors.
- Incorporation of Variable Frequency Drives for high kW compressor.
- Replacement high bay fitting & street lights with LED lights as required.
- Use of air cooled thermic fluid pump in place of water cooled thermic fluid pump to avoid water cooling tower and water pump
- Replacement of old HSD fired Burner to higher efficient Burner for reducing the wastage of fuel and electrical energy.
- Replacement of old IE1 specification Motors to higher efficient IE2 specification of some key equipment.

(B) Technology absorption –

i) The efforts made towards technology absorption

- Positive validation of Space application components with repeated orders.
- Development of graphitization process of products with differential cross section.
- Development of CFC plates made out of Carbon Fiber.
- New multitasking machine & CNC vertical lathe purchased.
- New vacuum pump procurement having low (optimum) kW capacity
- Hourly monitoring the calcinations temperature and active auxiliary equipments.
- Replacing the old model motor starter of some primary equipments to newly higher efficient for reducing the breakdown.
- Shift wise monitoring the current load of some primary equipment.
- New PF Resin plant doubling the capacity was installed and operations started from Feb. 2022.
- New STP plant installed by using in-house made equipments.

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
- Import substitution.
- Increasing waste energy consumption / cost effectiveness.
- Reducing the breakdown of primary equipments.
- Increase in the PF Resin Productivity, Quality, Time saving, Cost saving,

iii) No technology was imported during last three years.

iv) Expenditure incurred on R&D : Rs. 0.09 crores

(C) Environment : Towards a better environment, an amount of around Rs. 7 crore was spent during FY 2021-2022 in the operational areas.

(D) Foreign Exchange earnings : Rs. 939.38 crores

Foreign Exchange outgo : Rs. 891.57 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	4	4
2.	Mr. N. Venkataramani	Independent director	4	0
3.	Mr. A. Dixit	Executive director	4	4

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		:	http://ir.graphiteindia.com
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. 15,24,47,88,729
7.	(a)	Two percent of average net profit of the company as per Section 135 (5) of the Companies Act	:	Rs. 30,48,95,775
	(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. 30,48,95,775
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
5,50,40,093.08*	24,98,55,681.49	30.04.2022	-	-	-

* Rs. 5,00,00,000 (Five Crore) was paid to West Bengal State Disaster Management for Covid 19 inadvertantly through RBL Unspent CSR Account on 10/05/2021. The said Account was replenished with the amount on 20/04/2022. Rs. 5,00,00,000 (Five Crore) has hence been treated as spend against other than ongoing projects for the year 2021-2022.

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

(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

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.	Health care	I(iv)	Yes	West Bengal (Kolkata, Durgapur) Maharashtra (Nashik)		32,50,130	No	B D Bangur Endowment	00003287
2.	Disaster Management	XII	Yes	West Bengal (Kolkata)		5,00,00,000	Yes	N.A.	N.A.
	Total					**5,32,50,130**			

8.	(d)	Amount spent in Administrative Overheads	:	17,89,963.08
	(e)	Amount spent on Impact Assessment, if applicable	:	–
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	:	5,50,40,093.08
	(g)	Excess amount for set off, if any	:	**None**

*Amount lying with BDBE as on 31.03.2022 - Rs 14,50,030.66 (As on 31.03.2021 - Rs 14,50,030.66).

9.	(a)	Details of Unspent CSR amount for the preceding three financial years: Rs. 70,05,98,989

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	70,05,98,989	4,28,01,026		-		65,77,97,963
	Total	**70,05,98,989**	**4,28,01,026**		**-**		**65,77,97,963**

9.	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project completed/ ongoing
1.	FY31.03.2021_7	Health care	2020-21	48 months	25,00,00,000	1,61,37,514	1,61,37,514	ongoing
2.	FY31.03.2021_8	Drinking water	2020-21	48 months		45,83,202	45,83,202	ongoing
3.	FY31.03.2021_2	Education	2020-21	48 months	41,00,00000	17,35,077.60	17,35,077.60	ongoing
4.	FY31.03.2021_3	Vocation Skills	2020-21	48 months		5,38,770.40	5,38,770.40	ongoing
5.	FY31.03.2021_4	Sports	2020-21	48 months	1,00,00,000	50,00,000	50,00,000	ongoing
6.	FY31.03.2021_5	Rural Development	2020-21	48 months	42,00,00,000	1,48,06,462	1,48,06,462	ongoing
	Total				**109,00,00,000**	**4,28,01,026**	**4,28,01,026**	

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):**

Sl. No	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.			Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
			CSR Registration Number, if applicable	Name	Registered address	

Amount has been given to the beneficiary institution through an implementing agency for purchase of medical equipments etc. during the year. However the project has not been installed and commissioned in full during the year. Details of assets created would be provided in the coming 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 continuation of pandemic situation, the Company was unable to fully undertake and complete the activities which were planned to be undertaken. Moreover, the amounts that were proposed to be spent were voluminous and the Company was faced with logistical difficulties in spending the allocated amounts.

Date: June 14, 2022

A Dixit
Executive Director

K K Bangur
Chairman, CSR Committee

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sl. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2021-22	Remuneration of Director / KMP for FY 2020-21	% increase in Remuneration in the FY 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees
		Rs. in Crores	**Rs. in Crores**		
1	Krishna Kumar Bangur (Non-Executive Chairman)	0.04	0.02	75.00%	0.39
2	Pradip Kumar Khaitan (Non-Executive Director)	0.13	0.06	116.67%	1.45
3	Nandan Surajratan Damani (Non-Executive Director)	0.11	0.06	83.33%	1.23
4	Aditya Vikram Lodha (Non-Executive Director)	0.14	0.08	75.00%	1.56
5	Nayankankuppam Venkataramani (Non-Executive Director)	0.20	0.12	62.50%	2.18
6	Gaurav Swarup (Non-Executive Director)	0.15	0.09	61.11%	1.62
7	Jemi Dorabji Curravala (Non-Executive Director)$	0.01	0.06	-83.33%	0.11
8	Shalini Kamath (Non-Executive Director)^	0.01	0.06	-83.33%	0.11
9	Sudha Krishnan (Non-Executive Director)*	0.03	0.06	100.00%	0.34
10	Ashutosh Dixit (Whole-time Director)	1.80	1.56	15.53%	20.12
11	Sanjay Wamanrao Parnerkar (Chief Financial Officer)	0.49	0.42	17.61%	Not Applicable
12	Shiva Balan (Company Secretary)	0.55	0.47	17.43%	Not Applicable

$ Mr. Jemi Dorabji Curravala (Non-Executive Director) retired by rotation at AGM held on 20.08.2021.

^ Term of Ms. Shalini Kamath as Independent Director ended on 10.08.2021.

* Ms. Sudha Krishnan appointed as Independent Director w.e.f. 01.12.2021.

(ii) During the financial year, the median remuneration of employees increase/(decrease) by 16.69%

(iii) There were 1,719 permanent employees on the rolls of Company as on March 31, 2022

(iv) Average percentage increase/(decrease) made in the salaries of employees other than managerial personnel in the last financial year i.e. 2021-22 was 20.04% whereas the increase/(decrease) in the managerial remuneration for the same financial year was 24.43%

(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 MENAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.

(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	1.80	Executive Director	Permanent	B. Tech(Mech), MBA - 30 Years	13.11.2017	51	President - Usha Martin Limited
2	Mr. B. Shiva	0.55	Sr. Vice President (Legal & Secretarial) & Company Secretary	Permanent	B.Com., L.L.B., F.C.S. - 43 Years	26.07.1993	63	Joint Secretary - Shree Digivijay Cement Company Ltd.
3	Mr. A. K. Dutta	0.52	Sr. Vice President - Marketing	Permanent	B.E.(Elec), PGM (IIM - C) - 38 Years	18.01.2006	62	Head(Technical Marketing and Development) - Phoenix Yule
4	Mr. S. W. Parnerkar	0.49	Sr. Vice President - Finance	Permanent	M.Com., L.L.B., F.C.S., F.C.M.A.- 39 Years	01.02.1994	59	Assistant Manager(Accounts & Administration) - Stovec Inds. Ltd.
5	Mr. S. G. Khune	0.47	Executive Vice President - Works (Durgapur)	Permanent	M. Chem. Engg, I.C.W.A.(Intermediate), Total Quality Management (6 months course) - 31 Years	19.03.1990	53	Not Applicable
6	Mr. B. K. P. Saha	0.46	Vice President - Marketing	Permanent	B.E. (Mechanical), Diploma in Management - 34 Years	01.10.2003	56	Business Development Manager - TLT Engineering India Private Limited
7	Mr. S. P. Kshatriya	0.45	Vice President - I.G.E. Divn.	Permanent	B. Chem.(Engg.) - 35 Years	24.02.1985	61	Management Trainee - Carbon Corporation Ltd.
8	Mr. N. S. Deshpande	0.42	Executive Vice President - Operations	Permanent	D.M.E., A.M.I.E.(Section B) - 35 Years	10.10.1997	54	Assistant Manager(Mechanical Maintenance) - LML Ltd.
9	Mr. M. K. Chhajer	0.41	Executive Vice President - Finance	Permanent	B.Com (Honrs). F.C.M.A.- 32 Years	01.10.1996	56	Sr. Manager (Accounts) -Computech International Ltd
10	Mr. R. Chakraborty	0.38	Vice President - Operation & Maintenance	Permanent	B.E.(Electrical & Elecronics), - 30 Years	04.01.2021	52	Vice-president - HEG Ltd.,

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

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, 2022.

The strength of the Board of Directors as on 31st March, 2022 was eight comprising the non-executive Chairman (promoter director), one Executive Director, six 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	1	5
N Venkataramani	INED	1	–	–
Mrs Sudha Krishnan @	INED	3	1	2
A. Dixit	Executive Director	-	–	–

INED – Independent Non-Executive Director @ appointment w.e.f.01.12.2021

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, Marketing, etc.	Mr. P K Khaitan ,Mr. A V Lodha, Mrs Sudha Krishnan
(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 has 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

In the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (LODR) Regulations 2015 and are independent of the management.

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 28th June, 2021, 6th August, 2021, 1st November 2021 and 14th February 2022. 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 2021 to March 2022		Attended last Annual General Meeting (AGM) held on 20th August, 2021
	Held	Attended	
K K Bangur	4	4	Yes
P. K. Khaitan	4	4	No
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	2	Yes
Shalini Kamath (Mrs.) *	4	2	–
A Dixit	4	4	Yes
Sudha Krishnan (Mrs.) @	4	1	–

* Five year term ended on 09.08.2021

@ appointed by the Board on 01.11.2021 w.e.f.01.12.2021

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 and Mrs Sudha Krishnan as its members. Mrs Sudha Krishnan was appointed as a member of the Audit committee by the Board of Directors in the meeting held on 14th February, 2022. All members of the Audit Committee are non-executive. Mr. N Venkataramani, Mr. Gaurav Swarup and Mrs Sudha Krishnan 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 28th June, 2021, 6th August, 2021, 1st November, 2021 and 14th February, 2022.

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
Sudha Krishnan (Mrs)	Member	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 28th June, 2021 to review and approve the draft annual accounts of financial year 2020- 2021 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 20th August, 2021.

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. Three meetings were held on 2nd June, 2021, 5th August 2021 and 28th October 2021.The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013.

Name	Position in NRC	Meeting	
		Held	Attended
P K Khaitan	Chairman	3	3
K. K. Bangur	Member	3	3
N. Venkataramani	Member	3	3

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. 50,000/- per meeting is being paid as fees for attending Board / Committee meetings. Fees are not paid to members of the Corporate Social Responsibility Committee for attending meetings of the Committee. Performance linked remuneration in the form of commission is paid to directors, taking into account the performance of each director on the basis of time and effort devoted by a director in the business affairs of the Company. Performance evaluation of 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 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 31.03.2022 *
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	–	–	–	–	–	3,50,000	@ 2,61,005
N S Damani	–	–	–	–	8,00,000	3,00,000	–
A V Lodha	–	–	–	–	10,00,000	4,00,000	–
P K Khaitan	–	–	–	–	8,00,000	5,00,000	–
N Venkataramani	–	–	–	–	13,00,000	7,50,000	7000
J D Curravala	–	–	–	–	–	1,00,000	4750
Gaurav Swarup	–	–	–	–	10,00,000	4,50,000	–
Shalini Kamath (Mrs.)	–	–	–	–	–	1,50,000	–
Sudha Krishnan (Mrs.)					2,00,000	1,00,000	–
A. Dixit	49,20,000	15,64,938	55,12,165	10,25,000	50,00,000	–	–

*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. The details of shareholders grievances are placed before the Committee Number of shareholders complaints received: 25, Number of complaints not solved to the satisfactions of shareholders:0, Number of pending complaints: 0. Two meetings of the Committee were held during the year on 1st September 2021 and 20th December 2021.

Name	Position in Stakeholders Relationship Committee	Meeting	
		Held	Attended
K K Bangur	Chairman	2	2
P K Khaitan	Member	2	1
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 Dy. Company Secretary, Mr. S. Marda.

VI Risk Management Committee

The Committee comprise Mr N Venkataramani (Independent director) as it Chairman, with Mr A Dixit –Executive director and Mr A K Dutta-Sr V P (Marketing) as its members. Two meetings of the Committee were held on 27th July 2021 and 27th January 2022. All the three members attended both the meetings.

Terms of reference

The Committee shall (a) Oversee that the Company has an effective ongoing process to identify risk, measure its potential impact and then to decide what is necessary to manage the risk by developing strategies/alternatives. (b) Obtain suggestions and approvals from the Board towards risk mitigation (c) Review the risk bearing capacity in the light of its reserves, insurance coverage etc .

VII General Body Meetings

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

AGM	Year	Venue	Date	Time
46th	2020-2021	Through other video audio means	20.08.2021	11.00 a.m.
45th	2019-2020	Through other video audio 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.

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
46th	Yes	(i) 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.
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

AGM	Whether Special Resolution passed	Details of Special Resolution
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.
		(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.

Special Resolutions pertaining to the 46th 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	No.	% of total voting	No.	% of total voting cast	
(i)	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.	149882127	99.37949	20991	0.01392	914852	0.60659	150817970

Approval of the shareholders of the Company was obtained through postal ballot which opened on 09.12.2021 and closed on 07.01.2022, for the appointment of Mrs Sudha Krishnan as a director and independent director of the Company. Mrs Swati Bajaj, Partner Bajaj Todi & Associates, Practising Company Secretaries was the Scrutinizer who conducted the exercise. Details of voting results of the postal ballot 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	No.	% of total voting	No.	% of total voting cast	
(i)	Approval for the appointment of Mrs Sudha Krishnan as a director and independent director of the Company.	145676548	99.9994	829	0.0006	0	0	145677377

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.

VIII 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, 2022 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. 88,24,991.70

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. During the year, there were no Loans and advances in the nature of loans to firms/companies in which directors are interested by the Company and its subsidiaries.

L. (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.

IX Means of Communication

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

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.

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

X General Shareholder Information

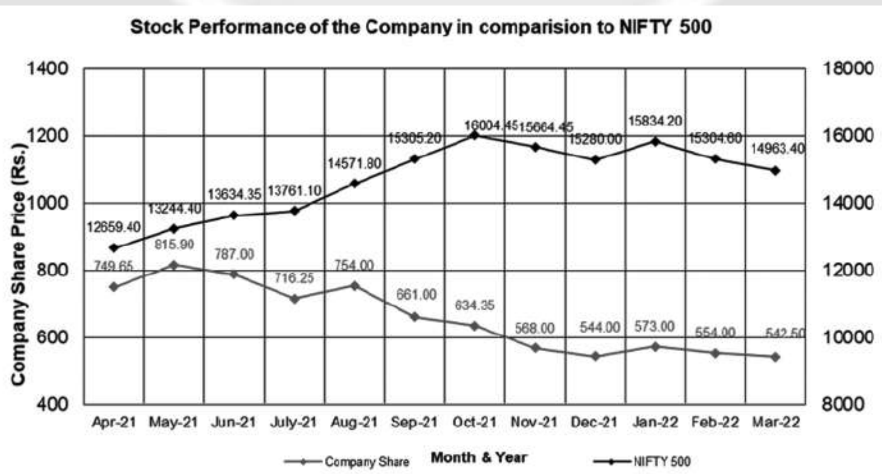
AGM Date, Time and Venue	5th day of August, 2022 at 10.30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Financial Year	1st April to 31st March
Record Date	Tuesday, the 26th July , 2022
Dividend Payment Date	By 20th August, 2022
Listing on Stock Exchanges	**BSE Limited (BSE)** 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 2022-2023 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, 2021	749.65	518.25	October, 2021	634.35	512.00
May, 2021	815.90	698.10	November, 2021	568.00	405.00
June, 2021	787.00	563.90	December, 2021	544.00	396.00
July, 2021	716.25	626.00	January, 2022	573.00	462.10
August, 2021	754.00	585.50	February, 2022	554.00	419.00
September, 2021	661.00	585.30	March, 2022	542.50	449.15

NIFTY 500

Period	High (Rs.)	Period	High (Rs.)
April, 2021	12659.40	October, 2021	16004.45
May, 2021	13244.40	November, 2021	15664.45
June, 2021	13634.35	December, 2021	15280.00
July, 2021	13761.10	January, 2022	15834.20
August, 2021	14571.80	February, 2022	15304.60
September, 2021	15305.20	March, 2022	14963.40



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	In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Distribution of Shareholding as on 31st March, 2022

Slab	No. of Shareholders		No. of Equity Shares	
	Total	**%**	**Total**	**%**
1 – 500	246903	95.6784	15601174	7.9852
501 – 1000	6280	2.4336	4848102	2.4814
1001-2000	2776	1.0757	4072762	2.0846
2001 – 3000	859	0.3329	2162155	1.1066
3001 – 4000	359	0.1391	1272789	0.6515
4001 – 5000	252	0.0977	1174581	0.6012
5001 – 10000	324	0.1256	2372075	1.2141
10001 – 20000	139	0.0539	1904747	0.9749
20001 – 30000	42	0.0163	1017032	0.5206
30001 – 40000	18	0.0070	629231	0.3221
40001 – 50000	9	0.0035	411477	0.2106
50001 – 100000	34	0.0132	2336955	1.1961
100001 and above	60	0.0233	157572514	80.6511
Total	**258055**	**100**	**195375594**	**100**
No. of shareholders in Physical mode	22443	8.6970	1244990	0.6372
Electronic Mode	235612	91.3030	194130604	99.3628
Total	**258055**	**100.00**	**195375594**	**100**

Shareholding Pattern as on 31st March, 2022

Category	No. of Sharers	%
Promoters Holding		
Promoters		
Indian Promoters	126065543	64.52
Foreign Promoters	1594102	0.82
Persons acting in concert	–	–
Sub-Total	**127659645**	**0.82**
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	11147951	5.71
Banks, Financial Institutions, Insurance Companies (Central/State Government/ Institutions/Non-Government Institutions)	6625375	3.39
Foreign Portfolio Investor	9957076	5.10
Sub-Total	**27730402**	**14.19**
Others		
Private Corporate Bodies	2779632	1.42
Indian Public	32323688	16.54
NRI / OCBs	2334571	1.20
Any Other	2547656	1.30
Sub-Total	**39985547**	**20.47**
Grand Total	**195375594**	**100**
Total Foreign Shareholding		
Foreign Promoters	1594102	0.82
Foreign Portfolio Investor	9957076	5.10
NRIs / OCBs	2334571	1.20
Total	**13885749**	**7.11**

Dematerialisation of shares and liquidity

As on 31st March 2022 194130604 shares of the Company representing 99.36% 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 15th November, 2021 and 31st December, 2021

Reaffirmed the long term rating on enhanced credit limit of 1,400 Crore for working capital facilities of the Company at [ICRA] AA+ (pronounced ICRA double A plus). The Outlook on the long term rating has been revised to Stable from Negative.

Assigned short term rating at [ICRA] A1+ (pronounced ICRA A one plus) for Rs 300 Crore Commercial Paper programme of the Company.

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
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 14, 2022

Declaration

All the Board Members and the concerned Management Personnel have as on 31.03.2022 affirmed their compliance of the "Code of Conduct for Directors and Management Personnel dated 06.02.2019".

A. Dixit
Executive Director

June 14, 2022

Enclosure - 1

Directors List for CG Report 2021-22

Sl No.	Name of the Director	Name of the other Listed Company in which Directorship is held	Designation
1.	Krishna Kumar Bangur	GKW Ltd	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	Non-Executive - Non Independent 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.	Nayakankuppam Venkataramani	NIL	N.A
6.	Gaurav Swarup	Avadh Sugar & Energy Limited	Independent Non-Executive Director
		Swadeshi Polytex Ltd	Non-Independent Non-Executive Director
		KSB Limited	Non-Independent Non-Executive Director
		Industrial And Prudential Investment Company Limited	Managing Director
		TIL Limited	Independent Non-Executive Director
7.	Sudha Krishnan (Mrs)	NIL	N.A
8.	A Dixit	NIL	N.A

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, 2022, 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: A013216D000320578

Place : Kolkata
Date : 14/05/2022

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

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) and (t) 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, 2022 as required by the Company for annual submission to the Stock exchange.

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 ICAI.

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.

      With regards to at least one independent woman director on the Board of Directors of the Company, obtained and read the Register of Directors as on March 31, 2022, and basis our discussion with the management, we understand that on the close of business hours of August 9, 2021, the erstwhile independent woman director completed her term of 5 years; and on November 1, 2021, the Company's Board of Directors approved the appointment of another independent woman director with an effective date of December 1, 2021. We are given to understand that the Company had taken all possible measures to appoint the replacement of the independent woman director as soon as possible and basis legal opinion obtained by the Company, management has represented that there is no non-compliance with the applicable LODR Regulations.

   iii. Obtained and read the minutes of the following committee meetings / other meetings held between April 1, 2021 to March 31, 2022:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee

(f) Risk Management Committee

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

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

vi. 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 by the audit committee, as applicable.

vii. 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 (read with procedures and specific representations as mentioned in paragraph 7(iii) above), 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, 2022, 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: 22060352AKWKAV2746

Place of Signature: Kolkata
Date : June 14, 2022

BUSINESS RESPONSIBILITY REPORT

Annexure 10

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 :** 2021-22
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
Titilagarh (Orissa)	:	1

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

    The Company has Pan India presence and serves markets in 37 countries globally.

Section B: Financial Details of the Company

1. **Paid up Capital (INR) :** Rs. 39.08 Crore
2. **Total Turnover (INR) :** Rs. 2798.93 Crore
3. **Total profit after taxes (INR) :** Rs. 574.21 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
   - a) Total amount to be spent during the year: Rs. 30,48,95,775
   - (b) Amount spent during the year: Rs. 5,50,40,093.08 (0.96%)
   - (c) Balance amount transferred to unspent CSR account [(a)-(b)] = Rs. 24,98,55,681.49
   - (d) Amount spent out of earlier year unspent CSR amount: Rs. 4,28,01,026 (0.75%)
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, projects, low cost housing, Training for 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) and one subsidiary (w.e.f. 01.02.2022) in US (development of Graphene sheets).
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.**

     Mr Ashutosh Dixit, Executive Director.

     DIN Number : 06678944
   - **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 2022 and can be viewed in the Investors Relation Section of the website of the Company.

Section E: Principle-wise performance

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

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

   The Company has a Code of Conduct for Directors and Management Personnel. It 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 19 cases of customer complaints pertaining to GE division, 4 cases pertaining to IGE division and 2 cases pertaining to the coke plant during the year. Of them, 17 cases of GE division and all of IGE division and coke plant 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?**

      Part quantity of Nipple at Durgapur processed through LWG route against Acheson resulting in 56% energy saving on the processed stock. At Satpur Plant, energy saving achieved in graphitization unit by loading filler stock along with the main stock.

   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 fabricated components, 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. Wherever required, we have ETP and STP for treatment and reuse.

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

1. **Please indicate the Total number of employees :** 1719

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 1784

3. **Please indicate the Number of permanent women employees.** 24

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

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** 78.65%
- **Permanent Women Employees** 87.50%
- **Casual/Temporary/Contractual Employees** 71.80%
- **Employees with Disabilities** 100%

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 stake-holders?

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. The company also operates a hydel plant in Karnataka. CBM in substitution of furnace oil in baking furnaces is operational in Durgapur Plant. At Durgapur plant LWG furnances with manual handling of packing media are being replaced with modified furnace with packed media suction devise mounted on crane. At Satpur Plant, roof top solar plant is installed. Initiative to eliminate use of fossil fuel by using piped natural gas is at the final stage of commissioning. Wind barriers (40 feet height) are installed for better ambient air quality. For effective dust and fume collection, DISHA system has been designed and is at the final stage of commissioning.

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?** Generally through feedback being obtained from the beneficiaries.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?** Refer CSR Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Our programmes in respect of education / provision of drinking water / health/hygiene have been taken up for community betterment. Construction of low cost housing programms in nearby communities of plant locations have 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 % of complaints received pertaining to GE division.

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 11

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2022

[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 2022, 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, 2022, according to the provisions of:

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

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

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

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

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

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

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

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

      d. Securities and Exchange Board of India (Depositories 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/ Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/ The Securities and Exchange Board of India (Delisting of equity Shares) Regulations, 2021;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 equipment, 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 Director, Non-Executive Directors and Independent Directors.

      - Mrs. Shalini Kalsi Kamath's 1st term of appointment of 5 years as an Independent Woman Director ended on close of business hours of 09/08/2021.

      - Mrs. Sudha Krishnan has been appointed as Independent Woman Director of the Company at its next Board Meeting held on 01/11/2021 w.e.f. 01/12/2021 and the shareholders' approval has been obtained by way of a postal ballot.

      - Mr. Jemi Dorabji Curravala retired by rotation upon the conclusion of the 46th Annual General Meeting and did not seek re-appointment as Director of the Company.

   (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
UDIN: A013216C000428290

Place : Kolkata
Date : 14/05/2022

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 : 14/05/2022

Annexure 12

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 2022

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 2022 ("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:-

Sr No	Regulation	Applicability during the period under review (Yes/No)
a.	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Yes
b.	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018	No
c.	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Yes
d.	Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018	No
e.	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/ Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	No
f.	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021	No
g.	Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013/ Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021	No
h.	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015	Yes
i.	Specify any other regulation applicable to the Company:	
1	Securities and Exchange Board of India (Depository and Participants) Regulations, 2018	Yes
2	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/ The Securities and Exchange Board of India (Delisting of equity Shares) Regulations, 2021	No
3	The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client	Yes

and circulars/ guidelines issued thereunder;

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

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

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

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

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

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

(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 2021.
- 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 : 14/05/2022

FINANCIAL PERFORMANCE FOR 10 YEARS - STANDALONE

(Rs. in Crores)

	IND AS							IGAAP		
Statement of Profit & Loss	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Revenue from Operations (Net of Excise duty)	**2,798.93**	**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
Other Income	**279.27**	**305.94**	156.91	196.35	88.89	83.89	46.50	30.74	40.21	26.35
Profit before Interest, Depreciation and Tax (PBIDT)	**802.54**	**321.96**	62.54	4,402.39	1,441.43	159.49	196.76	186.02	324.48	305.26
Depreciation	**45.63**	**44.59**	44.20	56.01	46.43	41.56	44.42	38.75	53.60	50.04
Profit before Interest and Tax (PBIT)	**756.91**	**277.37**	18.34	4,346.38	1,395.00	117.93	152.34	147.27	270.88	255.22
Finance Cost	**3.56**	**5.93**	17.12	10.89	6.18	6.50	7.84	12.23	16.96	22.14
Profit before Exceptional Item and Tax	**753.35**	**271.44**	1.22	4,335.49	1,388.82	111.43	144.50	135.04	253.92	233.08
Exceptional Item (Gain) / Loss	**-**	**-**	-	54.86	-	-	-	5.60	-	-
Profit before Tax (PBT)	**753.35**	**271.44**	1.22	4,280.63	1,388.82	111.43	144.50	129.44	253.92	233.08
Provision for Taxation	**179.14**	**72.12**	-30.10	1,474.88	475.19	(0.85)	39.86	47.25	83.00	70.00
Profit after Tax (PAT)	**574.21**	**199.32**	31.32	2,805.75	913.63	112.28	104.64	82.19	170.92	163.08
EPS - Basic (Rs.)	**29.39**	**10.20**	1.60	143.61	46.76	5.75	5.36	4.21	8.75	8.35
Balance Sheet										
Fixed Assets	**676.15**	**647.19**	611.95	624.08	651.40	648.67	606.37	600.40	641.47	662.57
Investments	**2,315.35**	**2,514.27**	1,998.74	2,566.37	1,241.10	663.92	537.35	480.07	500.22	345.74
Other Assets (Current and Non-Current)	**2,676.83**	**1,630.88**	2,031.58	2,752.75	1,603.46	1,070.37	1,167.85	1,367.03	1,477.95	1,697.05
Total Assets	**5,668.33**	**4,792.34**	4,642.27	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64	2,705.36
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	**4,447.86**	**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
Borrowings	**343.74**	**223.40**	415.61	359.59	155.29	126.82	179.92	185.71	301.02	567.61
Deferred Tax Liabilities (Net)	**110.07**	**89.07**	81.09	113.59	94.50	84.03	88.16	82.11	89.67	95.04
Other Liabilities (Current and Non-Current)	**727.58**	**472.02**	335.21	816.60	644.38	320.25	302.16	426.07	493.04	397.71
Total Liabilities	**5,668.33**	**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
Key Ratio										
PBIDT / Total Revenue - %	**26.07**	**15.01**	2.06	63.49	47.31	11.48	14.12	12.17	17.94	17.04
Net Profit (PAT) / Total Revenue - %	**18.65**	**9.29**	1.03	40.47	29.98	8.08	7.51	5.38	9.45	9.10
Finance Cost Cover - Times	**225.43**	**54.29**	3.65	404.26	233.24	24.54	25.10	15.21	19.13	13.79
ROCE (PBIT / Capital Employed) - %	**15.32**	**6.42**	0.43	86.70	50.60	5.96	7.93	7.36	13.04	11.35
RONW (PAT / Net worth) - %	**12.80**	**4.97**	0.82	60.29	35.12	6.06	6.01	4.69	9.85	9.91
Debt Equity Ratio	**0.07:1**	**0.05:1**	0.11:1	0.08:1	0.06:1	0.07:1	0.10:1	0.14:1	0.20:1	0.37:1
Equity Dividend per Share (Rs.)	**10.00**	**5.00**	2.00	55.00	17.00	2.00	2.00	2.00	3.50	3.50
Book Value per Share (Rs.)	**229.66**	**205.14**	195.03	238.18	133.17	94.78	89.13	89.76	88.85	84.20

STANDALONE FINANCIAL STATEMENTS

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 2022, the Statement of Profit and Loss, including the Statement of 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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 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, 2022. 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.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2(b) and 21 of the standalone financial statements)*	
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.	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.

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 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, 2022 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, 2020 ("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 the Statement of 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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;

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 49 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 49 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in Note 41(b) to the Standalone Financial Statements

a. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

b. The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 22060352AJLPOS6672

Place of Signature: Kolkata
Date: May 23, 2022

Annexure 1 referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **Graphite India Limited ("the Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Majority of the Property, Plant and Equipment were physically verified by the management in the year and there is a regular programme of verification, which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except fifteen (15) number of immovable properties (details of which are set out in note 4.8 and note 4.9 to the standalone financial statements) as indicated in the below mentioned cases:

Description of Property	Gross Carrying value (Rs. in crores)	Net Carrying value (Rs. in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Four Freehold Land at Titilagarh	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in court of Tehsildar, Titlagarh
Two Leasehold Land at Titilagarh #	0.22	0.15	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process
Six Freehold land at Titilagarh	0.07	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited
Two Freehold land at Titilagarh	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Original Title deed has been misplaced and is not available with the Company. The Company has initiated necessary action in this regard.
One Freehold Land at Nashik	0.07	0.07	Graphite Vicarb India Limited	No	01.01.1994	Transfer of ownership is under process

One (1) Original title deed is pledged with a bank and is not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in note 15.3 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company.

Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and/or financial institutions are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ending	Value per books of account (Rs. in crores)	Value per quarterly return/ statement (Rs. in crores)	Discrepancy
Inventories * #			
June 30, 2021	952.02	805.99	146.03
September 30, 2021	1,038.12	870.81	167.31
December 31, 2021	1,158.58	908.26	250.32
Trade receivables #			
June 30, 2021	400.69	403.68	(2.99)
September 30, 2021	429.98	431.83	(1.85)
December 31, 2021	537.61	535.86	1.75

* Discrepancy is primarily on account of Goods in transit not considered in stock statement

Discrepancy is primarily on account of the details being submitted on the basis of provisional books / financial statements

(iii) (a) During the year, the Company has stood guarantee to a Company as follows:

	Guarantees (Rs. in crores)
Aggregate amount granted/ provided during the year	
- Step down Subsidiary	185.04
Balance outstanding as at balance sheet date in respect of above case - Step down Subsidiary	185.04

During the year, the Company has not provided loans, advances in the nature of loans, security to companies, firms, Limited Liability Partnerships or any other parties and has not stood guarantee to firms, Limited Liability Partnerships or any other parties.

(b) During the year, the guarantee provided and the terms and conditions of the guarantee to a Company is not prejudicial to the Company's interest. During the year, the Company has not made investments, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and has not stood guarantee to firms, Limited Liability Partnerships or any other parties other than above.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans given or securities provided in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon. Investments made and guarantee issued in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable, have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues outstanding of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty on custom, duty of excise, value added tax, cess and other material statutory dues have not been deposited 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	17.66	1999-00 and 2013-14 to 2016-17	Assistant Commissioner/Deputy Commissioner of Central Excise
		0.15	2010-11 and 2011-12	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 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
		6.26	2005-06 to 2007-08	Commissioner of Customs
		0.07	2014-15	Commissioner (Appeals)
		1.68	1991-92, 2007-08, 2008-09 & 2019-20	CESTAT
Finance Act, 1994	Service Tax, Interest and Penalty	20.13	2010-11 to 2016-17	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

Name of the Statute	Nature of Dues	Amount (Rs. in Cr.)*	Period to which amount relates	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.08	2008-09	Assistant Commissioner, Commercial taxes
		0.07	2006-2007	Karnataka High Court
Income-tax Act, 1961	Income Tax Demand and interest	0.02	2011-12	Commissioner of Income Tax (Appeals)
		55.38	2006-07, 2008-09 to 2012-13	Income Tax Appellate Tribunal
		16.67	1990-91 to 1993-94, 1998-99 to 2005-06	Hon'ble Calcutta High Court

* Net of amounts deposited on account of dispute

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to banks or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any joint venture or associate as at the Balance Sheet date.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture or associate as at the Balance Sheet date.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28.2 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 28.2 to the financial statements.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 22060352AJLPOS6672

Place of Signature: Kolkata
Date: May 23, 2022

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, 2022 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, 2022, 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: 22060352AJLPOS6672

Place of Signature: Kolkata
Date: May 23, 2022

STANDALONE BALANCE SHEET as at 31st March, 2022

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2022	As at 31st March, 2021
Non - current Assets			
Property, Plant and Equipment	4.1	533.15	566.45
Capital Work-in-progress	4.2	142.00	79.51
Intangible Assets	5	0.37	0.59
Right-of-use Assets	5.2	0.63	0.65
Financial Assets			
Investments	6	812.00	837.72
Loans	10	1.07	1.00
Other Financial Assets	11	2.46	29.76
Non-current Tax Assets (Net)		128.33	137.56
Other Non-current Assets	13	15.80	10.49
Total Non - current Assets		**1,635.81**	**1,663.73**
Current Assets			
Inventories	12	1,470.60	823.42
Financial Assets			
Investments	6	1,503.35	1,676.55
Trade Receivables	7	537.67	361.57
Cash and Cash Equivalents	8	28.77	37.12
Other Bank Balances	9	75.21	14.19
Loans	10	0.82	0.88
Other Financial Assets	11	289.78	68.65
Other Current Assets	13	126.32	146.23
Total Current Assets		**4,032.52**	**3,128.61**
TOTAL ASSETS		**5,668.33**	**4,792.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14.1	39.08	39.08
Other Equity	14.2	4,447.86	3,968.77
TOTAL EQUITY		**4,486.94**	**4,007.85**
LIABILITIES			
Non - current Liabilities			
Deferred Tax Liabilities (Net)	20	110.07	89.07
Total Non - current Liabilities		**110.07**	**89.07**
Current Liabilities			
Financial Liabilities			
Borrowings	15	343.74	223.40
Trade Payables	16		
Total Outstanding Dues of Small Enterprises and Micro Enterprises		28.87	20.13
Total Outstanding Dues of Creditors other than Small Enterprises and Micro Enterprises		388.93	198.36
Other Financial Liabilities	17	133.79	113.54
Other Current Liabilities	18	39.19	29.92
Provisions	19	34.86	39.32
Current Tax Liabilities (Net)		101.94	70.75
Total Current Liabilities		**1,071.32**	**695.42**
TOTAL LIABILITIES		**1,181.39**	**784.49**
TOTAL EQUITY AND LIABILITIES		**5,668.33**	**4,792.34**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these financial statements

As per our report of even date

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 23rd May, 2022

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, 2022

(Rs. in Crores)

	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	21	2,798.93	1,838.64
Other Income	22	279.27	305.94
Total Income		**3,078.20**	**2,144.58**
Expenses			
Cost of Materials Consumed	23	1,381.06	770.39
Changes in Inventories of Finished Goods and Work-in-progress	24	(245.78)	241.51
Employee Benefits Expense	25	222.62	184.96
Finance Costs	26	3.56	5.93
Depreciation and Amortisation Expense	27	45.63	44.59
Other Expenses	28	917.76	625.76
Total Expenses		**2,324.85**	**1,873.14**
Profit before Tax		**753.35**	**271.44**
Tax Expense	29		
Current Tax (Net of adjustments of earlier years)		158.14	64.14
Deferred Tax Charge		21.00	7.98
Profit for the year		**574.21**	**199.32**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement Gains/(Losses) on Defined Benefit Plans	36	3.43	(2.46)
- Income Tax effect	29	(0.86)	0.62
Total Other Comprehensive Income/(Loss), Net of Tax		**2.57**	**(1.84)**
Total Comprehensive Income for the year		**576.78**	**197.48**
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	30		
Basic and Diluted (Rs.)		29.39	10.20

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 - 23rd May, 2022

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 CHANGES IN EQUITY for the year ended 31st March, 2022

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, 2020	19,53,75,594	39.08
At 31st March, 2021	19,53,75,594	39.08
At 31st March, 2022	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, 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)						
-Remeasurement Gains/(Losses) on 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**
Profit for the Year	-	-	-	-	574.21	574.21
Other Comprehensive Income (Net of Tax)						
-Remeasurement Gains/(Losses) on Defined Benefit Plans	-	-	-	-	2.57	2.57
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**576.78**	**576.78**
Transactions with Owners in their Capacity as Owners:						
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 41(b)]	-	-	-	-	(97.69)	(97.69)
As at 31st March, 2022	**0.46**	**5.75**	**200.97**	**1,336.50**	**2,904.18**	**4,447.86**

Summary of Significant Accounting Policies Note 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 - 23rd May, 2022

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, 2022

(Rs. in Crores)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash Flows from Operating Activities:		
Profit before Tax	753.35	271.44
Adjustments for:		
Depreciation and Amortisation Expense	45.63	44.59
Finance Costs	3.56	5.93
Bad Debts/Advances Written Off	0.05	0.36
Liability towards Unspent Corporate Social Responsibility	24.99	70.06
Interest Income classified as Investing/Financing Cash Flows	(79.20)	(74.15)
Dividend Income	(1.20)	(0.01)
Net Gain on Investments Carried at Fair Value through Profit or Loss	(171.56)	(107.27)
Liabilities no Longer Required Written Back	(4.80)	(18.76)
Provision for Doubtful Debts Written Back	*	(0.22)
Loss/(Gain) on Disposal of Property, Plant and Equipment (Net)	(0.45)	0.01
Unrealised Foreign Exchange Differences (Net)	(0.29)	0.58
Operating Profit before changes in Operating Assets and Liabilities	**570.08**	**192.56**
Changes in Operating Assets and Liabilities:		
Increase in Trade Payables	201.73	58.38
(Decrease) in Other Financial Liabilities	(60.88)	(4.71)
(Decrease) in Provisions	(1.03)	(1.31)
Increase in Other Current Liabilities	9.31	6.05
(Increase)/Decrease in Inventories (net of Net Realisable Value provisions)	(647.19)	385.73
(Increase)/Decrease in Trade Receivables	(176.15)	40.70
(Increase)/Decrease in Loans	(0.01)	3.50
(Increase)/Decrease in Other Financial Assets	9.71	(65.90)
(Increase)/Decrease in Other Non-current Assets	(0.02)	0.09
Decrease in Other Current Assets	19.92	67.57
Cash (Used in)/Generated from Operations	**(74.53)**	**682.66**
Income Taxes paid (Net of Refunds)	(118.58)	(49.28)
Net Cash (Used in)/From Operating Activities	**(193.11)**	**633.38**
B. Cash Flows from Investing Activities:		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(86.23)	(65.50)
Proceeds from Disposal of Property, Plant and Equipment	4.23	0.23
Payments for Purchase of Investments	(2,502.08)	(2,388.93)
Proceeds from Sale/Redemption of Investments	2,686.87	2,002.87
Interest Received	61.34	50.02
Dividend Received	1.20	0.01
Proceeds from Maturity of Fixed Deposits with Banks	-	2.05
Investment in Fixed Deposits with Banks	(0.38)	(0.55)
Net Cash From/(Used in) Investing Activities	**164.95**	**(399.80)**

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

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2022

(Rs. in Crores)

	Year ended 31st March, 2022	Year ended 31st March, 2021
C. Cash Flows from Financing Activities:		
Dividend Paid	(97.69)	-
Interest Received	-	1.05
Finance Costs Paid	(3.13)	(7.10)
Short-term Borrowings - Receipts/(Payments) (Net)	120.63	(192.79)
Net Cash From/(Used in) Financing Activities	**19.81**	**(198.84)**
D. Exchange Differences on Translation of Foreign Currency:		
Cash and Cash Equivalents	*	-
Net Cash (Outflow)/Inflow (A+B+C+D)	**(8.35)**	**34.74**
Cash and Cash Equivalents - At the beginning of the year (Refer Note 8)	37.12	2.38
Cash and Cash Equivalents - At the end of the year (Refer Note 8)	28.77	37.12
	(8.35)	**34.74**

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

Summary of Significant Accounting Policies Note 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 - 23rd May, 2022

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, 2022

1 Corporate Information

Graphite India Limited (the 'Company') is a public company limited by shares domiciled in India and is incorporated under the provisions 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 - 700016, 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 23rd May, 2022.

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] as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

(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), if any, 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 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June, 2022 from 30 June, 2021. The amendment applies to annual reporting periods beginning on or after 1 April, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April, 2020.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

These amendments had no material impact on the standalone financial statements of the Company.

(vi) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no material impact on the standalone financial statements of the Company.

(vii) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116 : Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the standalone financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(viii) Conceptual Framework for Financial Reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102 - Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in Conceptual Framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments had no impact on the standalone financial statements of the Company.

(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, if any. 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, Merchandise Export from India/Remission of Duties

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

and Taxes on Export Products (RoDTEP)] 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 accrual basis as per terms of the agreement with the concerned party.

(c) 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.

Depreciation Method, Estimated Useful Lives And Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Factory Buildings	-	3 to 30 years
Non-factory Buildings	-	3 to 60 years
Plant and Equipments	-	5 to 40 years
Furniture and Fixtures	-	10 years
Vehicles	-	8 to 10 years
Office Equipments	-	3 to 6 years

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. The Company also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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'.

(d) 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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.

(e) Impairment of Non-financial Assets

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

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

(f) 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(e) 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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.

(g) 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.

Finished Goods and Work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) 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.

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(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.

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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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.

(n) 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.

(o) 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 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.

(p) Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

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

a) Gratuity

Retirement gratuity for employees, is funded through Company's Gratuity Scheme with Life Insurance Corporation of India (LICI). The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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 recognises 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 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.

(q) 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.

(r) 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.

(s) 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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.

(t) 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.

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.

(u) 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.

(v) 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.

(w) 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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(p) 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(c) 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(t) 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(q) 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(i)(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(g) 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, 2022

4 Property, Plant and Equipment ^

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

(Rs. in Crores)

	Freehold Land	Buildings @	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
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**
Year ended 31st March, 2022							
Gross Carrying Amount							
Opening Balance	22.40	216.55	575.38	3.09	7.22	4.53	829.17
Additions	-	4.08	10.38	0.26	0.77	0.34	15.83
Disposals	-	(1.16)	(5.34)	(0.01)	(0.96)	(0.28)	(7.75)
Closing Balance	**22.40**	**219.47**	**580.42**	**3.34**	**7.03**	**4.59**	**837.25**
Accumulated Depreciation							
Opening Balance	-	53.36	200.90	1.75	3.68	3.03	262.72
For the Year	-	8.88	35.00	0.26	0.68	0.55	45.37
On Disposals	-	(0.43)	(2.36)	(0.01)	(0.91)	(0.28)	(3.99)
Closing Balance	**-**	**61.81**	**233.54**	**2.00**	**3.45**	**3.30**	**304.10**
Net Carrying Amount	**22.40**	**157.66**	**346.88**	**1.34**	**3.58**	**1.29**	**533.15**

@ Includes Buildings constructed on Leasehold Land [included under Right-of-use Asset (Refer Note 5.2)] - Gross Carrying Amount Rs. 194.59 Crores (Net Carrying Amount - Rs. 142.02 Crores) [Previous Year - Gross Carrying Amount Rs. 190.60 Crores (Net Carrying Amount - Rs. 145.68 Crores)].

^ On transition to Ind AS (i.e. 1 April, 2015), the Company had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(Rs. in Crores)

4.2 Capital Work-in-progress

	Year ended 31st March, 2022	Year ended 31st March, 2021
Carrying amount at the beginning of the year	79.51	34.68
Additions during the year	76.95	79.14
Capitalised during the year	(14.46)	(34.31)
Carrying amount at the end of the year	**142.00**	**79.51**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

4.3 Capital Work-in-progress Ageing Schedule @

As at 31st March, 2022 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	95.17	28.67	17.16	1.00	142.00

As at 31st March, 2021 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	61.24	17.27	0.71	0.29	79.51

@ There are no projects as on March 31, 2022 and March 31, 2021 where activity has been suspended.

4.4 For Capital Work-in progress whose completion is overdue or has exceeded its cost compared to its original plan, project-wise details of expected completion period are as follows:

As at 31st March, 2022 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
PSD-003346	0.86	-	-	-	0.86
DGP-0009	78.65	-	-	-	78.65
DGP-0012	29.71	-	-	-	29.71
DGP-0007	0.85	-	-	-	0.85
DGP-0010	8.23	-	-	-	8.23
Others	3.85	-	-	-	3.85
Total	**122.15**	**-**	**-**	**-**	**122.15**

As at 31st March, 2021 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
DGP-0009	-	40.29	-	-	40.29
DGP-0012	-	34.73	-	-	34.73
Others	0.22	0.42	-	-	0.64
Total	**0.22**	**75.44**	**-**	**-**	**75.66**

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

4.6 Contractual obligations - Refer Note 35(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.7 Aggregate amount of depreciation has been included under ‘Depreciation and Amortisation Expense’ in the Statement of Profit and Loss (Refer Note 27).

4.8 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

Title deeds of following land are not held in the name of Company as at 31st March, 2022 and 31st March, 2021 -

(Rs. in Crores)

Particulars	Description of Property	Gross Carrying Value	Held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director # @	Property held since which date	Reasons for not being held in the name of the Company
Property, Plant and Equipment	Freehold Land at Nashik-Ambad (1 Title Deed)	0.07	Graphite Vicarb India Limited	No	01.01.1994	Transfer of ownership is under process.
Property, Plant and Equipment	Freehold Land at Titilagarh (4 Title Deeds)	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in Court of Tehsildar, Titilagarh (Refer Note 4.9 below).
Property, Plant and Equipment	Freehold Land at Titilagarh (6 Title Deeds)	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited.
Property, Plant and Equipment	Freehold Land at Titilagarh (2 Title Deeds)	0.02	Powmex Steels Limited	No	01.02.2009	Original Tittle deeds have been misplaced and is not available with the Company. The Company has initiated necessary action in this respect.
Right-of-use Asset ^^	Leasehold Land at Titilagarh (2 Title Deeds)	0.22	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process.

Promoter as defined in the Companies Act, 2013

@ Relative as defined in the Companies Act, 2013

^^ Net carrying value Rs. 0.15 Crores (Previous Year - Rs. 0.15 Crores)

4.9 A portion of the land at Titilagarh including Freehold Land mentioned in Note 4.8 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).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

5 Intangible Assets ^

(Rs. in Crores)

	Computer Software - Acquired
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**
Year ended 31st March, 2022	
Gross Carrying Amount	
Opening Balance	3.32
Additions	0.02
Disposals	*
Closing Balance	**3.34**
Accumulated Amortisation	
Opening Balance	2.73
For the Year	0.24
Disposals	*
Closing Balance	**2.97**
Net Carrying Amount	**0.37**

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

^ On transition to Ind AS (i.e. 1 April 2015), the Company had elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

5.2 Right-of-use Assets

(Rs. in Crores)

	Leasehold Land
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**
Year ended 31st March, 2022	
Gross Carrying Amount	
Opening Balance	0.77
Closing Balance	**0.77**
Accumulated Depreciation	
Opening Balance	0.12
For the Year	0.02
Closing Balance	**0.14**
Net Carrying Amount	**0.63**

Refer Note 33 for related disclosures.

5.3 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, 2022

(Rs. in Crores)

6 Investments	Face Value	Number	As at 31st March, 2022	Number	As at 31st March, 2021
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	-
National Stock Exchange of India Limited	Re.1	3,00,000	91.12	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 ^			327.45		428.56
Investments in Venture Capital Funds #			85.19		25.77
Investments in Market Linked Debentures #			-		15.88
Investments in Perpetual Bonds #			220.79		220.07
Investments in Mutual Funds #			12.04		31.01
			812.00		**837.72**
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs.10	17,20,000	77.13	17,20,000	50.00
Computer Age Management Services Ltd	Rs.10	7,425	1.72	7,325	1.35
Brookfield India Real Estate Trust	Rs. 275	2,60,000	8.14	2,60,000	5.80
MTAR Technologies Limited	Rs.10	1,917	0.34	1,917	0.20
Shyam Metallics and Energy Limited	Rs.10	9,825	0.36	-	-
Powergrid Infrastructure Investment Trust	Rs.100	10,81,300	14.48	-	-
Clean Science and Technology Limited	Re.1	5,529	1.10	-	-
Escorts Limited	Rs.10	3,96,844	67.10	-	-
Unquoted, Fully paid:					
Investments in Corporate Deposits ^			50.00		290.00
Investments in Debentures ^			303.93		110.44
Investments in Market Linked Debentures #			24.57		5.29
Investments in Perpetual Bonds #			25.08		-
Investments in Mutual Funds #			929.40		1,213.47
			1,503.35		**1,676.55**
			2,315.35		**2,514.27**
Aggregate Amount of Quoted Investments			170.37		57.35
Aggregate Amount of Unquoted Investments			2,144.98		2,456.92
@ Investment in subsidiary companies is carried at cost			75.41		75.41
^ Investments carried at Amortised Cost			681.38		829.00
# Investments carried at Fair Value through Profit or Loss			1,558.56		1,609.86
$ 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, 2022

(Rs. in Crores)

7 Trade Receivables ^^	As at 31st March, 2022	As at 31st March, 2021
Current		
Unsecured :		
Considered Good #	537.67	361.57
Credit Impaired	4.25	4.34
Less: Provision for Doubtful Debts	(4.25)	(4.34)
	537.67	**361.57**
# Includes dues from a Subsidiary (Refer Note 38)	67.57	69.81

7.1 Trade Receivable Ageing Schedule @

As at 31st March, 2022 - (Rs. in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	388.02	146.97	2.45	0.23	-	-	537.67
- Credit Impaired	-	-	-	-	-	3.82	3.82
Disputed -							
- Credit Impaired	-	-	-	-	-	0.43	0.43
Total	**388.02**	**146.97**	**2.45**	**0.23**	**-**	**4.25**	**541.92**

As at 31st March, 2021 - (Rs. in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	249.78	108.06	1.53	2.19	0.01	-	361.57
- Credit Impaired	-	-	-	-	-	3.82	3.82
Disputed -							
- Credit Impaired	-	-	-	-	0.09	0.43	0.52
Total	**249.78**	**108.06**	**1.53**	**2.19**	**0.10**	**4.25**	**365.91**

@ There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

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

7.3 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.

(Rs. in Crores)

8 Cash and Cash Equivalents ^^	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks - On Current Accounts	28.71	36.99
Cash on Hand	0.06	0.13
	28.77	**37.12**

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.

^^ Financial assets carried at amortised cost.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

9	**Other Bank Balances ^^**	**As at 31st March, 2022**	**As at 31st March, 2021**
	Unpaid Dividend Accounts @	6.24	6.38
	Unspent Corporate Social Responsibility Amount	60.78	-
	Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	8.19	7.81
		75.21	**14.19**

@ Earmarked for payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 8.19 Crores (Previous Year - Rs. 7.81 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	1.07	1.00
		1.07	**1.00**
	Current		
	Unsecured, Considered Good :		
	Loans to Employees	0.82	0.88
		0.82	**0.88**
		1.89	**1.88**

^^ Financial assets carried at amortised cost

11	**Other Financial Assets**		
	Financial Assets carried at Amortised Cost unless otherwise stated		
	Non-current		
	Unsecured, Considered Good :		
	Claims Receivable/Charges Recoverable	-	27.66
	Security Deposits	2.44	2.08
	Fixed Deposits with Banks	0.02	0.02
	(with original maturity of more than twelve months)		
	(Lodged with Government Authority/Others)		
		2.46	**29.76**
	Current		
	Unsecured, Considered Good :		
	Receivables from a Subsidiary (Refer Note 38)	1.49	1.00
	Claims Receivable/Charges Recoverable	29.97	40.66
	Security and Other Deposits	0.95	0.86
	Derivative Instruments-Foreign Exchange Forward Contracts $	0.03	-
	Export Entitlements Receivable	4.93	3.13
	Accrued Interest on Investments^	15.87	13.63
	Accrued Interest on Deposits		
	with Banks	0.10	0.11
	with Others	1.76	5.09
	Others*	234.68	4.17
		289.78	**68.65**
		292.24	**98.41**

$ Financial Assets carried at Fair Value through Profit or Loss

^ Includes Financial Assets carried at Fair Value through Profit or Loss amounting to Rs. 11.70 Crores (Previous Year - Rs. 8.44 Crores).

* Includes Rs. 204.64 Crores (Previous Year - Rs. Nil) receivable on account of sale of listed equity shares under Open Offer which was subsequently realised on 11th April, 2022.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

12 Inventories	As at 31st March, 2022	As at 31st March, 2021
Current		
- At Lower of Cost and Net Realisable Value		
Raw Materials	544.27	167.70
Work-in-progress	618.34	519.62
Finished Goods	258.64	111.58
Stores and Spares	48.28	23.62
Loose Tools	1.07	0.90
	1,470.60	**823.42**

12.1 Above includes Inventories-in-transit :		
Raw Materials	298.65	66.85
Work-in-progress	5.50	3.88
Finished Goods	134.81	54.73
Stores and Spares	1.52	0.19

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

12.3 Refer Note 42 for Information on Inventories Pledged as Security

13 Other Assets		
Non-current		
Unsecured, Considered Good :		
Capital Advances	10.55	5.26
Balances with Government Authorities @	4.76	4.76
Others		
Prepaid Expenses	0.49	0.47
	15.80	**10.49**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities ^	76.83	113.23
Advance to Suppliers/Service Providers (other than capital)	32.16	13.06
Export Entitlements Receivable	11.17	17.81
Advance towards Gratuity (Refer Note 36)	1.76	-
Prepaid/Advance for Expenses	4.40	2.13
	126.32	**146.23**
	142.12	**156.72**

@ 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

14.1 Equity Share Capital	**As at 31st March, 2022**	**As at 31st March, 2021**
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, 2022 and 31st March, 2021.

(a) Terms/Rights attached to Equity Shares : 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	11,98,23,336
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	11,98,23,336
	(61.33%)	(61.33%)

(d) Details of Shares held by Promoters @

As at 31st March, 2022 -

Promoter Name	Number of Equity Shares at the beginning of the year	Change during the year	Number of Equity Shares at the end of the year	% of Total Shares	% Change during the year
Emerald Company Private Limited	11,98,23,336	-	11,98,23,336	61.33%	-
GKW Limited	40,00,000	-	40,00,000	2.05%	-
Krishna Kumar Bangur	16,56,386	(16,45,386)	11,000	0.01%	(99.34%)
Shree Laxmi Agents Private Limited	8,84,000	-	8,84,000	0.45%	-
Carbo Ceramics Limited	3,86,645	-	3,86,645	0.20%	-
Manjushree Bangur	2,48,391	-	2,48,391	0.13%	-
Krishna Kumar Bangur (Family Welfare Trust)	1,99,505	-	1,99,505	0.10%	-
Aparna Bangur	1,86,261	-	1,86,261	0.10%	-
Divya Bagri	1,69,333	-	1,69,333	0.09%	-
Rukmani Devi Bangur	54,988	-	54,988	0.03%	-
Krishna Kumar Bangur (HUF)	50,500	-	50,500	0.03%	-
Siddhant Bangur	100	2,48,545	2,48,645	0.13%	248545.00%
Emerald Highrise Pvt Ltd (Trustee of KKB Family Trust)	100	-	100	*	-
Emerald Highrise Pvt Ltd (Trustee of Emerald Family Trust)	100	-	100	*	-
Emerald Matrix Holdings Pte Ltd	-	13,96,841	13,96,841	0.71%	100.00%

* 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, 2022

As at 31st March, 2021 -

Promoter Name	Number of Equity Shares at the beginning of the year	Change during the year	Number of Equity Shares at the end of the year	% of Total Shares	% Change during the year
Emerald Company Private Limited	11,96,75,004	1,48,332	11,98,23,336	61.33%	0.12%
GKW Limited	40,00,000	-	40,00,000	2.05%	-
Krishna Kumar Bangur	16,56,386	-	16,56,386	0.85%	-
Shree Laxmi Agents Private Limited	8,84,000	-	8,84,000	0.45%	-
Carbo Ceramics Limited	3,86,645	-	3,86,645	0.20%	-
Manjushree Bangur	2,48,391	-	2,48,391	0.13%	-
Krishna Kumar Bangur (Family Welfare Trust)	1,99,505	-	1,99,505	0.10%	-
Aparna Bangur	1,86,261	-	1,86,261	0.10%	-
Divya Bagri	1,69,333	-	1,69,333	0.09%	-
Rukmani Devi Bangur	54,988	-	54,988	0.03%	-
Krishna Kumar Bangur (HUF)	50,500	-	50,500	0.03%	-
Siddhant Bangur	100	-	100	*	-
KKB Family Trust	100	(100)	-	-	(100.00%)
Emerald Family Trust	100	(100)	-	-	(100.00%)
Emerald Highrise Pvt Ltd (Trustee of KKB Family Trust)	-	100	100	*	100.00%
Emerald Highrise Pvt Ltd (Trustee of Emerald Family Trust)	-	100	100	*	100.00%

@ Promoter here means promoter as defined in the Companies Act, 2013.

There are no equity shares issued as bonus and for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

(Rs. in Crores)

14.2 Other Equity	**As at 31st March, 2022**	**As at 31st March, 2021**
- 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]	2,904.18	2,425.09
	4,447.86	**3,968.77**

14.2 (i) Retained Earnings - Movement during the year

Opening Balance	2,425.09	2,227.61
Profit for the Year	574.21	199.32
Items of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurement Gains/(Losses) on Defined Benefit Plans (Net of Tax)	2.57	(1.84)
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 41(b)]	(97.69)	-
Closing Balance	**2,904.18**	**2,425.09**

* 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, 2022

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 re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earning is a free reserve available to the Company.

(Rs. in Crores)

15 Borrowings	**As at 31st March, 2022**	**As at 31st March, 2021**
Current		
Secured*		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	83.59	40.34
Unsecured		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	196.36	183.06
Buyer's Credit	63.79	-
	343.74	**223.40**
Aggregate Secured Loans	83.59	40.34
Aggregate Unsecured Loans	260.15	183.06

*Secured -

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

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

(Refer Note 42 for Information on assets Pledged as Security)

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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

15.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

Particulars	April 1, 2021	Cash Flows	Exchange Differences	March 31, 2022
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	40.34	43.25	-	83.59
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	183.06	13.30	-	196.36
Buyer's Credit	-	64.08	(0.29)	63.79
Total Liabilities from Financing activities	**223.40**	**120.63**	**(0.29)**	**343.74**

(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**

15.3 Details of discrepancies between quarterly returns/statements of current assets filed by the Company with banks and books of accounts -

(Rs. in Crores)

As at 31st March, 2022				As at 31st March, 2021			
Quarter Ending	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of difference**	**Quarter Ending**	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of difference**
Inventories ^^$ -							
Jun-21	952.02	805.99	146.03	Jun-20	1,025.76	954.87	70.89
Sep-21	1,038.12	870.81	167.31	Sep-20	878.49	811.62	66.87
Dec-21	1,158.58	908.26	250.32	Dec-20	771.21	680.33	90.88
				Mar-21	823.42	729.06	94.36
Trade Receivable $ -							
Jun-21	400.69	403.68	(2.99)	Jun-20	310.45	309.03	1.42
Sep-21	429.98	431.83	(1.85)	Sep-20	319.22	319.22	*
Dec-21	537.61	535.86	1.75	Dec-20	282.68	282.68	*
				Mar-21	361.57	322.53	39.04
Trade Payables $ -							
				Jun-20	42.16	47.75	(5.59)

^^ The discrepancy is primarily on account of goods-in-transit not considered in stock statement reported in quarterly returns.

$ The discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements.

Working capital facilities were availed by the Company during Financial Years 2021-22 and 2020-21 from UCO Bank, Kotak Mahindra Bank Limited, CITI Bank, ICICI Bank Limited, Axis Bank Limited, Canara Bank, HDFC Bank Limited and DBS Bank India Limited. Further, for the Financial Year 2020-21, working capital facilities were also availed by the Company from Bank of India.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

16 Trade Payables^^	As at 31st March, 2022	As at 31st March, 2021
Current		
Trade Payables		
Total Outstanding dues of Small Enterprises and Micro Enterprises (Refer Note 31)	28.87	20.13
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises @	388.93	198.36
	417.80	**218.49**
@ Includes dues to a Subsidiary (Refer Note 38)	-	1.88

^^ Carried at Amortised Cost

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

16.2 Trade Payables Ageing Schedule

As at 31st March, 2022 - **(Rs. in Crores)**

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of small enterprises and micro enterprises	3.19	25.68	*	-	-	-	28.87
- dues of creditors other than small enterprises and micro enterprises	123.36	81.19	182.40	0.89	0.09	0.96	388.89
Disputed -							
- dues of creditors other than small enterprises and micro enterprises	-	-	-	0.01	-	0.03	0.04
Total	**126.55**	**106.87**	**182.40**	**0.90**	**0.09**	**0.99**	**417.80**

As at 31st March, 2021 - **(Rs. in Crores)**

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of small enterprises and micro enterprises	0.03	19.50	0.60	-	-	-	20.13
- dues of creditors other than small enterprises and micro enterprises	66.52	77.80	44.10	7.97	0.84	1.09	198.32
Disputed -							
- dues of creditors other than small enterprises and micro enterprises	-	-	0.01	-	0.03	-	0.04
Total	**66.55**	**97.30**	**44.71**	**7.97**	**0.87**	**1.09**	**218.49**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

17 Other Financial Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Financial Liabilities carried at Amortised Cost		
Current		
Employee Benefits Payable (Also Refer Note 38)	20.85	19.36
Interest Accrued	0.53	0.10
Unpaid Dividends @	6.24	6.38
Liability towards Corporate Social Responsibility (Refer Note 28.2)	90.77	70.06
Capital Liabilities	10.58	13.17
Claims/Charges Payable #	3.95	3.66
Security Deposits	0.36	0.37
Remuneration Payable to Non-executive Directors (Also Refer Note 38)	0.51	0.44
	133.79	**113.54**
# Includes dues to a Subsidiary (Refer Note 38)	-	0.04

@ Unpaid dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund (IEPF).

18 Other Current Liabilities

Current		
Dues Payable to Government Authorities @	8.57	9.67
Advances from Customers	30.62	16.26
Advance held against Sale of Assets	-	3.99
	39.19	**29.92**

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

19 Provisions

Current		
Provisions for Employee Benefits (Refer Note 36)	24.76	28.82
Provision for Litigations/Claims	10.10	10.50
	34.86	**39.32**

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, 2021	Recognised in Profit or Loss	As at 31st March, 2022
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	73.38	(2.27)	71.11
Financial Assets at Fair Value through Profit or Loss - Investments	28.75	20.30	49.05
Total Deferred Tax Liabilities	**102.13**	**18.03**	**120.16**
Deferred Tax Assets			
Provision for Employee Benefits	5.77	(1.26)	4.51
Employee Benefits Payable	0.19	(0.01)	0.18
Dues Payable to Government Authorities	0.97	-	0.97
Trade Receivables	1.09	(0.02)	1.07
Provision towards Voluntary Retirement Scheme	5.04	(1.68)	3.36
Total Deferred Tax Assets	**13.06**	**(2.97)**	**10.09**
Deferred Tax Liabilities (Net)	**89.07**	**21.00**	**110.07**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(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 - Provision for Doubtful Debts	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**

(Rs. in Crores)

21 Revenue from Operations

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products [Includes Sale to a Subsidiary (Refer Note 38)]	2,201.73	1,442.29
Carbon Paste	17.01	5.96
Calcined Petroleum Coke	151.58	82.91
Impervious Graphite Equipment and Spares	191.19	148.19
GRP/FRP Pipes and Tanks	5.72	12.75
High Speed Steel	140.67	86.44
Alloy Steel	6.31	4.17
Electricity	27.69	16.24
Others	27.11	15.69
Sale of Services (Processing/Service Charges)	0.90	1.39
Other Operating Revenues		
Export Entitlement	25.01	19.93
Royalty (Refer Note 38)	4.01	2.68
	2,798.93	**1,838.64**

Timing of Revenue Recognition		
Goods transferred at a point in time	2,769.01	1,814.64
Services transferred over time	0.90	1.39
Total	**2,769.91**	**1,816.03**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

22 Other Income	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income		
From Financial Assets carried at Amortised Cost		
-Investments	44.06	36.45
-Loans and Deposits	9.47	23.33
-Trade Receivables	0.57	0.68
From Financial Assets carried at Fair Value through Profit or Loss		
-Investments	25.67	14.37
From Income-tax/Other Government Authorities	10.52	0.95
	90.29	**75.78**
Dividend Income	**1.20**	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. 138.48 Crores (Previous Year - Rs. 89.58 Crores)] @	171.56	107.27
Fair Value Gains on Derivatives not Designated as Hedges	0.03	-
Guarantee Fee (Refer Note 38)	0.41	-
Liabilities no longer required Written Back	4.80	18.76
Provision for Doubtful Debts Written Back	*	0.22
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.99 Crores (Previous Year - Rs. Nil)]	0.45	-
Net Gain on Foreign Currency Transactions and Translation	3.68	-
Refund of Excess Energy Charges in respect of Earlier Years (Refer Note 45)	-	90.53
Other Non-operating Income	6.85	13.37
	187.78	**230.15**
	279.27	**305.94**

@ Includes Rs. 16.43 Crores (Previous Year - Rs. Nil) on account of profit on sale of listed equity shares under open offer.

23 Cost of Materials Consumed		
Opening Inventory	167.70	307.41
Add : Purchases	1,757.63	630.68
	1,925.33	938.09
Less : Closing Inventory	544.27	167.70
	1,381.06	**770.39**

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	258.64	111.58
Deduct: Opening Stock	111.58	247.77
	(147.06)	**136.19**
Work-in-progress		
Closing Stock	618.34	519.62
Deduct: Opening Stock	519.62	624.94
	(98.72)	**105.32**
	(245.78)	**241.51**

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

* 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, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
25	**Employee Benefits Expense (Refer Note 47)**		
	Salaries, Wages and Bonus	200.30	164.65
	Contribution to Provident and Other Funds (Refer Note 36)	14.15	13.35
	Staff Welfare Expenses	8.17	6.96
		222.62	**184.96**
26	**Finance Costs**		
	Interest Expense on		
	- Borrowings from Banks	3.35	5.53
	- Others	0.04	0.20
	Other Borrowing Costs	0.17	0.20
		3.56	**5.93**
27	**Depreciation and Amortisation Expense**		
	Depreciation of Property, Plant and Equipment (Refer Note 4.1)	45.37	44.29
	Amortisation of Intangible Assets (Refer Note 5)	0.24	0.28
	Amortisation of Right-of-use Assets (Refer Note 5.2)	0.02	0.02
		45.63	**44.59**
28	**Other Expenses**		
	Consumption of Stores and Spare Parts (Refer Note 28.1)	248.26	127.83
	Power and Fuel	350.85	237.65
	Rent (Refer Note 33)	1.91	1.88
	Repairs and Maintenance :		
	- Buildings	4.58	3.30
	- Plant and Machinery	30.00	18.30
	- Others	5.51	3.73
	Insurance	11.35	11.21
	Rates and Taxes	1.51	1.13
	Freight and Forwarding Charges	119.74	55.69
	Commission to Selling Agents	18.68	12.08
	Travelling and Conveyance	1.31	0.88
	Directors' Remuneration (Other than Executive Director)	0.82	0.55
	Bad Debts/Advances Written Off [Net of adjustment of Provision for Doubtful Debts Written Back Rs. 0.09 Crores (Previous Year - Rs. 0.04 Crores)]	0.05	0.36
	Processing Charges	9.43	5.95
	Net Loss on Foreign Currency Transactions and Translation	-	3.44
	Contractors' Labour Charges	54.32	43.46
	Loss on Disposal of Property, Plant and Equipment [Net of Profit on Disposal of Property, Plant and Equipment Rs. Nil (Previous Year - Rs. 0.07 Crores)]	-	0.01
	Expenditure towards Corporate Social Responsibility Activities (Refer Note 28.2)	30.49	73.15
	Payment to Auditors (Refer Note 28.3)	0.88	0.85
	Miscellaneous Expenses	28.07	24.31
		917.76	**625.76**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

28.1 Consumption of Stores and Spare Parts includes	Year ended 31st March, 2022	Year ended 31st March, 2021
Packing Materials	18.86	13.18
Loose Tools	2.76	2.78

28.2 Details of Corporate Social Responsibility Expenditure	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Gross amount required to be spent by the Company during the year	30.49	38.17
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	1.24
(ii) For purposes other than (i) above	5.50	1.85
Total	**5.50**	**3.09**
(c) Shortfall at the end of Current Year	24.99	35.08
(d) Total of Previous Years shortfall	70.06	34.98
(e) **Reasons for shortfall -**		
Year ended 31st March, 2022 - Due to continuation of pandemic situation, the Company was unable to fully undertake and complete the activities which were planned to be undertaken. Moreover, the amounts that were proposed to be spent were voluminous and the Company was faced with logistical difficulties in spending the allocated amounts.		
Year ended 31st March, 2021 - 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 2020-21. Moreover, the amounts that were proposed to be spent were voluminous and the Company was faced with logistical difficulties in spending the allocated amounts.		
(f) **Nature of CSR activities -**		
(i) Eradicating hunger, poverty & malnutrition, promoting health care including preventive healthcare and sanitation, safe drinking water etc.	0.32	0.44
(ii) Promoting education including special education and employment enhancing vocation skills	-	0.30
(iii) Promote rural sports, Olympic sports etc.	-	0.50
(iv) Ensuring environmental sustainability	-	0.01
(v) Rural development projects like low cost housing etc.	-	0.61
(vi) Amount spent on administrative overheads	0.18	0.10
(vii) Lying unspent with BD Bangur Endowment	-	0.13
(viii) Contribution to PM Cares Fund to fight Covid-19	-	1.00
(ix) Contribution to West Bengal State Disaster Management Authority for Covid Relief work	5.00	-
(x) Liability towards Unspent Corporate Social Responsibility for the year for ongoing projects (Previous Year includes Rs. 34.98 Crores towards unspent amount relating to earlier years) @	24.99	70.06
Total	**30.49**	**73.15**

@ 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, 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 a scheduled bank.

In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, in compliance with second proviso to sub-section 5 of section 135 of the Act.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(g)	**Details of Related Party Transactions -**		
	- Contribution made to B D Bangur Endowment	4.11	1.49
(h)	**Movement in Provision -**		
	Opening Provision at the beginning of the year	70.06	-
	Add - Provision made during the year	24.99	70.06
	(Previous Year includes Rs. 34.98 Crores towards unspent amount relating to earlier years)		
	Less - Amount utilised out of provision during the year	4.28	-
	Closing Provision as at the end of the year	**90.77**	**70.06**

28.3 Payment to Auditors

	Year ended 31st March, 2022	Year ended 31st March, 2021
As Auditor -		
Audit Fee	0.54	0.48
Limited Review	0.31	0.31
In Other Capacity -		
Other Services (Certification Fees)	0.02	0.05
Reimbursement of Expenses	0.01	0.01
	0.88	**0.85**

29 Tax Expense

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Tax Expense Recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	158.14	65.32
Adjustment for Current Tax of Earlier Years	-	(1.18)
	158.14	**64.14**
Deferred Tax		
Origination and Reversal of Temporary Differences (Refer Note 20)	21.00	7.98
Tax Expense	**179.14**	**72.12**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurement Gains/(Losses) on Defined Benefit Plans	**(0.86)**	**0.62**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

29.1 Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit before Income Tax Expense	753.35	271.44
Enacted Statutory Income Tax Rate in India applicable to the Company	25.168%	25.168%
Computed Expected Income Tax Expense	**189.60**	**68.32**
Adjustments -		
Expenses not Deductible for Tax Purposes (Net)	7.51	19.71
Impact of Capital Gains on Investments	(18.91)	(17.07)
Interest and Other Disallowable Expenses	-	1.51
Adjustment for Current Tax of Earlier Years	-	(1.18)
Others	0.94	0.83
Tax Expense	**179.14**	**72.12**

30 Earnings per Equity Share

(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)	574.21	199.32
(vi) Basic and Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	29.39	10.20

31 Information relating to Micro and Small Enterprises (MSEs)

(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	28.87	20.13
Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	0.01	-
Interest	-	*
(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
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.

* 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, 2022

(Rs. in Crores)

32	Research and Development Expenditure	Year ended 31st March, 2022	Year ended 31st March, 2021
	Research and Development Expenditure of revenue nature are recognised in the Statement of Profit and Loss during the year under "Other Expenses".	0.09	0.05

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 outflow. 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. 1.91 Crores (Previous Year - Rs. 1.88 Crores).

(Rs. in Crores)

34	Contingencies	As at 31st March, 2022	As at 31st March, 2021
	(i) Claims against the Company not acknowledged as debts: Taxes, duties and other demands (under appeal/dispute)		
	(a) Excise Duty	2.55	2.55
	(b) Customs	8.32	10.63
	(c) Service Tax	17.71	8.40
	(d) Sales Tax/Value Added Tax	4.51	4.77
	(e) Entry Tax	-	0.32
	(f) Income Tax	49.85	49.13
	(g) Labour Related Matters	14.32	9.12
	(h) Other Matters (Property, Rental, etc.)	13.41	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. The amount of Bank Guarantee is Rs. 13.70 Crores.	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)	84.26	38.36
	(b) Other Commitments - Investments	16.19	6.00
	(c) Corporate Guarantee given to banks/others to secure the financial assistance/accommodation extended to a Subsidiary Company	185.04	-

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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(p)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

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

(Rs. in Crores)

		Year ended 31st March, 2022	**Year ended 31st March, 2021**
(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	47.95	43.93
	Current Service Cost	2.92	3.06
	Interest Cost	2.79	2.73
	Remeasurements (Gains)/Losses		
	Actuarial (gains)/losses arising from changes in financial assumptions	(3.94)	2.14
	Actuarial (gains)/losses arising from changes in experience adjustments	1.02	(0.24)
	Actuarial gains arising from changes in demographic assumptions	(0.01)	-
	Benefits Paid	(2.75)	(3.67)
	Present Value of Obligation at the end of the year	**47.98**	**47.95**
(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	42.48	37.55
	Interest Income	2.64	2.53
	Remeasurements Gains/(Losses)		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	0.50	(0.56)
	Contributions by Employer	5.69	6.63
	Benefits Paid	(2.75)	(3.67)
	Fair Value of Plan Assets at the end of the year	**48.56**	**42.48**
(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	47.98	47.95
	Fair Value of Plan Assets at the end of the year	48.56	42.48
	Liabilities/(Assets) Recognised in the Balance Sheet *	**(0.58)**	**5.47**
(d)	**Actual Return on Plan Assets**	**3.14**	**1.97**
(e)	**Expense Recognised in the Other Comprehensive Income**		
	Remeasurement (Gains)/Losses (Net)	(3.43)	2.46
		(3.43)	**2.46**

* Net off of Rs. 1.76 Crore shown under Advance to Gratuity (Refer Note 13) (31st March, 2021 - Rs. Nil).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(f)	**Expense Recognised in Profit or Loss**		
	Current Service Cost	2.92	3.06
	Net Interest Cost	0.15	0.20
	Total @	**3.07**	**3.26**

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

		(In %)	(In %)
(g)	**Category of Plan Assets**		
	Funded with LICI	99.76	99.71
	Cash and Cash Equivalents	0.24	0.29
		100.00	**100.00**

		31st March, 2022	31st March, 2021
(h)	**Principal Actuarial Assumptions**		
	Discount Rate	6.90%	6.00%
	Salary Growth Rate	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2012-2014) 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 (2021-22)	Impact on defined benefit obligation (2020-21)
	Discount Rate	Increase by 1%	Decrease by Rs. 3.73 Crores	Decrease by Rs. 4.26 Crores
		Decrease by 1%	Increase by Rs. 4.34 Crores	Increase by Rs. 4.88 Crores
	Salary Growth Rate	Increase by 1%	Increase by Rs. 4.29 Crores	Increase by Rs. 4.78 Crores
		Decrease by 1%	Decrease by Rs. 3.76 Crores	Decrease by Rs. 4.26 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. 2.67 Crores (Previous Year - Rs. 8.92 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, 2022 is 7.65 years (Previous Year – 9.55 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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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 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. 0.35 Crores (Previous Year - Rs. 0.40 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. 0.29 Crores (Previous Year – Rs. 0.26 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 -

	31st March, 2022	31st March, 2021
Principal Actuarial Assumptions		
Discount Rate	5.60% & 4.80%	5.50% & 4.70%
Expected Return on Exempted Fund	6.87% & 7.18%	7.14% & 6.94%
Guaranteed Interest Rate	8.10%	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. 10.79 Crores (Previous Year- Rs. 9.83 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. 23.23 Crores and Rs. 22.94 Crores as at 31st March, 2022 and 31st March, 2021 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, 2022	31st March, 2021
Leave provision not expected to be settled within the next 12 months	20.79	20.94

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(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, 2022

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue from Operations						
External Sales	2,589.38	1,696.31	180.53	119.72	2,769.91	1,816.03
Other Operating Revenues	29.00	22.61	0.02	*	29.02	22.61
	2,618.38	**1,718.92**	**180.55**	**119.72**	**2,798.93**	**1,838.64**
Inter Segment Sales	0.68	-	0.29	0.19	0.97	0.19
Segment Revenues	**2,619.06**	**1,718.92**	**180.84**	**119.91**	**2,799.90**	**1,838.83**
Segment Results	**526.36**	**176.21**	**26.00**	**13.01**	**552.36**	**189.22**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					171.56	107.27
Finance Costs					(3.56)	(5.93)
Interest Income					86.64	73.81
Dividend Income					1.20	0.01
Other Unallocable Expenditure (Net)					(54.85)	(92.94)
Profit before Tax					**753.35**	**271.44**
Depreciation and Amortisation Expense	**40.98**	**39.77**	**3.34**	**3.45**	**44.32**	**43.22**
Unallocable					1.31	1.37
Total					**45.63**	**44.59**
Non-cash Expenses other than Depreciation and Amortisation Expense	**1.12**	**0.48**	**0.55**	**0.05**	**1.67**	**0.53**
Unallocable					*	*
Total					**1.67**	**0.53**
Interest Income	**3.53**	**1.36**	**0.12**	**0.61**	**3.65**	**1.97**
Unallocable					86.64	73.81
Total					**90.29**	**75.78**
Capital Expenditure	**75.78**	**79.59**	**2.17**	**0.22**	**77.95**	**79.81**
Unallocable					0.39	0.27
Total					**78.34**	**80.08**
Segment Assets	**2,745.70**	**1,943.33**	**135.61**	**122.94**	**2,881.31**	**2,066.27**
Reconciliation to Total Assets:						
Investments					2,315.35	2,514.27
Non-current Tax Assets (Net)					128.33	137.56
Other Unallocable Assets					343.34	74.24
Total					**5,668.33**	**4,792.34**
Segment Liabilities	**499.96**	**295.02**	**21.51**	**23.82**	**521.47**	**318.84**
Reconciliation to Total Liabilities:						
Borrowings					343.74	223.40
Current Tax Liabilities (Net)					101.94	70.75
Deferred Tax Liabilities (Net)					110.07	89.07
Other Unallocable Liabilities					104.17	82.43
Total					**1,181.39**	**784.49**

* 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, 2022

C. Entity-wide Disclosures:

(Rs. in Crores)

		2021-22	**2020-21**
(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	1,764.66	1,082.71
	Rest of the World	1,005.25	733.32
		2,769.91	**1,816.03**

(ii) All non-current assets of the Company (excluding Financial Assets) are located in India.

(iii) One customer individually accounted for more than 10% of the revenues from external customers amounting to Rs. 444.63 Crores during the year ended March 31, 2022 arising from sales in the Graphite and Carbon Segment. During year ended March 31, 2021, no customer individually accounted for more than 10% of revenue from external customer.

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
General Graphene Corporation ^*	Subsidiary Company of GIBV (was an associate till 31st January, 2022)
# 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 :	
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, Emerald Matrix Holdings PTE. Ltd, Emerald Highrise Private Limited, B.D. Bangur Endowment, Krishna Kumar Bangur (HUF)	Entities under significant influence of UCP
Mr. A. Dixit	Key Management Personnel (KMP) - Executive Director (ED)
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^^, Ms. Sudha Krishnan**	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 - 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	Entity under significant influence of NED
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel of ECPL
Mr. R.G. Darak	Relative of KMP of ECPL

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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	

$ Mr. J. D. Curravala retired by rotation in AGM held on 20.08.2021

^^ Term of Ms. Shalini Kamath as Independent director ended on 10.08.2021

** Ms. Sudha Krishnan appointed as an Independent director w.e.f. 01.12.2021

^* Became subsidiary of Graphite International BV with effect from 1st February, 2022

(Rs. in Crores)

(ii) Particulars of transactions during the year	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
(A) Immediate and Ultimate Parent Company		
Dividend Paid	59.91	-
(B) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Sale of Goods	176.05	159.79
Purchase of Materials	5.98	1.88
Royalty Income	4.01	2.68
Guarantee Fee Income	0.41	-
Recoveries/(Reimbursement) of Expenses (Net)	0.05	(0.10)
Corporate Guarantee Given	185.04	-
Carbon Finance Limited		
Rent Expense	1.21	1.19
Total	**372.75**	**165.44**
(C) Fellow Subsidiary		
Dividend Paid	0.44	-
(D) Associate of ECPL		
Dividend Paid	0.19	-
(E) UCP		
Dividend Paid	0.11	-
Sitting Fees	0.04	0.02
Total	**0.15**	**0.02**
(F) Relatives of UCP		
Dividend Paid		
Ms. Manjushree Bangur	0.12	-
Ms. Divya Bagri	0.08	-
Ms. Aparna Bangur	0.09	-
Mr. Siddhant Bangur	0.12	-
Ms. Rukmani Devi Bangur	0.03	-
Total	**0.44**	**-**
(G) Entities under significant influence of UCP		
Dividend Paid		
GKW Limited	2.00	-
Emerald Matrix Holdings PTE. Ltd	0.70	-
Emerald Highrise Private limited	*	-
Krishna Kumar Bangur (HUF)	0.03	-
Contributions made		
B.D. Bangur Endowment	0.33	1.49
Total	**3.06**	**1.49**

*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, 2022

(ii) Particulars of transactions during the year (contd.) **(Rs. in Crores)**

(H) KMP	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
ED		
Remuneration		
- Short-term Employee Benefits	1.64	1.47
- Post Employment Benefits	0.16	0.09
Total	**1.80**	**1.56**
CFO		
Dividend Paid	*	-
Loan Recovered	-	*
Remuneration		
- Short-term Employee Benefits	0.44	0.38
- Post Employment Benefits	0.05	0.05
Total	**0.49**	**0.43**
(I) NED		
Dividend Paid		
Mr. N. Venkataramani	*	-
Sitting Fees		
Mr. N.S. Damani	0.03	0.01
Mr. A.V. Lodha	0.04	0.01
Mr. P.K. Khaitan	0.05	0.01
Mr. N. Venkataramani	0.07	0.02
Mr. J. D. Curravala	0.01	0.01
Mr. Gaurav Swarup	0.05	0.02
Ms. Shalini Kamath	0.01	0.01
Ms. Sudha Krishnan	0.01	-
Commission		
Mr. N.S. Damani	0.08	0.05
Mr. A.V. Lodha	0.10	0.07
Mr. P.K. Khaitan	0.08	0.05
Mr. N. Venkataramani	0.13	0.10
Mr. J. D. Curravala	-	0.05
Mr. Gaurav Swarup	0.10	0.07
Ms. Shalini Kamath	-	0.05
Ms. Sudha Krishnan	0.02	-
Total	**0.78**	**0.53**
(J) Entities under significant influence of NED		
Professional Fees		
Khaitan & Co LLP, New Delhi	-	0.03
Khaitan & Co LLP, Kolkata	0.34	0.33
Khaitan & Co, Mumbai	0.22	0.53
Khaitan & Co LLP, Noida	0.12	0.04
Purchase of Spares		
Paharpur Cooling Towers Ltd	-	0.01
Total	**0.68**	**0.94**
(K) KMP of ECPL		
Remuneration		
Mr. M.C. Darak	0.23	0.21
Mr. S. Marda	0.29	0.24
Mr. B. Shiva	0.55	0.46
Dividend Paid		
Mr. M.C. Darak	*	-
Mr. S. Marda	*	-
Mr. B. Shiva	*	-
Total	**1.07**	**0.91**

*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, 2022

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

(Rs. in Crores)

	Year ended 31st March, 2022	Year ended 31st March, 2021
(L) Relative of KMP of ECPL		
Remuneration		
Mr. R.G. Darak	0.20	0.17
Dividend Paid		
Mr. R.G. Darak	*	-
Total	**0.20**	**0.17**
(M) PEBP		
Contributions Made		
Graphite India Limited Employees' Gratuity Fund	4.58	2.71
Graphite Vicarb India Limited Employees' Gratuity Fund	0.16	1.15
Graphite India Limited (PSD) Employees' Gratuity Fund	0.01	0.14
Graphite India Employees Group Gratuity Scheme	0.94	2.63
Graphite India Limited Senior Staff Superannuation Fund	1.41	1.80
Graphite India Employees Group Superannuation Scheme	1.16	1.03
Graphite India Limited Provident Fund	0.09	0.08
GIL Officers Provident Fund	0.20	0.18
Total	**8.55**	**9.72**

(Rs. in Crores)

(iii) Balances Outstanding	As at 31st March, 2022	As at 31st March, 2021
(A) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Trade Receivables	67.57	69.81
Other Financial Assets	1.49	1.00
Trade Payables	-	1.88
Other Financial Liabilities	-	0.04
Corporate Guarantee	185.04	-
Graphite International B.V.		
Investments in Shares	45.37	45.37
Carbon Finance Limited		
Investments in Shares	30.04	30.04
Total	**329.51**	**148.14**
(B) KMP		
Other Financial Liabilities		
Executive Director	0.60	0.49
Chief Finance Officer	0.09	0.03
Company Secretary	0.09	0.04
Total	**0.78**	**0.56**
(C) NED		
Other Financial Liabilities		
Mr. N.S. Damani	0.08	0.05
Mr. A.V. Lodha	0.10	0.07
Mr. P.K. Khaitan	0.08	0.05
Mr. N. Venkataramani	0.13	0.10
Mr. J. D. Curravala	-	0.05
Mr. Gaurav Swarup	0.10	0.07
Ms. Shalini Kamath	-	0.05
Ms. Sudha Krishnan	0.02	-
Total	**0.51**	**0.44**

*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, 2022

(Rs. in Crores)

(iii) Balances Outstanding (contd.)	As at 31st March, 2022	As at 31st March, 2021
(D) Entities under significant influence of NED		
Trade Payables		
Khaitan & Co LLP, Kolkata	*	-
(E) KMP of ECPL		
Other Financial Liabilities		
Mr. M.C. Darak	0.02	0.02
Mr. S. Marda	0.05	0.02
Total	**0.07**	**0.04**
(F) Relative of KMP of ECPL		
Other Financial Liabilities		
Mr. R.G. Darak	**0.02**	**0.01**
(G) PEBP		
Other Financial Liabilities		
Graphite India Limited Provident Fund	0.06	0.01
GIL Officers Provident Fund	0.04	0.03
Total	**0.10**	**0.04**

(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 and at arm's length prices. 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, 2022

39 Fair Value Measurements

(Rs. in Crores)

(i) Financial Instruments by Category	Note No.	31st March, 2022 Carrying Amount/ Fair Value	31st March, 2021 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Unquoted equity shares	6	91.12	41.02
- Quoted equity shares	6	170.37	57.35
- Mutual Funds	6	941.44	1,244.48
- Perpetual Bonds	6	245.87	220.07
- Venture Capital Funds	6	85.19	25.77
- Market Linked Debentures	6	24.57	21.17
Other Financial Assets	11	11.70	8.44
Derivative Instruments-Foreign Exchange Forward Contracts	11	0.03	-
Assets Carried at Amortised Cost			
Investments			
- Debentures, Bonds and Corporate Deposits	6	681.38	829.00
Trade Receivables	7	537.67	361.57
Cash and Cash Equivalents	8	28.77	37.12
Other Bank Balances	9	75.21	14.19
Loans	10	1.89	1.88
Other Financial Assets *	11	280.51	89.97
Total Financial Assets		**3,175.72**	**2,952.03**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	15,17	344.27	223.50
Trade Payables	16	417.80	218.49
Other Financial Liabilities	17	132.26	113.44
Total Financial Liabilities		**894.33**	**555.43**

(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, 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 as determined appropriate. 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 as applicable.

(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.

(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 (including interest accrued) 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(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 (NAV) given by funds.

(e) Perpetual Bonds and Market Linked Debentures 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.

* Includes Rs. 204.64 Crores (Previous Year - Rs Nil) on account of sale of listed equity shares under open offer which was subsequently realised on 11th April, 2022.

(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, 2022 and 31st March, 2021.

(Rs. in Crores)

		31st March, 2022			**31st March, 2021**		
		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	-	941.44	-	-	1,244.48	-
	- Perpetual Bonds	-	245.87	-	-	220.07	-
	- Quoted equity shares	170.37	-	-	57.35	-	-
	- Unquoted equity shares	-	-	91.12	-	-	41.02
	- Venture Capital Funds	-	85.19	-	-	25.77	-
	- Market Linked Debentures	-	24.57	-	-	21.17	-
	Derivative Instruments-Foreign Exchange Forward Contracts	-	0.03	-	-	-	-
		170.37	**1,297.10**	**91.12**	**57.35**	**1,511.49**	**41.02**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	- Debentures, Bonds and Corporate Deposits	-	681.38	-	-	829.00	-
		-	**681.38**	**-**	**-**	**829.00**	**-**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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
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

		Impact of sensitivity on fair value	
		31st March, 2022	31st March, 2021
EPS or PE Ratio (other parameters constant)	Decrease by 5%	Rs 2.78 crores	Rs 1.10 crores
EPS or PE Ratio (other parameters constant)	Increase by 5%	Rs 2.78 crores	Rs 1.10 crores
EPS or PE Ratio (Worst case scenario)	Decrease by 5%	Rs 5.42 crores	Rs 2.13 crores

Reconciliation of fair value measurement of Level 3 assets **(Rs. in Crores)**

Particulars	Amount
As at 01.04.2020	33.78
Fair Value Changes	7.24
As at 31.03.2021	41.02
Fair Value Changes	50.10
As at 31.03.2022	91.12

^ In respect of Trade Receivables, Cash and Cash Equivalents, Other Bank Balance and Other Financial Asset (carried at amortised cost), amortised cost approximates the fair value as on the date of reporting.

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, 2022

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, 2022 and 31st March, 2021 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, 2022, and 31st March, 2021. Of the total trade receivables, Rs. 388.02 Crores as at 31st March, 2022, and Rs. 249.78 Crores as at 31st March, 2021 consisted of customer balances that were neither due nor impaired as at such respective dates.

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, 2022	31st March, 2021
1-90	146.88	107.56
91-180	0.09	0.50
More than 180	2.68	3.72
	149.65	**111.78**

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, 2022	31st March, 2021
Opening Balance	4.34	4.60
Provisions utilised during the year	(0.09)	(0.04)
Provisions written back during the year	-	(0.22)
Closing Balance	**4.25**	**4.34**

(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, 2022	31st March, 2021
Floating Rate		
- Expiring within one year (working capital facilities)	256.26	376.50
	256.26	**376.50**

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, 2022

(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	More than 1 year	Total
31st March, 2022			
Borrowings	343.74	-	343.74
Trade Payables	415.82	1.98	417.80
Other Financial Liabilities #	134.60	-	134.60
Total	**894.16**	**1.98**	**896.14**
31st March, 2021			
Borrowings	223.40	-	223.40
Trade Payables	208.56	9.93	218.49
Other Financial Liabilities #	114.04	-	114.04
Total	**546.00**	**9.93**	**555.93**

Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 0.81 Crores and Rs. 0.50 Crores as at 31st March, 2022 and 31st March, 2021 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, 2022		31st March, 2021	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables*	178.55	75.50	73.38	73.13
Bank Balance in EEFC Accounts	0.09	-	-	-
Other Financial Assets	-	1.49	-	0.98
Net Exposure to Foreign Currency Risk (Assets)	**178.64**	**76.99**	**73.38**	**74.11**
Financial Liabilities				
Borrowings	63.84	-	-	-
Trade Payables	288.26	4.34	56.09	3.52
Other Financial Liabilities	2.85	0.45	7.58	0.86
Net Exposure to Foreign Currency Risk (Liabilities)	**354.95**	**4.79**	**63.67**	**4.38**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**(176.31)**	**72.20**	**9.71**	**69.73**

* Excluding forward contracts outstanding as on March 31, 2022 of Rs. 31.13 Crores.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

(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, 2022	**31st March, 2021**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 5%)*	(8.82)	0.49
INR/USD - Decrease by 5% (Previous year 5%)*	8.82	(0.49)
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 5%)*	3.66	3.49
INR/EUR - Decrease by 5% (Previous year 5%)*	(3.66)	(3.49)

* 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, 2022	**31st March, 2021**
Variable Rate Borrowings	279.95	223.40
Fixed Rate Borrowings	63.79	-
Total Borrowings	**343.74**	**223.40**

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

(Rs. in Crores)

	31st March, 2022			31st March, 2021		
	Weighted average interest rate (%)	**Balance**	**% of Total Loans**	**Weighted average interest rate (%)**	**Balance**	**% of Total Loans**
Cash Credit/Export Credit Facilities	3.11%	279.95	81%	3.47%	223.40	100%

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, 2022	**31st March, 2021**
Interest Rates - Increase by 100 basis points (100 bps)*	(2.80)	(2.23)
Interest Rates - Decrease by 100 basis points (100 bps)*	2.80	2.23

* 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 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 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 and venture capital fund.

(Rs. in Crores)

	Impact on profit before tax	
	31st March, 2022	**31st March, 2021**
NAV - Increase by 1%*	10.27	12.44
NAV - Decrease by 1%*	(10.27)	(12.44)
Interest Rates - Increase by 1%*	(15.81)	(6.19)
Interest Rates - Decrease by 1%*	15.81	6.19

* 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, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

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, 2022	31st March, 2021
Total Borrowings	343.74	223.40
Less: Cash and Cash Equivalents	(28.77)	(37.12)
Net Debt	**314.97**	**186.28**
Equity	**4,486.94**	**4,007.85**
Total Capital (Equity + Net Debt)	**4,801.91**	**4,194.13**
Net Debt to Equity Ratio	**0.07**	**0.05**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

(Rs. in Crores)

(b) Dividend on Equity Shares	Year ended 31st March, 2022	Year ended 31st March, 2021
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2021 of Rs. 5/- per fully paid share	97.69	-
	97.69	**-**
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have recommended the payment of a dividend of Rs. 10/- per fully paid share (Previous Year - Rs. 5/- per fully paid up share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and is not recognised as a liability as at 31st March, 2022	195.38	97.69

The above dividend declared/paid/proposed is in compliance with section 123 of the Companies Act, 2013.

42 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2022	As at 31st March, 2021
Current		
First Charge		
Financial Assets		
Trade Receivables	537.67	361.57
Non-financial Assets		
Inventories	1,470.60	823.42
Sub-total	**2,008.27**	**1,184.99**
Non-current		
First Charge/Second Charge #		
Plant and Equipment	346.88	374.48
Furniture and Fixtures	1.34	1.34
Office Equipments	1.29	1.50
Vehicles	3.58	3.54
Sub-total	**353.09**	**380.86**
Total	**2,361.36**	**1,565.85**

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, 2022

43 The outbreak of Corona virus (COVID-19) pandemic globally and in India had caused significant disturbance and slowdown of economic activity. While the pandemic situation has improved significantly in this last nine months of the current year, the Company has taken into account the possible impact of COVID-19 in preparation of the standalone financial statements, including its assessment of recoverability of the carrying value of assets and liabilities based on internal and external information upto the date of approval of these standalone financial statements and current indicators of future economic conditions. Further, management has assessed its liquidity position as on March 31, 2022 and does not anticipate any challenge in the Company's ability to continue as a going concern. As at date of the balance sheet, the management does not anticipate any adverse impact of the pandemic on it's business in foreseeable future.

44 In the previous year ended 31st March, 2021, the Company in accordance with the applicable Ind AS Accounting Standards had recognised 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. In the current year, the closing balance of NRV provision on inventories is Rs. Nil.

45 Pursuant to the publication of Tariff Order for the years 2006-07 to year 2008-09 by Hon'ble West Bengal Electricity Regulatory Commission, during the year ended 31st March, 2021, the Company was to be awarded a net refund of Rs. 85 Crores from Damodar Valley Corporation (DVC) towards electricity charges paid in respect of its Durgapur plant for the above years, which was to be adjusted against monthly energy bill/s in 24 equal instalments starting December, 2020. Out of the above refund entitlement, Rs. 81 Crores was accounted for as 'Other Income' in the financial statement for the year ended 31st March, 2021, while the differential amount of Rs. 4 Crores was/was to be accrued as interest income over the period of 24 months in accordance with applicable IND AS standards. Out of the total receivables, Rs. 42 Crores has been adjusted against monthly energy bills till March 31, 2022.

During the year ended 31st March, 2021, DVC had also refunded Rs.10 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 was adjusted against monthly energy bills of January'21 to March'21 and was included under 'Other Income' during the year ended March 31, 2021 (Refer Note 22). During the current year, DVC has challenged the aforesaid refund of Rs.10 Crores in the Appellant Tribunal for Electricity, New Delhi, and accordingly the same has been shown in contingent liability under 'Other Matters' [Note 34(i)(h)].

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 remains 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.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

48 Ratio Analysis and its elements

S.No.	Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	% Variance **
1	Current Ratio	Current Assets	Current Liabilities	3.76	4.50	(16.33%)
2	Debt Equity Ratio	Borrowings	Total Equity	0.07	0.05	51.03%
3	Debt Service Coverage Ratio	Earnings available for Debt Services	Debt Service	183.90	54.57	237.02%
4	Return on Equity Ratio (%)	Profit/(Loss) after Tax	Average Equity	13.52%	5.10%	165.14%
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	1.21	1.12	7.56%
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	6.23	4.81	29.33%
7	Trade Payables Turnover Ratio	Purchase	Average Trade Payables	6.38	3.81	67.40%
8	Net Capital Turnover Ratio	Revenue from Operations	Current Assets (excluding Current Investments) minus Current Liabilities	2.23	2.43	(8.14%)
9	Net Profit Ratio (%)	Profit/(Loss) after Tax	Revenue from Operations	20.52%	10.84%	89.24%
10	Return on Capital Employed (%)	Earnings before Interest and Taxes (EBIT)	Capital Employed	15.32%	6.42%	138.60%
11	Return on Investment (%)	Income on Investment	Investments	10.31%	7.98%	29.10%

Reasons for variance more than 25% in above ratios is explained below:

**Improvement due to robust revenue growth, faster collections, impact of Covid - 19 pandemic in base year, working capital efficiency.

S.No.	Particulars	Numerator	Denominator
(a)	Current Ratio	Current Assets	Current Liabilities
(b)	Debt Equity Ratio	Borrowings includes Current Borrowings - Cash & Cash Equivalents	Total Equity includes Equity Share Capital and Other Equity
(c)	Debt Service Coverage Ratio	Earnings available for Debt Services includes Profit for the Year + Finance Cost + Depreciation and Amortisations + Bad Debts Written Off + Corporate Social Responsibility (CSR) Expenditure	Debt Service includes Finance Cost
(d)	Return on Equity Ratio (%)	Profit for the Year	Average Equity includes Average of Opening and Closing Equity
(e)	Inventory Turnover Ratio	Cost of Goods Sold (COGS) includes Cost of Materials Consumed + Changes in Inventories of Finished Goods, Work-in-Progress and Consumption of Stores and Spare Parts	Average Inventory includes Average of Opening and Closing Inventory
(f)	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables includes Average of Trade Receivables of Current Year and Previous Year
(g)	Trade Payables Turnover Ratio	Purchase includes Purchases of Raw Material + Stores and Spares	Average Trade Payables includes Average of Trade Payables of Current Year and Previous Year
(h)	Net Capital Turnover Ratio	Revenue from Operations	Current Assets (excluding Current Investments and Other Financial Assets on account of Sale of Listed Equity Shares) minus Current Liabilities
(i)	Net Profit Ratio (%)	Profit for the Year	Revenue from Operations
(j)	Return on Capital Employed (%)	Earnings before Interest and Taxes (EBIT) includes Profit before Tax and Finance Cost	Capital Employed includes Total Equity, Current Borrowings and Deferred Tax Liabilities less Intangible Assets
(k)	Return on Investment (%)	Income on Investment includes Interest Income on Investment, Income on Fair Valuation of Investment, Dividend Income and Profit/(Loss) on Sale of Investments	Average investment includes Average of Opening and Closing Investments

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2022

49 Other Statutory Information

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013.

(iii) The Company does not have any charges or satisfaction which is pending to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company have not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

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 - 23rd May, 2022

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

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

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the Consolidated 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 associates comprising of the consolidated Balance Sheet as at March 31 2022, 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 associates, 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 associates, as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 associates 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, 2022. 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.

Key audit matters	How our audit addressed the key audit matter
<u>Revenue recognition</u> *(as described in Note 2(c) and 22 of the consolidated financial statements)*	
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.	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.
<u>Assessment of net realisable value of Inventory</u> *(as described in Note in 2(h), 3, 13, 24, 25 and 44 of the consolidated financial statements)*	
As reported by the auditor of a subsidiary company, 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 and the significant judgement involved in the estimation of Net realisable value by the management. 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.	The auditor of the subsidiary company has performed the following procedures: ▪ Evaluated that the 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 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.

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 associates 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 associates 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 associates 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 associates are responsible for assessing the ability of the Group and of its associates 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 associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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 associates 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 associates 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 associates 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, 2022 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

We did not audit the financial statements and other financial information, in respect of :

One (1) subsidiary and consolidated financial statements in respect of one (1) subsidiary including its four (4) subsidiaries, whose financial statements include total assets of Rs. 752.14 crores as at March 31, 2022, total revenues of Rs. 414.58 crores and net cash outflows of Rs. 148.90 crores for the year ended on that date and in respect of one (1) subsidiary, whose financial statements include total assets of Rs. 27.54 crores as at March 31, 2022, total revenues of Rs. 0.14 crores and net cash outflows of Rs. 5.18 crores for the period from February 1, 2022 to March 31, 2022. These 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.

The Consolidated Financial Statements also include the Group's share of net loss of Rs. 16.10 crores for the period April 01, 2021 to January 31, 2022, as considered in the consolidated financial statements, in respect of one (1) associate, which became step down subsidiary with effect from February 1, 2022 whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other

financial information of subsidiary and associates, 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 the Statement of 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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor who are appointed under Section 139 of the Act of its subsidiary company, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2022 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 consolidated financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" 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, 2022 has been paid / provided by the Holding Company and 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 auditor on separate financial statements as also the other financial information of the subsidiary, 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, in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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, 2022.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 52(v) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 52(vi) to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. As stated in Note 42(b) to the Consolidated Financial Statements

a. The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Act.

b. The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

c. There is no dividend declared or paid by the subsidiary company 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: 22060352AJLPSK9811

Place of Signature: Kolkata
Date: May 23, 2022

Annexure 1 referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Graphite India Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditor of the subsidiary company incorporated in India, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) report of the subsidiary company (incorporated in India) included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 22060352AJLPSK9811

Place of Signature: Kolkata
Date: May 23, 2022

ANNEXURE 2 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, 2022, 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, 2022, 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 one (1) subsidiary, which is a company incorporated in India, is based on the corresponding report 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: 22060352AJLPSK9811

Place of Signature: Kolkata
Date: May 23, 2022

CONSOLIDATED BALANCE SHEET as at 31st March, 2022

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2022	As at 31st March, 2021
Non - current Assets			
Property, Plant and Equipment	5.1	616.04	636.34
Capital Work-in-progress	5.2	142.00	79.51
Goodwill	6	56.03	0.63
Other Intangible Assets	6	13.92	0.77
Right-of-use Assets	6.4	4.67	2.66
Financial Assets			
Investments	7	845.37	913.21
Loans	11	1.07	1.00
Other Financial Assets	12	2.46	29.76
Deferred Tax Assets (Net)	21.2	1.83	2.99
Non-curent Tax Assets (Net)		130.59	143.30
Other Non-current Assets	14	19.50	11.09
Total Non - current Assets		**1,833.49**	**1,821.26**
Current Assets			
Inventories	13	1,713.38	1,016.47
Financial Assets			
Investments	7	1,648.49	1,891.08
Trade Receivables	8	540.05	339.59
Cash and Cash Equivalents	9	68.45	229.97
Other Bank Balances	10	75.21	14.19
Loans	11	0.82	0.88
Other Financial Assets	12	289.88	68.75
Other Current Assets	14	129.22	148.16
Total Current Assets		**4,465.50**	**3,709.09**
TOTAL ASSETS		**6,298.99**	**5,530.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15.1	39.08	39.08
Other Equity	15.2	4,907.72	4,502.67
Equity attributable to Equity holders of the Parent Company		4,946.80	4,541.75
Non Controlling Interests	15.2	0.27	-
TOTAL EQUITY		**4,947.07**	**4,541.75**
LIABILITIES			
Non - current Liabilities			
Financial Liabilities			
Lease Liabilities	18.1	1.93	1.38
Other Financial Liabilities	18.2	4.20	-
Provisions	20	2.88	3.66
Deferred Tax Liabilities (Net)	21.1	121.53	92.74
Total Non - current Liabilities		**130.54**	**97.78**
Current Liabilities			
Financial Liabilities			
Borrowings	16	427.85	223.40
Trade Payables	17		
Total Outstanding dues of Small Enterprises and Micro Enterprises		28.87	20.13
Total Outstanding dues of Creditors other than Small Enterprises and Micro Enterprises		419.36	209.84
Lease Liabilities	18.1	1.57	0.65
Other Financial Liabilities	18.2	151.30	118.27
Other Current Liabilities	19	44.48	34.65
Provisions	20	34.93	39.38
Current Tax Liabilities (Net)		113.02	244.50
Total Current Liabilities		**1,221.38**	**890.82**
TOTAL LIABILITIES		**1,351.92**	**988.60**
TOTAL EQUITY AND LIABILITIES		**6,298.99**	**5,530.35**
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 - 23rd May, 2022

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, 2022

(Rs. in Crores)

	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	22	3,026.51	1,957.62
Other Income	23	293.83	315.94
Total Income		**3,320.34**	**2,273.56**
Expenses			
Cost of Materials Consumed	24	1,424.58	823.80
Changes in Inventories of Finished goods and Work-in-progress	25	(268.13)	364.12
Employee Benefits Expense	26	310.48	256.99
Finance Costs	27	4.57	6.06
Depreciation and Amortisation Expense	28	55.12	51.90
Other Expenses	29	1,085.03	717.80
Total Expenses		**2,611.65**	**2,220.67**
Profit before Tax and Share of Loss of an Associate		**708.69**	**52.89**
Share of Loss of an Associate		(16.10)	(10.08)
Profit before Tax		**692.59**	**42.81**
Tax Expense	30		
Current Tax (net of adjustment of earlier years)		160.39	62.06
Deferred Tax Charge/(Credit)		27.69	12.83
Profit/(Loss) for the year		**504.51**	**(32.08)**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gains/(Losses) on Defined Benefit Plans	37	4.07	(2.25)
Income Tax effect	30	(1.04)	0.56
		3.03	**(1.69)**
Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange Differences on Translation of Foreign Operations	15.2	(4.80)	21.25
Total Other Comprehensive Income/(Loss), Net of Tax		**(1.77)**	**19.56**
Total Comprehensive Income/(Loss) for the year		**502.74**	**(12.52)**
Profit/(Loss) Attributable to:			
Equity holder of the Parent Company		504.56	(32.08)
Non controlling interests		(0.05)	-
Other Comprehensive Income/(Loss) Attributable to:			
Equity holder of the Parent Company		(1.77)	19.56
Non controlling interests		-	-
Total Comprehensive Income/(Loss) Attributable to:			
Equity holder of the Parent Company		502.79	(12.52)
Non controlling interests		(0.05)	-
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	31		
Basic and Diluted (Rs.)		25.82	(1.64)

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 - 23rd May, 2022

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, 2022

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, 2020	19,53,75,594	39.08
At 31st March, 2021	19,53,75,594	39.08
At 31st March, 2022	19,53,75,594	39.08

b) Other Equity :- Reserve and Surplus (Refer Note 15.2)

(Rs. in Crores)

	Reserve and Surplus						Non Controlling Interest	Foreign Currency Translation Reserve	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Reserve Fund	Retained Earnings			
As at 1st April, 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 Gain/ (Losses) on 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**
Additions towards business combinations (Refer Note 50)	-	-	-	-	-	-	0.32	-	0.32
Profit for the Year	-	-	-	-	-	504.51	(0.05)	-	504.46
Other Comprehensive Income (Net of Tax)									
- Remeasurements on Gain/ (Losses) on Defined Benefit Plans	-	-	-	-	-	3.03	-	-	3.03
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	(4.80)	(4.80)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**507.54**	**0.27**	**(4.80)**	**503.01**
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 42(b)]	-	-	-	-	-	(97.69)	-	-	(97.69)
Transfer from Retained Earnings	-	-	-	-	6.96	(6.96)	-	-	-
As at 31st March, 2022	**0.46**	**5.75**	**200.97**	**1,336.50**	**18.62**	**3,309.46**	**0.27**	**35.96**	**4,907.99**

Summary of Significant Accounting Policies Note 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 - 23rd May, 2022

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 CASH FLOW STATEMENT for the year ended 31st March, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
A.	**Cash Flows from Operating Activities**		
	Profit before Tax	692.59	42.81
	Adjustments for:		
	Depreciation and Amortisation Expense	55.12	51.90
	Finance Costs	4.57	6.06
	Bad Debts/Advances Written Off	0.05	0.38
	Liability towards Unspent Corporate Social Responsibility (CSR)	24.99	70.06
	Interest Income classified as Investing/Financing Cash Flows	(79.83)	(74.49)
	Dividend Income	(1.40)	(0.16)
	Net Gain on Investments Carried at Fair Value through Profit or Loss	(209.16)	(132.60)
	Loss on Fair Value of Investment in Associate (Refer Note 46)	3.69	-
	Loss on Fair Value of Commitment	6.60	-
	Liabilities no Longer Required Written Back	(4.85)	(19.28)
	Provision for Doubtful Debts Written Back	*	(0.22)
	Gain on Disposal of Property, Plant and Equipment (Net)	(0.41)	(1.96)
	Share of Loss of an Associate	16.10	10.08
	Unrealised Foreign Exchange Differences (Net)	(9.78)	0.58
	Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	**498.28**	**(46.84)**
	Changes in Operating Assets and Liabilities:		
	Increase in Trade Payables	219.23	53.18
	Decrease in Other Financial Liabilities	(61.50)	(6.09)
	Decrease in Provisions	(1.12)	(1.39)
	Increase in Other Current Liabilities	9.87	7.29
	(Increase)/Decrease in Inventories (Net of Net Realisable Value Provisions)	(699.77)	555.02
	(Increase)/Decrease in Trade Receivables	(197.89)	65.20
	(Increase)/Decrease in Loans	(0.01)	3.50
	(Increase)/Decrease in Other Financial Assets	9.53	(66.39)
	(Increase)/Decrease in Other Non-current Assets	(0.02)	0.09
	Decrease in Other Current Assets	15.78	72.49
	Cash (Used In)/Generated from Operations:	**(207.62)**	**636.06**
	Income Taxes Paid (Net of refunds)	(281.44)	(52.04)
	Net Cash (Used In)/From Operating Activities	**(489.06)**	**584.02**
B.	**Cash Flows from Investing Activities**		
	Payments for acquisition of Property, Plant and Equipment/Intangible Assets	(91.75)	(76.90)
	Proceeds from Disposal of Property, Plant and Equipment	4.21	2.54
	Payments for Purchase of Investments	(2,671.82)	(2,715.51)
	Proceeds from Sale/Redemption of Investments	2,909.67	2,124.32
	Interest Received	61.97	50.71
	Dividend Received	1.40	0.16
	Proceeds from Maturity of Fixed Deposits with Banks	-	81.17
	Investments in Fixed Deposits with Banks	(0.38)	(0.55)
	Net Cash From/(Used In) Investing Activities	**213.30**	**(534.06)**

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

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
C.	**Cash Flows from Financing Activities**		
	Dividend Paid	(97.69)	-
	Interest Received	-	1.05
	Finance Costs Paid	(4.14)	(7.23)
	Short-term Borrowings - Receipts/(Payments) (Net)	207.26	(192.79)
	Net Cash From/(Used In) Financing Activities	**105.43**	**(198.97)**
D.	**Exchange Differences on Translation of Foreign Currency**		
	Cash and Cash Equivalents	**0.51**	**15.12**
	Net Cash Outflow (A+B+C+D)	**(169.82)**	**(133.89)**
	Cash and Cash Equivalents - At the beginning of the year (Refer Note 9)	**229.97**	**363.86**
	Cash and Cash Equivalents acquired on business combination (Refer Note 50)	**8.30**	**-**
	Cash and Cash Equivalents - At the end of the year (Refer Note 9)	**68.45**	**229.97**
		(169.82)	**(133.89)**

Summary of Significant Accounting Policies Note 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 - 23rd May, 2022

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 Consolidated Financial Statements as at and for the year ended 31st March, 2022

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') are mainly engaged in the business of manufacturing and selling of graphite & carbon and other products, development of graphene sheets as detailed under segment information in Note 38.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on 23rd May, 2022.

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

These consolidated 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] as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The consolidated financial statements are presented in Indian Rupee (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), if any, 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 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June, 2021 to

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June, 2022 from 30 June, 2021. The amendment applies to annual reporting periods beginning on or after 1 April, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April, 2020.

These amendments had no material impact on the consolidated financial statements of the Group.

(vi) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no material impact on the consolidated financial statements of the Group.

(vii) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116 : Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(viii) Conceptual Framework for Financial Reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April, 2021.

These amendments had no impact on the consolidated financial statements of the Group.

(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

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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.

(vi) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(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.

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 applicable. 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.

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Other Operating Revenues

Export entitlements [arising out of Duty Drawback, Merchandise Export from India/ Remission of Duties and Taxes on Export Products (RoDTEP)] 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 Parent Company 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) 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 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. The Group also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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'.

(e) Intangible Assets

Intangible assets 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.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Rs. 13.24 Crores include intangible assets acquired through business combinations. As at 31 March, 2022, these assets were tested for impairment.

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.

Trademark

Trademark acquired on account of business combination has useful life of 20 years.

Goodwill on Consolidation

Goodwill is initially recognised based on the accounting policy for business combinations [refer note 2(b)(vi)] and is tested for impairment annually.

Patent

Patents acquired on account of business combination has useful life of 15 years.

Knowhow

Knowhow acquired on account of business combination has useful life of 15 years.

(f) Impairment of Non-financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

(g) 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(f) 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.

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.

(h) Inventories

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

Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition and are accounted for as follows:

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

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.

Finished Goods and Work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments (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 has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

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

Debt Instruments

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

• **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the

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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 41 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, which is generally when shareholders approve the dividend.

(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.

(j) 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.

(k) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the respective entities in the Group or the counterparty.

(l) 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.

(m) 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.

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 Group 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.

(n) 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.

(o) Forward Currency Contracts

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

Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's functional and the Group's presentation currency.

(ii) Transactions and Balances

Foreign Currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

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

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

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(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.

(p) 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 recognises 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 Super-annuation 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.

(q) 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, 2022

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.

(r) 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.

(s) 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.

(t) 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.

(u) 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 38 for segment information presented.

(v) 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.

(w) 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 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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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(p) and 37**

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(d) 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(t) 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.

- **Fair Value Measurements — Notes 2(i)(vi) and 40**

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 realisation 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, 2022

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
		2021-22	2020-21	
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	51.81%	39.43%	To develop Graphene sheets for commercial use

@ Wholly owned subsidiaries of GIBV.

Stepdown subsidiary of GIBV w.e.f. 1st February, 2022 and was an associate till January 31, 2022.

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)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Parent																
Graphite India Limited	90.70%	88.24%	4,486.94	4,007.85	113.82%	-621.32%	574.21	199.32	-145.20%	-9.41%	2.57	(1.84)	114.73%	-1577.33%	576.78	197.48
Subsidiaries																
Indian																
Carbon Finance Limited	2.47%	1.93%	122.41	87.62	6.90%	-69.73%	34.79	22.37	-	-	-	-	6.92%	-178.68%	34.79	22.37
Foreign																
Graphite International B.V. ^	8.44%	11.63%	417.42	528.15	-17.30%	802.77%	(87.30)	(257.53)	-25.99%	0.77%	0.46	0.15	-17.27%	2055.76%	(86.84)	(257.38)
General Graphene Corporation	-	-	-	-	-3.19%	31.42%	(16.10)	(10.08)	-	-	-	-	-3.20%	80.51%	(16.10)	(10.08)
Sub-total			**5,026.77**	**4,623.62**			**505.60**	**(45.92)**			**3.03**	**(1.69)**			**508.63**	**(47.61)**
Non-Controlling Interests #	*	-	0.27	-	*	-	(0.05)	-	-	-	-	-	*	-	(0.05)	-
Elimination/ Adjustments on Consolidation	-1.61%	-1.80%	(79.97)	(81.87)	-0.21%	-43.14%	(1.04)	13.84	271.19%	108.64%	(4.80)	21.25	-1.16%	-280.27%	(5.84)	35.09
Grand Total			**4,947.07**	**4,541.75**			**504.51**	**(32.08)**			**(1.77)**	**19.56**			**502.74**	**(12.52)**

^ including its wholly owned subsidiaries

Additions through business combination (Refer Note 50)

* 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, 2022

5 Property, Plant and Equipment ^

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

(Rs. in Crores)

	Freehold Land	Buildings@	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
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 5.5)	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 5.5)	-	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**
Year ended 31st March, 2022							
Gross Carrying Amount							
Opening Balance	35.25	236.57	640.18	3.09	9.60	10.50	935.19
Additions	0.08	4.20	13.61	0.26	1.35	0.66	20.16
Additions towards business combinations (Refer Note 50)	2.57	-	24.36	-	-	1.27	28.20
Exchange Differences (Refer Note 5.5)	(0.23)	(0.11)	(1.29)	-	(0.07)	(0.11)	(1.81)
Disposals	-	(1.16)	(5.37)	(0.01)	(0.96)	(0.28)	(7.78)
Closing Balance	**37.67**	**239.50**	**671.49**	**3.34**	**9.92**	**12.04**	**973.96**
Accumulated Depreciation							
Opening Balance	-	56.85	230.15	1.75	4.58	5.52	298.85
For the Year	0.37	9.16	41.83	0.26	0.86	1.37	53.85
Additions towards business combinations (Refer Note 50)	0.59	-	8.91	-	-	0.57	10.07
Exchange Differences (Refer Note 5.5)	(0.01)	(0.04)	(0.72)	-	(0.02)	(0.07)	(0.86)
On Disposals	-	(0.43)	(2.36)	(0.01)	(0.91)	(0.28)	(3.99)
Closing Balance	**0.95**	**65.54**	**277.81**	**2.00**	**4.51**	**7.11**	**357.92**
Net Carrying Amount	**36.72**	**173.96**	**393.68**	**1.34**	**5.41**	**4.93**	**616.04**

@ Includes Buildings constructed on Leasehold Land [included under Right-of-use Assets (Refer Note 6.4)] - Gross Carrying Amount Rs. 194.59 Crores (Net Carrying Amount - Rs. 142.02 Crores [Previous Year - Gross Carrying Amount Rs. 190.60 Crores (Net Carrying Amount - Rs. 145.68 Crores)].

^ On transition to Ind AS (i.e. 1 April 2015), the Group had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(Rs. in Crores)

5.2 Capital Work-in-progress

	Year ended 31st March, 2022	Year ended 31st March, 2021
Carrying amount at the beginning of the year	79.51	34.68
Additions during the year	76.95	96.33
Capitalised during the year	(14.46)	(51.50)
Carrying amount at the end of the year	**142.00**	**79.51**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

5.3 Capital Work-in-progress Ageing Schedule @

As at 31st March, 2022 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	95.17	28.67	17.16	1.00	142.00

As at 31st March, 2021 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	61.24	17.27	0.71	0.29	79.51

@ There are no projects as on March 31, 2022 and March 31, 2021 where activity has been suspended.

5.4 For capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan, project wise details of expected completion period are as follows:

As at 31st March, 2022 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
PSD-003346	0.86	-	-	-	0.86
DGP-0009	78.65	-	-	-	78.65
DGP-0012	29.71	-	-	-	29.71
DGP-0007	0.85	-	-	-	0.85
DGP-0010	8.23	-	-	-	8.23
Others	3.85	-	-	-	3.85
Total	**122.15**	**-**	**-**	**-**	**122.15**

As at 31st March, 2021 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
DGP-0009	-	40.29	-	-	40.29
DGP-0012	-	34.73	-	-	34.73
Others	0.22	0.42	-	-	0.64
Total	**0.22**	**75.44**	**-**	**-**	**75.66**

5.5 Represents exchange differences on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

5.6 The Group has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 43 for details).

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

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

5.9 There are no subsidiaries in the Group having more than 10% of total Capital Work-in-progress.

5.10 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

Title deeds of following land are not held in the name of Parent Company as at March 31, 2022 and March 31, 2021:-

(Rs. in Crores)

Particulars	Description of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director # @	Property held since which date	Reasons for not being held in the name of the Parent company
Property, Plant and Equipment	Freehold Land at Nashik-Ambad (1 Title Deed)	0.07	Graphite Vicarb India Limited	No	01.01.1994	Transfer of ownership is under process.
Property, Plant and Equipment	Certain Freehold Land at Titilagarh (4 Title Deeds)	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in Court of Tehsildar, Titilagarh (Refer Note 5.10 below).
Property, Plant and Equipment	Freehold Land at Titilagarh (6 Title Deeds)	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited.
Property, Plant and Equipment	Freehold Land at Titilagarh (2 Title Deeds)	0.02	Powmex Steels Limited	No	01.02.2009	Original Tittle deeds have been misplaced and is not available with the Parent Company. The Parent Company has initiated necessary action in this respect.
Right-of-use Assets ^^	Leasehold Land at Titilagarh (2 Title Deeds)	0.22	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process.

Promoter as defined in the Companies Act, 2013

@ Relative as defined in the Companies Act, 2013

^^ Net carrying value Rs. 0.15 Crores (Previous Year - Rs. 0.15 Crores)

5.11 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).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

6 Intangible Assets ^ **(Rs. in Crores)**

	Goodwill (Refer Note 6.1)	Other Intangible Assets				
		Patent	Trademark	Knowhow	Computer Software - Acquired	Total
Year ended 31st March, 2021						
Gross Carrying Amount						
Opening Balance	0.63	-	-	-	4.49	4.49
Additions	-	-	-	-	0.10	0.10
Exchange Differences (Refer Note 6.2)	-	-	-	-	0.04	0.04
Disposals	-	-	-	-	*	*
Closing Balance	**0.63**	**-**	**-**	**-**	**4.63**	**4.63**
Accumulated Amortisation						
Opening Balance	-	-	-	-	3.41	3.41
For the Year	-	-	-	-	0.42	0.42
Exchange Differences (Refer Note 6.2)	-	-	-	-	0.03	0.03
Disposals	-	-	-	-	*	*
Closing Balance	-	-	-	-	**3.86**	**3.86**
Net Carrying Amount	**0.63**	**-**	**-**	**-**	**0.77**	**0.77**
Year ended 31st March, 2022						
Gross Carrying Amount						
Opening Balance	0.63	-	-	-	4.63	4.63
Additions	-	-	-	-	0.37	0.37
In the nature of conversion associate to subsidiary (Refer Note 50)	55.40	3.79	1.81	7.26	1.42	14.28
Exchange Differences (Refer Note 6.2)	-	0.02	-	-	(0.03)	(0.01)
Disposals	-	-	-	-	(0.01)	(0.01)
Closing Balance	**56.03**	**3.81**	**1.81**	**7.26**	**6.38**	**19.26**
Accumulated Amortisation						
Opening Balance	-	-	-	-	3.86	3.86
For the Year	-	-	0.02	0.06	0.41	0.49
Additions towards business combinations (Refer Note 50)	-	-	-	-	1.02	1.02
Exchange Differences (Refer Note 6.2)	-	-	-	-	(0.03)	(0.03)
Disposals	-	-	-	-	*	*
Closing Balance	-	-	0.02	0.06	**5.26**	**5.34**
Net Carrying Amount	**56.03**	**3.81**	**1.79**	**7.20**	**1.12**	**13.92**

^ On transition to Ind AS (i.e. 1 April 2015), the Group has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

Additions through business combination (Refer Note 50)

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).

* 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, 2022

6.4 Right-of-use Assets **(Rs. in Crores)**

	Leasehold Land	Plant and Equipments	Total
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 5.5 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 5.5 above)	-	0.03	0.03
Closing Balance	**0.12**	**1.14**	**1.26**
Net Carrying Amount	**0.65**	**2.01**	**2.66**
Year ended 31st March, 2022			
Gross Carrying Amount			
Opening Balance	0.77	3.15	3.92
Additions	-	0.73	0.73
Additions towards business combinations (Refer Note 50)	-	3.04	3.04
Exchange Differences (Refer Note 5.5 above)	-	(0.09)	(0.09)
Closing Balance	**0.77**	**6.83**	**7.60**
Accumulated Depreciation			
Opening Balance	0.12	1.14	1.26
For the Year	0.02	0.76	0.78
Additions towards business combinations (Refer Note 50)	-	0.96	0.96
Exchange Differences (Refer Note 5.5 above)	-	(0.07)	(0.07)
Closing Balance	**0.14**	**2.79**	**2.93**
Net Carrying Amount	**0.63**	**4.04**	**4.67**

Refer Note 33 for related disclosures

Additions through business combination (Refer Note 50)

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, 2022

(Rs. in Crores)

7 Investments	Face Value	Number	Ast at 31st March, 2022	Number	As at 31st March, 2021
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	0.04
Sumitomo Chemicals India Limited	Rs.10	21,51,333	96.49	21,51,333	62.54
Astra Microwave Products Limited	Rs. 2	1,97,989	4.45	1,97,989	2.57
Future Retail Ltd	Rs. 2	1,65,000	0.51	1,65,000	0.71
Bhagiradha Chemicals & Industries Ltd	Rs.10	71,821	7.29	-	-
Unquoted, Fully paid:					
Investments in Equity Instruments					
In Associate ^					
General Graphene Corporation-Series B Preferred Stock		-	-	8,14,890	85.04
In Other Body Corporate #					
Sai Wardha Power Limited - Class A Equity Shares $	Rs.10	24,76,558	-	24,76,558	-
National Stock Exchange of India Limited	Re.1	3,00,000	91.12	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 @			327.45		428.56
Investments in Venture Capital Fund #			85.19		25.77
Investments in Market Linked Debenture#			-		15.88
Investments in Perpetual Bonds #			220.79		220.07
Investments in Mutual Funds/Other Funds #			12.04		31.01
			845.37		**913.21**
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs.10	17,20,000	77.13	17,20,000	50.00
Computer Age Management Services Ltd	Rs.10	7,425	1.72	7,325	1.35
Brookfield Real Estate Trust Limited	Rs. 275	2,60,000	8.14	2,60,000	5.80
MTAR Technologies Limited	Rs.10	1,917	0.34	1,917	0.20
Shyam Metallics & Energy Limited	Rs. 10	9,825	0.36	-	-
Powergrid Infrastructure Investment Trust	Rs.100	10,81,300	14.48	-	-
Clean Science and Technology Limited	Re.1	5,529	1.10	-	-
Escorts Limited	Rs.10	3,96,844	67.10	-	-
Unquoted, Fully paid:					
Investments in Corporate Deposits @			50.00		290.00
Investments in Debentures @			303.93		110.44
Investments in Market Linked Debenture #			24.57		5.29
Investments in Mutual Funds/Other Funds #			1,074.54		1,428.00
Investments in Perpetual Bonds #			25.08		-
			1,648.49		**1,891.08**
			2,493.86		**2,804.29**
Aggregate Amount of Quoted Investments			279.15		123.21
Aggregate Amount of Unquoted Investments			2,214.71		2,681.08
^ Investment in Associate was carried at Cost till January 31, 2022			-		85.04
@ Investments carried at Amortised Cost			681.38		829.00
# Investments carried at Fair Value through Profit or Loss			1,812.48		1,890.25
$ Original Share Certificates with the Issuer Company					

7.1 Refer Note 40 for information about fair value measurements and Note 41 for credit risk and market risk on investments.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

8 Trade Receivables $	As at 31st March, 2022	As at 31st March, 2021
Current		
Unsecured:		
Considered Good	540.05	339.59
Considered Doubtful	4.25	4.34
Less: Provision for Doubtful Debts	(4.25)	(4.34)
	540.05	**339.59**

8.1 Trade Receivable Ageing Schedule @

As at 31st March, 2022 - (Rs. in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	426.12	111.25	2.45	0.23	-	-	540.05
- Credit Impaired	-	-	-	-	-	3.82	3.82
Disputed -							
- Considered Good	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	0.43	0.43
Total	**426.12**	**111.25**	**2.45**	**0.23**	**-**	**4.25**	**544.30**

As at 31st March, 2021 - (Rs. in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	223.04	112.78	1.58	2.19	0.01	-	339.60
- Credit Impaired	-	-	-	-	-	3.82	3.82
Disputed -							
- Considered Good	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	0.09	0.43	0.52
Total	**223.04**	**112.78**	**1.58**	**2.19**	**0.10**	**4.25**	**343.93**

@ There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

8.2 Refer Note 43 for receivables secured against borrowings and Note 41 for information about credit risk and market risk on receivables.

8.3 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.

(Rs. in Crores)

9 Cash and Cash Equivalents $	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks - On Current Account	68.35	229.78
Cash on Hand	0.10	0.19
	68.45	**229.97**

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.

$ Financial assets carried at amortised cost

Additions through business combination (Refer Note 50)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

10 Other Bank Balances $	As at 31st March, 2022	As at 31st March, 2021
Unpaid Dividend Accounts @	6.24	6.38
Unspent CSR Accounts	60.78	-
Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	8.19	7.81
	75.21	**14.19**

@ Earmarked for Payment of Unclaimed Dividend

^ Includes Fixed Deposits amounting to Rs. 8.19 Crores (Previous Year - Rs. 7.81 Crores) earmarked against Bank Guarantee. These short-term deposits are made for varying periods and earn interest at the respective short-term deposit rates.

(Rs. in Crores)

11 Loans $	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, Considered Good :		
Loans to Employees	1.07	1.00
	1.07	**1.00**
Current		
Unsecured, Considered Good:		
Loans to Employees	0.82	0.88
	0.82	**0.88**
	1.89	**1.88**

$ Financial assets carried at amortised cost
Additions through business combination (Refer Note 50)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

12 Other Financial Assets	**As at 31st March, 2022**	**As at 31st March, 2021**
Financial Assets carried at Amortised Cost unless otherwise stated		
Non-current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	-	27.66
Security Deposits	2.44	2.08
Fixed Deposits with Banks	0.02	0.02
(with original maturity of more than twelve months)		
(Lodged with Government Authority / Others)		
	2.46	**29.76**
Current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	30.89	41.77
Security and other Deposits	1.29	0.86
Derivative Instruments-Foreign Exchange Forward Contracts $	0.03	-
Export Entitlements Receivable	4.93	3.12
Accrued Interest on Investments^	16.10	13.63
Accrued Interest on Deposits		
with Banks	0.10	0.11
with Others	1.76	5.09
Others*	234.78	4.17
	289.88	**68.75**
	292.34	**98.51**

^ Includes Financial Assets carried at Fair Value through Profit or Loss amounting to Rs. 11.70 Crores (Previous Year - Rs. 8.44)

* Includes Rs. 204.64 Crores (Previous Year - Rs. Nil) receivable on account of sale of listed equity shares under Open Offer which was subsequently realised on 11th April, 2022.

$ Financial Assets carried at Fair Value through Profit and Loss

(Rs. in Crores)

13 Inventories	**As at 31st March, 2022**	**As at 31st March, 2021**
Current		
- At Lower of Cost and Net Realisable Value		
Raw Materials	618.52	215.14
Work-in-progress	745.79	625.84
Finished Goods	292.65	144.47
Stores and Spares	55.35	30.12
Loose Tools	1.07	0.90
	1,713.38	**1,016.47**

13.1 Above includes Inventories-in-transit:		
Raw Materials	298.65	79.15
Work-in-progress	5.50	3.88
Finished Goods	135.90	58.75
Stores and Spares	1.52	0.19

13.2 Above includes Inventories carried at Fair Value Less Costs to Sell (Refer Note 44)		
Raw Materials	77.26	161.78
Work-in-progress	81.07	482.46
Finished Goods	30.24	110.34

13.3 Refer Note 43 for Information on Inventories Pledged as Security

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

14 Other Assets

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, Considered Good :		
Capital Advances	14.25	5.86
Balances with Government Authorities @	4.76	4.76
Others		
Prepaid Expenses	0.49	0.47
	19.50	**11.09**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities #	79.12	114.37
Advance to Suppliers/Service Providers (other than capital)	32.23	13.15
Export Entitlement Receivable	11.17	17.82
Advance towards Gratuity (Refer Note 37)	1.76	-
Prepaid/Advance for Expenses	4.94	2.82
	129.22	**148.16**
	148.72	**159.25**

@ 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.

Additions through business combination (Refer Note 50)

(Rs. in Crores)

15.1 Equity Share Capital

	As at 31st March, 2022	As at 31st March, 2021
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, 2022 and 31st March, 2021.

(a) Terms/Rights attached to Equity Shares: 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	11,98,23,336
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	11,98,23,336
	(61.33%)	(61.33%)

* 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, 2022

(d) Details of Shares held by Promoters @

As at 31st March, 2022 -

Promoter Name	Number of Equity Shares at the beginning of the year	Change during the year	Number of Equity Shares at the end of the year	% of Total Shares	% Change during the year
Emerald Company Private Limited	11,98,23,336	-	11,98,23,336	61.33%	-
G K W Limited	40,00,000	-	40,00,000	2.05%	-
Krishna Kumar Bangur	16,56,386	(16,45,386)	11,000	0.01%	(99.34%)
Shree Laxmi Agents Private Limited	8,84,000	-	8,84,000	0.45%	-
Carbo Ceramics Limited	3,86,645	-	3,86,645	0.20%	-
Manjushree Bangur	2,48,391	-	2,48,391	0.13%	-
Krishna Kumar Bangur (Family Welfare Trust)	1,99,505	-	1,99,505	0.10%	-
Aparna Bangur	1,86,261	-	1,86,261	0.10%	-
Divya Bagri	1,69,333	-	1,69,333	0.09%	-
Rukmani Devi Bangur	54,988	-	54,988	0.03%	-
Krishna Kumar Bangur (HUF)	50,500	-	50,500	0.03%	-
Siddhant Bangur	100	2,48,545	2,48,645	0.13%	248545.00%
Emerald Highrise Pvt Ltd (Trustee of KKB Family Trust)	100	-	100	*	-
Emerald Highrise Pvt Ltd (Trustee of Emerald Family Trust)	100	-	100	*	-
Emerald Matrix Holdings Pte Ltd	-	13,96,841	13,96,841	0.71%	100.00%

As at 31st March, 2021 -

Promoter Name	Number of Equity Shares at the beginning of the year	Change during the year	Number of Equity Shares at the end of the year	% of Total Shares	% Change during the year
Emerald Company Private Limited	11,96,75,004	1,48,332	11,98,23,336	61.33%	0.12%
G K W Limited	40,00,000	-	40,00,000	2.05%	-
Krishna Kumar Bangur	16,56,386	-	16,56,386	0.85%	-
Shree Laxmi Agents Private Limited	8,84,000	-	8,84,000	0.45%	-
Carbo Ceramics Limited	3,86,645	-	3,86,645	0.20%	-
Manjushree Bangur	2,48,391	-	2,48,391	0.13%	-
Krishna Kumar Bangur (Family Welfare Trust)	1,99,505	-	1,99,505	0.10%	-
Aparna Bangur	1,86,261	-	1,86,261	0.10%	-
Divya Bagri	1,69,333	-	1,69,333	0.09%	-
Rukmani Devi Bangur	54,988	-	54,988	0.03%	-
Krishna Kumar Bangur (HUF)	50,500	-	50,500	0.03%	-
Siddhant Bangur	100	-	100	*	-
KKB Family Trust	100	(100)	-	-	(100.00%)
Emerald Family Trust	100	(100)	-	-	(100.00%)
Emerald Highrise Pvt Ltd (Trustee of KKB Family Trust)	-	100	100	*	100.00%
Emerald Highrise Pvt Ltd (Trustee of Emerald Family Trust)	-	100	100	*	100.00%

@ Promoters here means promoter as defined in the Companies Act, 2013.

(e) There are no equity shares issued as bonus and for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date.

* 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, 2022

(Rs. in Crores)

15.2 Other Equity

	As at 31st March, 2022	As at 31st March, 2021
- 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]	18.62	11.66
Retained Earnings [Refer (ii) below]	3,309.46	2,906.57
	4,871.76	**4,461.91**
- Other Reserve		
Foreign Currency Translation Reserve [Refer (iii) below]	35.96	40.76
	4,907.72	**4,502.67**
Non Controlling interest	**0.27**	**-**

(i) Reserve Fund - Movement during the year

Opening Balance	11.66	7.19
Transfer from Retained Earnings	6.96	4.47
Closing Balance	**18.62**	**11.66**

(ii) Retained Earnings - Movement during the year

Opening Balance	2,906.57	2,944.81
Profit for the Year	504.51	(32.08)
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements on Gain/(Losses) on Defined Benefit Plans (Net of Tax)	3.03	(1.69)
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 42(b)]	(97.69)	-
Transfer to Reserve Fund	(6.96)	(4.47)
Closing Balance	**3,309.46**	**2,906.57**

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

Opening Balance	40.76	19.51
Exchange Differences on Translation of Foreign Operations during the year	(4.80)	21.25
Closing Balance	**35.96**	**40.76**

(iv) Non Controlling Interests - Movement during the year

Opening Balance	-	-
Additions towards business combinations (Refer Note 50)	0.32	-
Add: Profit / (Loss) for the year	(0.05)	-
Closing Balance	**0.27**	**-**

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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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

(Rs. in Crores)

16 Borrowings	**As at 31st March, 2022**	**As at 31st March, 2021**
Current		
Secured*		
Loans Repayable on Demand from Banks		
-Cash Credit and Export Credit Facilities	83.59	40.34
Unsecured		
Loans Repayable on Demand from Banks		
-Cash Credit and Export Credit Facilities	280.47	183.06
Buyer's Credit	63.79	-
	427.85	**223.40**
Aggregate Secured Loans	83.59	40.34
Aggregate Unsecured Loans	344.26	183.06

*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 43 for details of carrying amount of assets pledged as security for secured borrowings and Note 41 for information about liquidity risk and market risk on borrowings.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

16.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

Particulars	April 1, 2021	Cash flows	Exchange Differences	March 31, 2022
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	40.34	43.25	-	83.59
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	183.06	97.41	-	280.47
- Buyer's Credit	-	64.08	(0.29)	63.79
Total Liabilities from Financing activities	**223.40**	**204.74**	**(0.29)**	**427.85**

(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**

16.3 Details of discrepancies between quarterly returns/statements of current assets filed by the Parent Company with banks and books of accounts -

(Rs. in Crores)

As at 31st March, 2022				As at 31st March, 2021			
Quarter Ending	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of difference**	**Quarter Ending**	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of difference**
Inventories ^^ -							
Jun-21	952.02	805.99	146.03	Jun-20	1,025.76	954.87	70.89
Sep-21	1,038.12	870.81	167.31	Sep-20	878.49	811.62	66.87
Dec-21	1,158.58	908.26	250.32	Dec-20	771.21	680.33	90.88
				Mar-21	823.42	729.06	94.36
Trade Receivables $ -							
Jun-21	400.69	403.68	(2.99)	Jun-20	310.45	309.03	1.42
Sep-21	429.98	431.83	(1.85)	Sep-20	319.22	319.22	*
Dec-21	537.61	535.86	1.75	Dec-20	282.68	282.68	*
				Mar-21	361.57	322.53	39.04
Trade Payables $ -							
				Jun-20	42.16	47.75	(5.59)

^^ The discrepancy is primarily on account of goods-in-transit not considered in stock statement.

$ The discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements.

Working capital facilities were availed by the Parent Company during Financial Years 2021-22 and 2020-21 from UCO Bank, Kotak Mahindra Bank Limited, CITI Bank, ICICI Bank Limited, Axis Bank Limited, Canara Bank, HDFC Bank Limited and DBS Bank India Limited. Further, for the Financial Year 2020-21, working capital facilities were also availed by the Parent Company from Bank of India.

* Amounts are below the rounding off norms adopted by the Group.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

17		As at 31st March, 2022	As at 31st March, 2021
	Trade Payables ^^		
	Current		
	Trade Payables		
	Total Outstanding Dues of Small Enterprises and Micro Enterprises (Refer Note 36)	28.87	20.13
	Total Outstanding Dues of Creditors other than Small Enterprises and Micro Enterprises	419.36	209.84
		448.23	**229.97**

^^ Carried at amortised cost

17.1 Refer Note 41 for information about liquidity risk and market risk on trade payables

17.2 Trade Payables Ageing Schedule

As at 31st March, 2022 - (Rs. in Crores)

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Dues of Small Enterprises and Micro Enterprises	3.19	25.68	*	-	-	-	28.87
- Dues of Creditors other than Small Enterprises and Micro Enterprises	123.36	81.89	212.13	0.89	0.09	0.96	419.32
Disputed -							
- Dues of Creditors other than Small Enterprises and Micro Enterprises	-	-	-	0.01	-	0.03	0.04
Total	**126.55**	**107.57**	**212.13**	**0.90**	**0.09**	**0.99**	**448.23**

As at 31st March, 2021 - (Rs. in Crores)

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Dues of Small Enterprises and Micro Enterprises	0.03	19.50	0.60	-	-	-	20.13
- Dues of Creditors other than Small Enterprises and Micro Enterprises	66.52	76.63	56.75	7.97	0.84	1.09	209.80
Disputed -							
- Dues of Creditors other than Small Enterprises and Micro Enterprises	-	-	0.01	-	0.03	-	0.04
Total	**66.55**	**96.13**	**57.36**	**7.97**	**0.87**	**1.09**	**229.97**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

18.1 Lease Liabilities	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Non-current		
Lease Liabilities (Refer Note 33)	1.93	1.38
	1.93	**1.38**
Current		
Lease Liabilities (Refer Note 33)	1.57	0.65
	1.57	**0.65**

Additions through business combination (Refer Note 50)

(Rs. in Crores)

18.2 Other Financial Liabilities	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Non-current		
Convertible Loans	4.20	-
	4.20	**-**
Current		
Employee Benefits Payable (also Refer Note 39)	25.57	24.07
Interest Accrued	0.53	0.10
Unpaid Dividend @	6.24	6.38
Liability towards Corporate Social Responsibility (Refer Note 29.2)	90.77	70.06
Capital Liabilities	10.58	13.17
Claims / Charges Payable	10.27	3.63
Security Deposits	0.42	0.42
Remuneration Payable to Non-executive Directors (Refer Note 39)	0.51	0.44
Others	6.41	-
	151.30	**118.27**
	155.50	**118.27**

@ Unpaid dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund (IEPF)

Additions through business combination (Refer Note 50)

(Rs. in Crores)

19 Other Current Liabilities	As at 31st March, 2022	As at 31st March, 2021
Dues Payable to Government Authorities @	13.15	13.87
Advances from Customers	31.33	16.79
Advance Held against Sale of Assets	-	3.99
	44.48	**34.65**

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

Additions through business combination (Refer Note 50)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

20	Provisions	As at 31st March, 2022	As at 31st March, 2021
	Non-current		
	Provisions for Employee Benefits (Refer Note 37)	2.88	3.66
		2.88	**3.66**
	Current		
	Provisions for Employee Benefits (Refer Note 37)	24.82	28.88
	Provisions for Litigations/Claims (Refer Note 34)	10.11	10.50
		34.93	**39.38**
		37.81	**43.04**

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, 2021	Recognised in Profit or Loss	As at 31st March, 2022
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	73.38	(2.28)	73.40 #
Financial Assets at Fair Value through Profit or Loss - Investments	33.35	24.90	58.22 #
Total Deferred Tax Liabilities	**106.73**	**22.62**	**131.62**
Set-off pursuant to set-off provisions	**(13.99)**	**3.90**	**(10.09)**
Deferred Tax Liabilities (Net)	**92.74**	**26.52**	**121.53**

(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**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

21.2 Deferred Tax Assets (Net)

Significant Components and Movement in Deferred Tax Assets during the year

(Rs. in Crores)

	As at 31st March, 2021	Recognised in Profit or Loss	As at 31st March, 2022
Deferred Tax Assets			
Provisions for Employee Benefits	5.77	(1.26)	4.51
Employee Benefits Payable	0.19	(0.01)	0.18
Dues Payable to Government Authorities	0.97	*	0.97
Trade Receivables	1.09	(0.02)	1.07
Provision towards Voluntary Retirement Scheme	5.04	(1.68)	3.36
Tax Credits Carry Forward	0.06	(0.06)	-
Carry Forward Business Loss	1.33	(1.34)	- #
Inventories	2.53	(0.70)	1.83
Total Deferred Tax Assets	**16.98**	**(5.07)**	**11.92**
Set-off pursuant to set-off provisions	**(13.99)**	**3.90**	**(10.09)**
Deferred Tax Assets (Net)	**2.99**	**(1.17)**	**1.83**

(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**

After considering Rs. 0.04 Crores (Previous Year - Rs. 0.03 Crores) on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

Deferred tax liability of Rs. 2.32 Crores acquired in business combinations (Refer Note 50)

21.3 Tax Losses

(Rs. in Crores)

	As at 31st March, 2022	As at 31st March, 2021
Relating to Overseas Subsidiaries		
Unused tax losses for which no deferred tax asset has been recognised	467.48	240.61
Potential tax benefit @ 28.08% (Previous Year - 28.08%)	131.27	67.56
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, 2022

(Rs. in Crores)

22 Revenue from Operations	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	2,386.71	1,530.61
Carbon Paste	17.01	5.96
Calcined Petroleum Coke	151.58	82.91
Impervious Graphite Equipment and Spares	191.19	148.19
GRP/FRP Pipes and Tanks	5.72	12.75
High Speed Steel	140.67	86.44
Alloy Steel	6.31	4.17
Electricity	27.69	16.24
Others	27.11	15.69
Sale of Services (Processing/Service Charges)	8.98	10.09
Other Operating Revenues		
Export Entitlements	25.01	19.93
Others #		
Dividend on Investments carried at Fair Value through Profit or Loss	0.20	0.15
Net Gain on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. 38.21 Crores (Previous Year - Rs. 24.49 Crores)]	38.33	24.49
	3,026.51	**1,957.62**

Relates to a subsidiary engaged in investing/financing activities

Timing of Revenue Recognition		
Goods transferred at a point in time	2,953.99	1,902.96
Services transferred over time	8.98	10.09
Total	**2,962.97**	**1,913.05**

23 Other Income		
Interest Income		
From Financial Assets carried at Amortised Cost		
-Investments	44.06	36.45
-Loans and Deposits	10.10	23.67
-Trade Receivables	0.57	0.68
From Financial Assets carried at Fair Value through Profit or Loss		
-Investments	25.67	14.37
From Income-tax/Other Government Authorities	10.52	0.95
	90.92	**76.12**
Dividend Income	1.20	0.01
	1.20	**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. 138.26 Crores (Previous Year - Rs. 90.85 Crores)] @	170.83	108.11
Fair Value Gains on Derivatives not Designated as Hedges	0.03	-
Liabilities no Longer Required Written Back	4.85	19.28
Provision for Doubtful Debts Written Back	*	0.22
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.99 Crores (Previous Year - Rs. 0.08 Crores)]	0.41	1.96
Net Gain on Foreign Currency Transactions and Translation	13.17	-
Refund of Excess Energy Charges in respect of Earlier Years (Refer Note 47)	-	90.53
Other Non-operating Income	12.42	19.71
	201.71	**239.81**
	293.83	**315.94**

@ Includes Rs. 16.43 Crores (Previous Year - Rs. Nil) on account of Profit on sale of listed equity shares under Open offer.

* 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, 2022

(Rs. in Crores)

24 Cost of Materials Consumed	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Inventory	215.14	394.70
Add : Purchases	1,827.96	644.24
	2,043.10	1,038.94
Less : Closing Inventory	618.52	215.14
	1,424.58	**823.80**

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	292.65	144.47
Deduct: Opening Stock	144.47	315.45
	(148.18)	**170.98**
Work-in-progress		
Closing Stock	745.79	625.84
Deduct: Opening Stock	625.84	818.98
	(119.95)	**193.14**
	(268.13)	**364.12**

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

26 Employee Benefits Expenses (Refer Note 48)		
Salaries and Wages	272.88	224.21
Contribution to Provident and Other Funds (Refer Note 37)	27.81	24.47
Staff Welfare Expenses	9.79	8.31
	310.48	**256.99**

27 Finance Costs		
Interest Expense on		
- Borrowings from Banks	4.26	5.55
- Others	0.04	0.28
Other Borrowing Costs *	0.27	0.23
	4.57	**6.06**

* includes interest expense on lease liabilities Rs.0.05 Crores (Previous Year - Rs. 0.03 Crores)

28 Depreciation and Amortisation Expense		
Depreciation of Property, Plant and Equipment (Refer Note 5.1)	53.85	50.85
Amortisation of Intangible Assets (Refer Note 6)	0.49	0.42
Depreciation of Right-of-use Assets (Refer Note 6.4)	0.78	0.63
	55.12	**51.90**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

29	Other Expenses	Year ended 31st March, 2022	Year ended 31st March, 2021
	Consumption of Stores and Spare Parts (Refer Note 29.1)	265.69	136.20
	Power and Fuel	439.43	267.25
	Rent (Refer Note 33)	1.18	1.06
	Repairs and Maintenance:		
	-Buildings	5.51	4.09
	-Plant and Machinery	40.95	26.30
	-Others	5.51	3.73
	Insurance	15.02	15.17
	Rates and Taxes	2.95	2.41
	Freight and Transport	130.28	60.92
	Commission to Selling Agents	24.16	16.57
	Travelling and Conveyance	1.36	0.90
	Directors' Remuneration (Other than Executive Director)	0.82	0.55
	Bad Debts/Advances Written Off [net of adjustment of provision for doubtful debts Rs. 0.09 Crores (Previous Year - Rs. 0.04 Crores)]	0.05	0.38
	Processing Charges	9.73	6.33
	Net Loss on Foreign Currency Transactions and Translation	-	22.79
	Loss on Fair Value of Commitment	6.60	-
	Contractors' Labour Charges	54.32	43.46
	Net Loss on Investments Carried at Fair Value through Profit or Loss	3.69	-
	Expenditure towards Corporate Social Responsibility Activities (Refer Note 29.2)	30.49	73.15
	Miscellaneous Expenses	47.29	36.54
		1,085.03	**717.80**
29.1	**Consumption of Stores and Spare Parts includes**		
	Packing Materials	21.50	14.53
	Loose Tools	2.85	2.78
29.2	**Corporate Social Responsibility Expenditure**		
	(a) Gross amount required to be spent by the Parent Company during the year	30.49	38.17
	(b) Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	1.24
	(ii) For purposes other than (i) above	5.50	1.85
	Total	**5.50**	**3.09**
	(c) Shortfall at the end of Current Year	24.99	35.08
	(d) Total of Previous year shortfall	70.06	34.98
	(e) **Reasons for shortfall -**		

Year ended 31st March, 2022 -

Due to continuation of pandemic situation, the Parent Company was unable to fully undertake and complete the activities which were planned to be undertaken. Moreover, the amounts that were proposed to be spent were voluminous and the Parent Company was faced with logistical difficulties in spending the allocated amounts.

Year ended 31st March, 2021 -

Due to the onset of the pandemic, the Parent 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 Parent Company was faced with logistical difficulties in spending the allocated amounts.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(f)	**Nature of CSR activities -**		
(i)	Eradicating hunger, poverty & malnutrition, promoting health care including preventive healthcare and sanitation, safe drinking water etc.	0.32	0.44
(ii)	Promoting education including special education and employment enhancing vocation skills	-	0.30
(iii)	Promote rural sports, Olympic sports etc.	-	0.50
(iv)	Ensuring environmental sustainability	-	0.01
(v)	Rural development projects like low cost housing etc.	-	0.61
(vi)	Amount spent on administrative overheads	0.18	0.10
(vii)	Lying unspent with BD Bangur Endowment	-	0.13
(viii)	Contribution to PM Cares Fund to fight Covid-19	-	1.00
(ix)	Contribution to West Bengal State Disaster Management Authority for Covid Relief work	5.00	-
(x)	Liability towards Unspent Corporate Social Responsibility for the year for ongoing projects (Previous Year includes Rs. 34.98 Crores towards unspent amount relating to earlier years) @	24.99	70.06
		30.49	**73.15**

@ 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, 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 Parent Company within prescribed time limit in a scheduled bank.

In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of section 135 of the Act.

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(g)	**Details of Related Party Transactions -**		
	- Contribution made to B D Bangur Endowment	4.11	1.49
(h)	**Movement in Provision -**		
	Opening Provision at the beginning of the year	70.06	-
	Add - Provision made during the year	24.99	70.06
	(Previous year includes Rs 34.98 Crores towards unspent amount relating to earlier years)		
	Less - Amount utilised out of provision during the year	4.28	-
	Closing Provision as at the end of the year	**90.77**	**70.06**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

30 Tax Expense

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Tax Expense Recognised in Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	160.32	66.83
Adjustment for Current Tax of Earlier Years	0.07	(4.77)
	160.39	**62.06**
Deferred Tax		
Origination and Reversal of Temporary Differences (Refer Note 21)	27.69	12.83
Tax Expense	**188.08**	**74.89**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurement Gains/(Losses) on Defined Benefit Plans	(1.04)	0.56
	(1.04)	**0.56**

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

	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit before Income Tax Expense	692.59	42.81
Enacted Statutory Income Tax Rate in India applicable to the Parent Company	25.168%	25.168%
Computed expected Income Tax Expense	**174.31**	**10.77**
Adjustments:-		
Expenses not Deductible for Tax Purposes (Net)	8.18	19.90
Income Exempt from Income Taxes	0.04	-
Impact of Capital Gains on Investments	(18.91)	(17.07)
Difference in Tax Rates applicable for Subsidiaries	0.80	(6.52)
Deferred Tax Assets not recognised on Tax Losses of Current Year	28.38	75.88
Interest and Other Disallowable Expenses	-	1.51
Others	(4.79)	(4.81)
Adjustment for Current Tax of Earlier Years	0.07	(4.77)
Tax Expense	**188.08**	**74.89**

31 Earnings per Equity Share

		Year ended 31st March, 2022	Year ended 31st March, 2021
(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)	504.51	(32.08)
(vi)	Basic/Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	25.82	(1.64)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(Rs. in Crores)

32	Research and Development Expenditure	Year ended 31st March, 2022	Year ended 31st March, 2021
	Research and Development Expenditure of revenue nature are recognised in Statement of Profit and Loss during the year - under 'Other Expenses'.	0.09	0.05

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 to 6 years, while leasehold lands generally have lease terms between 60 to 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 out flow.

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, 2020	**0.67**	**2.33**	**3.00**
Additions	-	0.19	0.19
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**
Additions	-	0.73	0.73
Additions towards business combinations (Refer Note 50)	-	2.08	2.08
Exchange Differences	-	(0.02)	(0.02)
Depreciation charge	0.02	0.76	0.78
As at March 31, 2022	**0.63**	**4.04**	**4.67**

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

	31st March, 2022	31st March, 2021
Opening Balance	2.03	2.35
Additions	0.73	0.19
Accretion of interest	0.08	0.03
Additions towards business combinations (Refer Note 50)	1.61	-
Payments	0.89	0.64
Exchange Differences	(0.06)	0.10
Closing Balance	**3.50**	**2.03**
Current	1.57	0.65
Non-current	1.93	1.38

The weighted average incremental borrowing rate applied to lease liabilities as at 31st March, 2021 is 1.44%

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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

(Rs. in Crores)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Depreciation expense of Right-of-use Assets	0.78	0.63
Interest expense on lease liabilities	0.04	0.03
Expense relating to short-term leases (included in 'Other Expenses')	1.18	1.06
Total amount recognised in the Statement of Profit and Loss	**2.00**	**1.72**

The Group had total cash outflows for leases of Rs. 0.89 crores (March 31, 2021: Rs. 0.64 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. 1.18 Crores (March 31,2021: Rs. 1.06 crores).

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

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Less than one year	1.57	0.65
More than one year but less than five years	1.93	1.37
More than five years	*	0.01

	34 Contingencies	**As at 31st March, 2022**	**As at 31st March, 2021**
(i)	Claims not acknowledged as debts:		
	Taxes, duties and other demands (under appeal/dispute)		
	(a) Excise Duty	2.55	2.55
	(b) Customs Duty	8.32	10.63
	(c) Service Tax	27.80	8.40
	(d) Sales Tax/Value Added Tax	4.51	4.77
	(e) Entry Tax	-	0.32
	(f) Income Tax	49.85	49.13
	(g) Labour Related Matters	14.32	9.12
	(h) Other Matters (Property, Rental, etc.)	13.41	3.19
(ii)	Potential Obligation under Public Law of Germany in respect of environment	15.29	18.97
(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. The amount of Bank Guarantee is Rs 13.70 Crores. 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)	85.68	38.45
(B) Other Commitments - Investments	16.19	6.00

* 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, 2022

36	Information relating to Micro and Small Enterprises (MSEs)	As at 31st March, 2022	As at 31st March, 2021
	(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal	28.87	20.13
	Interest	-	-
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	Principal	0.01	-
	Interest	-	*
	(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
	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 Parent Company.		

37 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 of the Parent Company. 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(p)(ii) above, based upon which, the Parent Company makes contributions to the Employees' Gratuity Funds.

* 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, 2022

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

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(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	47.95	43.93
	Current Service Cost	2.92	3.06
	Interest Cost	2.79	2.73
	Remeasurements Losses/(Gains)		
	Actuarial Losses/(Gains) arising from Changes in Financial Assumptions	(3.94)	2.14
	Actuarial Losses/(Gains) arising from Changes in Experience Adjustments	1.02	(0.24)
	Actuarial Gains arising from Changes in demographic assumptions	(0.01)	-
	Benefits Paid	(2.75)	(3.67)
	Present Value of Obligation at the end of the year	**47.98**	**47.95**
(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	42.48	37.55
	Interest Income	2.64	2.53
	Remeasurements Gains/(Losses)		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	0.50	(0.56)
	Contributions by Employer	5.69	6.63
	Benefits Paid	(2.75)	(3.67)
	Fair Value of Plan Assets at the end of the year	**48.56**	**42.48**
(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	47.98	47.95
	Fair Value of Plan Assets at the end of the year	48.56	42.48
	Liabilities/(Assets) Recognised in the Balance Sheet*	**(0.58)**	**5.47**
(d)	**Actual Return on Plan Assets**	**3.14**	**1.97**
(e)	**Expense Recognised in the Other Comprehensive Income**		
	Remeasurements (Gains)/Losses (Net)	(3.43)	2.46
		(3.43)	**2.46**
(f)	**Expense Recognised in Profit or Loss**		
	Current Service Cost	2.92	3.06
	Net Interest Cost	0.15	0.20
	Total @	**3.07**	**3.26**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.		
(g)	**Category of Plan Assets**	**In %**	**In %**
	Funded with LICI	99.76	99.71
	Cash and Cash Equivalents	0.24	0.29
		100.00	**100.00**

* Net off of Rs. 1.76 Crores shown under Advance to Gratuity (Refer Note 14) (31st March, 2021 Rs. Nil).

		31st March, 2022	31st March, 2021
(h)	**Principal Actuarial Assumptions**		
	Discount Rate	6.90%	6.00%
	Salary Growth Rate	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2012-14) published by the Institute of Actuaries of India'.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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 (2021-22)	Impact on defined benefit obligation (2020-21)
Discount Rate	Increase by 1%	Decrease by Rs. 3.73 Crores	Decrease by Rs.4.26 Crores
	Decrease by 1%	Increase by Rs. 4.34 Crores	Increase by Rs. 4.88 Crores
Salary Growth Rate	Increase by 1%	Increase by Rs. 4.29 Crores	Increase by Rs. 4.78 Crores
	Decrease by 1%	Decrease by Rs. 3.76 Crores	Decrease by Rs. 4.26 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. 2.67 Crores (Previous Year - Rs. 8.92 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation is 7.65 years (Previous Year – 9.55 years).

(B) Provident Fund

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

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using 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. 0.35 Crores (Previous Year - Rs. 0.40 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. 0.29 Crores (Previous year – Rs. 0.26 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, 2022	31st March, 2021
Principal Actuarial Assumptions		
Discount Rate	5.60% & 4.80%	5.50% & 4.70%
Expected Return on Exempted Fund	6.87% & 7.18%	7.14% & 6.94%
Guaranteed Interest Rate	8.10%	8.50%

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(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, 2022 and 31st March, 2021:

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(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	3.73	3.86
	Exchange Differences	(0.06)	0.15
	Current Service Cost	0.05	0.06
	Interest Cost	0.01	0.02
	Remeasurements Losses		
	Actuarial Losses arising from Changes in Financial Assumptions	(0.64)	(0.21)
	Benefits Paid	(0.16)	(0.15)
	Present Value of Obligation at the end of the year	**2.93**	**3.73**
(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	2.93	3.73
	Fair Value of Plan Assets at the end of the year	-	-
	Liabilities Recognised in the Balance Sheet	**2.93**	**3.73**
(c)	**Expense Recognised in the Other Comprehensive Income**		
	Remeasurements Gains	(0.64)	(0.21)
		(0.64)	**(0.21)**
(d)	**Expense Recognised in Profit or Loss**		
	Current Service Cost	0.05	0.06
	Interest Cost	0.01	0.02
	Total@	**0.06**	**0.08**

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

(Rs. in Crores)

		As at 31st March, 2022	As at 31st March, 2021
(e)	**Principal Actuarial Assumptions**		
	Discount Rate	1.66%	0.74%
	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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(f) Sensitivity Analysis	Change in Assumption	Impact on defined benefit obligation (2021-22)	Impact on defined benefit obligation (2020-21)
Discount Rate	Increase by 1%	Decrease by Rs. 0.46 Crores	Decrease by Rs. 0.63 Crores
	Decrease by 1%	Increase by Rs. 0.59 Crores	Increase by Rs. 0.83 Crores
Pensions in Payment Rate	Increase by 1%	Inrcease by Rs. 0.46 Crores	Increase by Rs. 0.63 Crores
	Decrease by 1%	Decrease by Rs. 0.37 Crores	Decrease by Rs. 0.51 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. 10.79 Crores (Previous Year - Rs. 9.83 Crores) has been recognised as expenditure towards above defined contribution plans of the Parent Company.

(C) Pension Fund (Overseas Subsidiaries)

During the year, an amount of Rs. 13.63 Crores (Previous Year - Rs. 11.04 Crores) has been recognised as expenditure towards defined contribution plans of the overseas subsidiaries. The contribution includes social insurance contribution by the employer on salary and wages.

(III) Leave Obligations

The Parent Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Parent Company's policy. The Parent Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

The total provision recorded by the Parent Company towards this obligation as on reporting date is Rs. 23.23 Crores (Previous Year- Rs.22.94 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, 2022	**31st March, 2021**
Leave provision not expected to be settled within the next 12 months	20.79	20.93

(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.

38 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 development of Graphene Sheets 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, 2022

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue from Operations						
External Sales	2,782.44	1,793.33	180.53	119.72	2,962.97	1,913.05
Other Operating Revenues	24.99	19.93	38.56	24.64	63.55	44.57
	2,807.43	1,813.26	219.09	144.36	3,026.52	1,957.62
Inter Segment Sales	0.68	-	0.29	0.19	0.97	0.19
Segment Revenues	**2,808.11**	**1,813.26**	**219.38**	**144.55**	**3,027.49**	**1,957.81**
Segment Results	**445.74**	**(67.31)**	**64.11**	**37.23**	**509.85**	**(30.08)**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					170.83	108.11
Fair Value Gains on Derivatives Not Designated as Hedges					0.03	-
Interest Income					86.64	73.81
Dividend Income					1.20	0.01
Finance Costs					(4.57)	(6.06)
Other Un-allocable Expenditure (Net)					(55.29)	(92.90)
Profit before Tax and Share of Loss of an Associate					**708.69**	**52.89**
Share of Loss of an Associate					(16.10)	(10.08)
Profit before Tax					**692.59**	**42.81**
Depreciation and Amortisation expenses	**50.21**	**46.81**	**3.60**	**3.72**	**53.81**	**50.53**
Unallocable					1.31	1.37
Total					**55.12**	**51.90**
Non-cash Expenses other than Depreciation and Amortisation	**1.12**	**71.14**	**0.54**	**0.05**	**1.66**	**71.19**
Unallocable					*	*
Total					**1.66**	**71.19**
Interest Income	**4.16**	**1.70**	**0.12**	**0.61**	**4.28**	**2.31**
Unallocable					86.64	73.81
Total					**90.92**	**76.12**
Capital Expenditure	**81.20**	**98.30**	**2.18**	**0.22**	**83.38**	**98.52**
Unallocable					0.39	0.27
Total					**83.77**	**98.79**
Segment Assets	**3,179.43**	**2,368.00**	**265.93**	**214.31**	**3,445.36**	**2,582.31**
Reconciliation to Total Assets:						
Investments					2,377.30	2,726.96
Non Current Tax Assets (Net)					130.59	143.30
Deferred Tax Assets (Net)					1.83	2.99
Other Unallocable Assets					343.91	74.79
Total					**6,298.99**	**5,530.35**
Segment Liabilities	**563.77**	**321.67**	**21.57**	**23.88**	**585.34**	**345.55**
Reconciliation to Total Liabilities:						
Borrowings					427.85	223.40
Current Tax Liabilities (Net)					113.02	244.50
Deferred Tax Liabilities (Net)					121.53	92.74
Other Unallocable Liabilities					104.18	82.41
Total					**1,351.92**	**988.60**

*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, 2022

C. Entity-wide disclosures:-

(Rs. in Crores)

	2021-22	2020-21
(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	1,764.66	1,082.71
Rest of the World	1,198.31	830.34
	2,962.97	**1,913.05**

	31st March, 2022	31st March, 2021
(ii) Non-current assets (excluding Financial Assets, Non Current Tax Assets and Deferred Tax Assets) by location of assets is shown below:		
India	705.74	671.62
Rest of the World	146.43	59.38
	852.17	**731.00**

(iii) One customer individually accounted for more than 10% of the revenues from external customers amounting to Rs. 444.63 crores during the year ended March 31, 2022 arising from sales in the Graphite and Carbon Segment. During previous year ended March 31, 2021, no customer individually accounted for more than 10% of revenue from external customer.

39 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)
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, Emerald Matrix Holdings PTE. Ltd, Emerald Highrise Private Limited, B.D. Bangur Endowment, Krishna Kumar Bangur(HUF), Salasar Towers Private Limited	Entities under significant influence of UCP
Mr. A. Dixit	Key Management Personnel (KMP) - Executive Director (ED)
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^, Ms. Sudha Krishnan**	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.- 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	
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	

$ Mr. J. D. Curravala retired by rotation in AGM held on 20.08.2021
^ Term of Ms. Shalini Kamath as Independent director ended on 10.08.2021
** Ms. Sudha Krishnan appointed as an Independent director w.e.f. 01.12.2021

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(ii) Particulars of transactions during the year -

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(A)	**Immediate and Ultimate Holding Company of the Parent Company**		
	Dividend Paid	59.91	-
(B)	**Fellow Subsidiary of the Parent Company**		
	Dividend Paid	0.44	-
(C)	**Associate of ECPL**		
	Dividend Paid	0.19	-
(D)	**UCP**		
	Dividend Paid	0.11	-
	Sitting Fees	0.04	0.02
	Total	**0.15**	**0.02**
(E)	**Relatives of UCP**		
	Dividend Paid		
	Ms. Manjushree Bangur	0.12	-
	Ms. Divya Bagri	0.08	-
	Ms. Aparna Bangur	0.09	-
	Mr. Siddhant Bangur	0.12	-
	Ms. Rukmani Devi Bangur	0.03	-
	Total	**0.44**	**-**
(F)	**Remuneration Paid**		
	Mr. Siddhant Bangur	0.08	-
	Total	**0.08**	**-**
(G)	**Entities under significant influence of UCP**		
	Dividend Paid		
	GKW Limited	2.00	-
	Emerald Matrix Holdings PTE. Ltd	0.70	-
	Emerald Highrise Private limited	*	-
	Krishna Kumar Bangur (HUF)	0.03	-
	Rent Expenses		
	Salasar Towers Private Limited	0.07	0.07
	Contributions made		
	B.D. Bangur Endowment	0.33	1.49
	Total	**3.13**	**1.56**
(H)	**KMP**		
	ED		
	Remuneration		
	- Short-term Employee Benefits	1.64	1.47
	- Post Employment Benefits	0.16	0.09
	Total	**1.80**	**1.56**
(I)	**CFO**		
	Dividend Paid	*	-
	Sitting Fees	*	*
	Loan Recovered	-	*
	Remuneration		
	- Short-term Employee Benefits	0.44	0.38
	- Post Employment Benefits	0.05	0.05
	Total	**0.49**	**0.43**

*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, 2022

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

(Rs. in Crores)

		Year ended 31st March, 2022	Year ended 31st March, 2021
(J)	NED		
	Dividend Paid		
	Mr. N. Venkataramani	*	-
	Sitting Fees		
	Mr. N.S. Damani	0.03	0.01
	Mr. A.V. Lodha	0.04	0.01
	Mr. P.K. Khaitan	0.05	0.01
	Mr. N. Venkataramani	0.07	0.02
	Mr. J. D. Curravala	0.01	0.01
	Mr. Gaurav Swarup	0.05	0.02
	Ms. Shalini Kamath	0.01	0.01
	Ms. Sudha Krishnan	0.01	-
	Commission		
	Mr. N.S. Damani	0.08	0.05
	Mr. A.V. Lodha	0.10	0.07
	Mr. P.K. Khaitan	0.08	0.05
	Mr. N. Venkataramani	0.13	0.10
	Mr. J. D. Curravala	-	0.05
	Mr. Gaurav Swarup	0.10	0.07
	Ms. Shalini Kamath	-	0.05
	Ms. Sudha Krishnan	0.02	-
	Total	**0.78**	**0.53**
(K)	**Entities under significant influence of NED**		
	Professional fees		
	Khaitan & Co. LLP, New Delhi	-	0.03
	Khaitan & Co. LLP, Kolkata	0.34	0.33
	Khaitan & Co., Mumbai	0.22	0.53
	Khaitan & Co. LLP, Noida	0.12	0.04
	Purchase of Spares		
	Paharpur Cooling Towers Ltd	-	0.01
	Total	**0.68**	**0.94**
(L)	**KMP of ECPL**		
	Remuneration		
	Mr. M.C. Darak	0.23	0.21
	Mr. S. Marda	0.29	0.24
	Mr. B. Shiva	0.55	0.46
	Dividend Paid		
	Mr. M.C. Darak	*	-
	Mr. S. Marda	*	-
	Mr. B. Shiva	*	-
	Total	**1.07**	**0.91**
(M)	**Relative of KMP of ECPL**		
	Remuneration		
	Mr. R.G. Darak	0.20	0.17
	Dividend Paid		
	Mr. R.G. Darak	*	-
	Total	**0.20**	**0.17**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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

(Rs. in Crores)

	Year ended 31st March, 2022	Year ended 31st March, 2021
(N) PEBP		
Contribution Made		
Graphite India Limited Employees' Gratuity Fund	4.58	2.71
Graphite Vicarb India Limited Employees' Gratuity Fund	0.16	1.15
Graphite India Limited (PSD) Employees' Gratuity Fund	0.01	0.14
Graphite India Employees Group Gratuity Scheme	0.94	2.63
Graphite India Limited Senior Staff Superannuation Fund	1.41	1.80
Graphite India Employees Group Superannuation Scheme	1.16	1.03
Graphite India Limited Provident Fund	0.09	0.08
GIL Officers Provident Fund	0.20	0.18
Total	**8.55**	**9.72**

(iii) Balances Outstanding

	As at 31st March, 2022	As at 31st March, 2021
(A) KMP		
Other Financial Liabilities		
ED	0.60	0.49
CFO	0.09	0.03
CS	0.09	0.04
Total	**0.78**	**0.56**
(B) NED		
Other Financial Liabilities		
Mr. N.S. Damani	0.08	0.05
Mr. A.V. Lodha	0.10	0.07
Mr. P.K. Khaitan	0.08	0.05
Mr. N. Venkataramani	0.13	0.10
Mr. J. D. Curravala	-	0.05
Mr. Gaurav Swarup	0.10	0.07
Ms. Shalini Kamath	-	0.05
Ms. Sudha Krishnan	0.02	-
Total	**0.51**	**0.44**
(C) Entities under significant influence of NED		
Trade Payables		
Khaitan & Co. LLP, Kolkata	*	-
(D) KMP of ECL		
Other Financial Liabilities		
Mr. M.C. Darak	0.02	0.02
Mr. S. Marda	0.05	0.02
	0.07	**0.04**
(E) Relative of KMP of ECL		
Other Financial Liabilities		
Remuneration		
Mr. R.G. Darak	**0.02**	**0.01**

*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, 2022

(Rs. in Crores)

(iii) Balances Outstanding (Contd.)

	As at 31st March, 2022	As at 31st March, 2021
(F) PEBP		
Other Financial Liabilities		
Graphite India Limited Provident Fund	0.06	0.01
GIL Officers Provident Fund	0.04	0.03
Total	**0.10**	**0.04**
(G) Associate of the Group		
Investment in Shares		
General Graphene Corporation #	-	**85.04**

(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 and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

Became subsidiary of Graphite International B.V. during the year with effect from 1st February, 2022.

40 Fair Value Measurements

(i) Financial Instruments by Category

	Notes	31st March, 2022 Carrying Amount/ Fair Value	31st March, 2021 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Quoted equity shares	7	279.15	123.21
- Unquoted equity shares	7	91.12	41.02
- Mutual Funds/Other Funds	7	1,086.58	1,459.01
- Perpetual Bonds	7	245.87	220.07
- Venture Capital Fund	7	85.19	25.77
- Market Linked Debenture	7	24.57	21.17
- Other Financial Assets	12	11.70	8.44
Derivative Instruments-Foreign Exchange Forward Contracts	12	0.03	-
Assets Carried at Amortised Cost			
Investments			
- Debentures, Bonds and Corporate Deposits	7	681.38	829.00
Trade Receivables	8	540.05	339.59
Cash and Cash Equivalents	9	68.45	229.97
Other Bank Balances	10	75.21	14.19
Loans	11	1.89	1.88
Other Financial Assets*	12	280.60	90.07
Total Financial Assets		**3,471.79**	**3,403.39**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	16,18.2	428.38	223.50
Trade Payables	17	448.23	229.97
Other Financial Liabilities and Lease Liabilities	18.1,18.2	158.47	120.20
Total Financial Liabilities		**1,035.08**	**573.67**

* Includes Rs. 204.64 Crores (Previous Year - Nil) on account of sale of listed equity shares under open offer which was subsequently realised on 11th April, 2022.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(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, 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 as determined appropriate. 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, as applicable.

(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 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 (NAV) given by the funds.

(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 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.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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, 2022 and 31st March, 2021.

(Rs. in Crores)

	31st March, 2022			31st March, 2021		
	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/Other Funds	-	1,086.58	-	-	1,459.01	-
- Perpetual Bonds	-	245.87	-	-	220.07	-
- Quoted Equity Investments	279.15	-	-	123.21	-	-
- Unquoted Equity Investments	-	-	91.12	-	-	41.02
- Venture Capital Fund	-	85.19	-	-	25.77	-
- Market Linked Debenture	-	24.57	-	-	21.17	-
Derivative Instruments-Foreign Exchange Forward Contracts	-	0.03	-	-	-	-
	279.15	**1,442.24**	**91.12**	**123.21**	**1,726.02**	**41.02**
(b) Amortised Cost for which Fair Values are						
Financial Assets ^						
Investments						
- Debentures, Bonds and Corporate Deposits	-	681.38	-	-	829.00	-
	-	**681.38**	**-**	**-**	**829.00**	**-**

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 Techique	Significant unobservable inputs	
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	
		Impact of sensitivity on fair value	
		31st March, 2022	**31st March, 2021**
EPS or PE Ratio (other parameters constant)	Decrease by 5%	Rs. 2.78 crores	Rs. 1.10 crores
EPS or PE Ratio (other parameters constant)	Increase by 5%	Rs. 2.78 crores	Rs. 1.10 crores
EPS or PE Ratio (worst case scenario)	Decrease by 5%	Rs. 5.42 crores	Rs. 2.13 crores

Reconciliation of fair value measurement of Level 3 assets **(Rs. in Crores)**

Particulars	Amount
As at 01.04.2020	33.78
Fair Value Changes	7.24
As at 31.03.2021	**41.02**
Fair Value Changes	50.10
As at 31.03.2022	**91.12**

^ In respect of Trade Receivables, Cash & Cash Equivalents, Other Bank balances and Other Financial Assets (carried at amortised cost), 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, 2022

41 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 established 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, corporate deposits 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, 2022 and 31st March, 2021 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, 2022 and 31st March, 2021. Of the total trade receivables, Rs. 426.12 Crores as at 31st March, 2022, Rs. 247.36 Crores as at 31st March, 2021 consisted of customer balances that were neither due nor impaired as at such respective dates.

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, 2022	As at 31st March, 2021
1-90	111.16	87.96
91-180	0.09	0.50
More than 180	2.68	3.77
	113.93	**92.23**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

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, 2022**	**31st March, 2021**
Opening Balance	4.34	7.76
Provision utilised during the year	(0.09)	(3.36)
Exchange Differences	-	0.16
Provision written back during the year	-	(0.22)
Closing Balance	**4.25**	**4.34**

(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, 2022	**As at 31st March, 2021**
Floating/Fixed Rate		
- Expiring within one year (working capital facilities)	340.37	462.37
	340.37	**462.37**

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**	**More than 1 year**	**Total**
31st March, 2022			
Borrowings	427.85	-	427.85
Trade Payables	446.26	1.97	448.23
Other Financial Liabilities ^	153.68	6.13	159.81
Total	**1,027.79**	**8.10**	**1,035.89**
31st March, 2021			
Borrowings	223.40	-	223.40
Trade Payables	220.04	9.93	229.97
Other Financial Liabilities ^	119.42	1.38	120.80
Total	**562.86**	**11.31**	**574.17**

^ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 0.81 Crores (Previous Year- Rs. 0.50 Crores).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(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, 2022		31st March, 2021	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables*	183.77	7.93	76.70	3.32
Cash and Cash Equivalents	20.32	-	92.41	-
Investments	96.25	-	168.82	-
Other Financial Assets	0.23	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**300.57**	**7.93**	**337.93**	**3.32**
Financial Liabilities				
Borrowings	63.84	-	-	-
Trade Payables	271.57	4.34	56.57	1.64
Other Financial Liabilities	21.29	0.45	7.58	0.82
Net Exposure to Foreign Currency Risk (Liabilities)	**356.70**	**4.79**	**64.15**	**2.46**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**(56.13)**	**3.14**	**273.78**	**0.86**

* Excluding forward contracts outstanding as on March 31, 2022 of Rs. 31.13 Crores.

(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, 2022	**31st March, 2021**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 5%)*	(2.81)	13.69
INR/USD - Decrease by 5% (Previous year 5%)*	2.81	(13.69)
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 5%)*	0.16	0.04
INR/EUR - Decrease by 5% (Previous year 5%)*	(0.16)	(0.04)

* Holding all other variables constant

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

(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, 2022	**31st March, 2021**
Variable Rate Borrowings	364.06	223.40
Fixed Rate Borrowings	63.79	-
Total Borrowings	**427.85**	**223.40**

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

(Rs. in Crores)

	31st March, 2022			**31st March, 2021**		
	Weighted average interest rate (%)	**Balance**	**% of Total Loans**	**Weighted average interest rate (%)**	**Balance**	**% of Total Loans**
Cash Credit/ Export Credit Facilities	2.84%	364.06	85%	3.47%	223.40	100%

An analysis by maturities is provided in Note 41(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, 2022	**31st March, 2021**
Interest Rates — Increase by 100 basis points (100 bps) *	(3.64)	(2.23)
Interest Rates — Decrease by 100 basis points (100 bps) *	3.64	2.23

*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, 2022

(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 40).

(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, perpetual bonds and Market linked debenture respectively and venture capital funds.

(Rs. in Crores)

	Impact on profit before tax	
	31st March, 2022	**31st March, 2021**
NAV - Increase by 1%*	11.71	16.58
NAV - Decrease by 1%*	(11.71)	(16.58)
Interest Rates — Increase by 100 basis points (100 bps) *	(15.81)	(6.19)
Interest Rates — Decrease by 100 basis points (100 bps) *	15.81	6.19

* 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.

42 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, 2022

The following table summarises the capital of the Group:

(Rs. in Crores)

	31st March, 2022	31st March, 2021
Total Borrowings	427.85	223.40
Less: Cash and Cash Equivalents	(68.45)	(229.97)
Net Debt	**359.40**	**(6.57)**
Equity	**4,947.07**	**4,541.75**
Total Capital (Equity+ Net Debt)	**5,306.47**	**4,535.18**
Net Debt to Equity Ratio	**0.07**	**NIL**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

(Rs. in Crores)

(b) Dividend on Equity Shares	Year ended 31st March, 2022	Year ended 31st March, 2021
Dividend declared and paid during the year		
Final dividend for the year ended 31st March, 2021 Rs.5/- per fully paid share.	97.69	-
	97.69	**-**
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have recommended the payment of a dividend of Rs. 10/- per fully paid share (Previous Year – Rs. 5/- per fully paid up share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	195.38	97.69

The above dividend declared/paid/proposed is in compliance with section 123 of the Companies Act, 2013.

43 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2022	As at 31st March, 2021
Current		
First Charge		
Financial Assets		
Trade Receivables @	537.67	361.57
Non-financial Assets		
Inventories	1,470.60	823.42
Sub-total	**2,008.27**	**1,184.99**
Non-current		
First Charge/Second Charge #		
Plant and Equipments	346.88	374.48
Furniture and Fixtures	1.34	1.34
Office Equipments	1.29	1.50
Vehicles	3.58	3.54
Sub-total	**353.09**	**380.86**
Total	**2,361.36**	**1,565.85**

@ including inter-company receivables which is eliminated in consolidated financial statement

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, 2022

44 In the previous year ended 31st March, 2021, the Group in accordance with the applicable Ind AS Accounting Standards had recognised 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. In the current year, the closing balance of NRV provision on inventories is Rs. 31.31 Crores (Previous Year - Rs. 353.51 Crores).

45 The outbreak of Corona virus (COVID-19) pandemic globally and in India had caused significant disturbance and slowdown of economic activity. While the pandemic situation has improved significantly in this last nine months of the current year, the Group has taken into account the possible impact of COVID-19 in preparation of the consolidated financial statements, including its assessment of recoverability of the carrying value of assets and liabilities based on internal and external information upto the date of approval of these consolidated financial statements and current indicators of future economic conditions. Further, management has assessed its liquidity position as on March 31, 2022 and does not anticipate any challenge in the Group's ability to continue as a going concern. As at date of the balance sheet, the management does not anticipate any adverse impact of the pandemic on it's business in foreseeable future.

46 In July 2021, Graphite International B.V. (GIBV), a wholly owned subsidiary of the Parent Company had invested a sum of USD 2.5 Million in General Graphene Corporation, USA (GGC) in addition to the existing investment of USD 13.59 Million as on March 31, 2021. On February 1, 2022, GIBV obtained control over GGC, consequent to which GGC became GIBV's subsidiary (with 51.806% stake) from associate.

Accordingly, on February 1, 2022, GIBV remeasured its previously held equity interest in GGC at fair value and recognised the resulting loss amounting to Rs. 4 crores and recognised the identifiable assets acquired and liabilities assumed at their fair value at the acquisition date in accordance with Ind AS 103 : Business Combination.

47 Pursuant to the publication of Tariff Order for the years 2006-07 to year 2008-09 by Hon'ble West Bengal Electricity Regulatory Commission, during the year ended 31st March, 2021, the Parent Company was to be awarded a net refund of Rs. 85 Crores from Damodar Valley Corporation (DVC) towards electricity charges paid in respect of its Durgapur plant for the above years, which was to be adjusted against monthly energy bill/s in 24 equal instalments starting December 2020. Out of the above refund entitlement, Rs. 81 Crores was accounted for as 'Other Income' in the financial statement for the year ended 31st March, 2021, while the differential amount of Rs. 4 Crores was/was to be accrued as interest income over the period of 24 months in accordance with applicable IND AS standards. Out of the total receivables, Rs. 42 Crores has been adjusted against monthly energy bills till March 31, 2022.

During the year ended 31st March, 2021, DVC had also refunded Rs.10 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 was adjusted against monthly energy bills of Jan'21 to Mar'21 and was included under 'Other income' during the year ended March 31, 2021 (Refer note 22). During the current year, DVC has challenged the aforesaid refund of Rs.10 Crore in the Appellant Tribunal for Electricity, New Delhi, and accordingly the same has been shown in contingent liability under 'Other Matters' [Note 34(i)(h)].

48 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.

49 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).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

50 Business combination

Step up acquisition during the year ended 31 March, 2022 Conversion of General Graphene Corporation, USA (GGC) from an associate to a subsidiary.

In July 2021, Graphite International B.V. (GIBV), a wholly owned subsidiary of the Parent Company had invested a further sum of USD 2.5 Million in General Graphene Corporation, USA (GGC) (engaged in the development of Graphene sheets) in addition to the existing investment of USD 13.59 Million as on March 31, 2021. On February 1, 2022, GIBV obtained control over GGC, consequent to which GGC became GIBV's subsidiary (with 51.806% stake) from an associate.

Accordingly, on February 1, 2022, GIBV remeasured its previously held equity interest in GGC at fair value and recognised the resulting loss amounting to Rs. 3.69 Crores in the Statement of Profit and loss under Other expenses (Refer Note 29).

GIBV also recognised the identifiable assets (tangible and intangible) acquired and liabilities assumed at their respective fair values as at the acquisition date (i.e. February 1, 2022) in accordance with Ind AS 103 : Business Combination.

Assets acquired and liabilities assumed as on February 1, 2022

The fair values of the identifiable assets and liabilities of GGC as at the date of acquisition were:

Particulars	**Amount (Rs. in Crores)**
Assets	
Property, Plant and Equipment	18.13
Software (Refer Note 6)	0.37
Patents (Refer Note 6)	3.79
Trademarks (Refer Note 6)	1.81
Knowhow (Refer Note 6)	7.26
Right-of-use assets (Refer Note 6.4)	2.08
Cash and cash equivalents	8.30
Other Current Assets	0.38
Total (A)	**42.12**
Liabilities	
Trade payables	5.36
Other liabilities	0.11
Other financial liabilities	7.51
Deferred tax liabilities	2.32
Total (B)	**15.30**
Net assets acquired (A) - (B) = (C)	**26.82**
Attributable to NCI - (D)	**0.27**
Total purchase consideration equivalent to fair value of equity holding (E)	**81.95**
Goodwill arising on business combination (F) = (E) - (C-D)	**55.40**
Net cash acquired on business combination (Refer Cash flow statement)	**8.30**

The goodwill of Rs. 55.40 Crores comprises the value of benefits expected to arise pursuant to investment in GGC.

As per the applicable accounting standard, NCI has been measured at the present ownership instrument's proportionate share in the recognised amounts of the acquiree's (GGC) identifiable net assets in the event of liquidation. The Group's shareholding in GGC has preferential rights in case of liquidation and accordingly, the NCI has been computed after taking that into consideration.

Subsequent to year ended March 31, 2022, GIBV invested an additional sum of USD 2.5 Million on which the Group has provided for a Mark to market loss of Rs. 6.60 Crores as Loss on Fair Value of Commitment (included under 'Other Expenses' under Note 29) in the financial statements for the year ended March 31, 2022.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

51 Ratio Analysis and its elements

S.No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance **
1	Current Ratio	Current Assets	Current Liabilities	3.66	4.16	(12.12%)
2	Debt-Equity Ratio	Borrowings	Total Equity	0.07	0.00	100.00%
3	Debt Service Coverage Ratio	Earning available for debt services	Debt Service	110.97	14.84	647.92%
4	Return on Equity Ratio (%)	Profit/(Loss) after tax	Average Equity	10.65%	(0.71%)	1610.55%
5	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	1.04	1.03	1.59%
6	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	6.88	5.28	30.44%
7	Trade payables turnover ratio	Purchase	Average Trade payables	6.25	3.68	69.91%
8	Net capital turnover ratio	Revenue from Operations	Current Assets (excluding Current Investments and Other financial assets on account of sale of Listed equity shares) minus Current Liabilities	2.17	2.11	2.93%
9	Net profit ratio (%)	Profit/(Loss) after tax	Revenue from Operations	16.70%	(1.64%)	1119.25%
10	Return on Capital employed (%)	Earning before interest and taxes (EBIT)	Capital Employed	12.87%	1.01%	1178.54%
11	Return on investment (%)	Income on Investment	Investments	9.37%	7.43%	26.08%

Reasons for variance more than 25% in above ratios is explained below:

**Improvement due to robust revenue growth, faster collections; impact of COVID-19 pandemic in base year ; working capital efficiency.

S.No.	Particulars	Numerator	Denominator
(a)	Current Ratio	Current Assets	Current Liabilities
(b)	Debt-Equity Ratio	Borrowings includes Current Borrowings - Cash & Cash equivalents.	Total Equity includes Equity Share Capital and Other Equity
(c)	Debt Service Coverage Ratio	Earning available for debt services includes Profit for the year + Finance cost + Depreciation and amortisations + Bad Debts Written Off + Corporate Social Responsibility Expenditure (CSR) + Loss on Fair Valuation of commitment and Loss on Fair Value of Investment in Associate.	Debt Service includes Finance cost and Finance Lease payments
(d)	Return on Equity Ratio (%)	Profit for the year	Average Equity includes average of total equity of current year and previous year
(e)	Inventory Turnover Ratio	Cost of goods sold (COGS) includes Cost of Materials Consumed + Changes in Inventories of Finished Goods, Work-in-Progress and Consumption of Stores and Spare Parts	Average inventory includes average of opening and closing inventory
(f)	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables includes average of Trade Receivables of current year and previous year
(g)	Trade Payables Turnover Ratio	Purchase includes purchases of raw material + Stores and Spares	Average Trade Payables includes average of Trade Payables of current year and previous year
(h)	Net Capital Turnover Ratio	Revenue from Operations	Current Assets (excluding Current Investments and Other financial assets on account of sale of Listed equity shares) minus Current Liabilities
(i)	Net Profit Ratio (%)	Profit for the Year	Revenue from Operations
(j)	Return on Capital Employed (%)	Earning before interest and taxes (EBIT) includes Profit before Tax + Finance Cost	Capital Employed includes Total equity + Current Borrowings + Deferred tax Liabilities - Goodwill - Intangible Assets
(k)	Return on Investment (%)	Income on Investment includes interest income on investment + income on fair valuation of investment + Dividend income and profit/(loss) on sale of investments	Average investment includes average of opening and closing investments.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2022

52 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off under sec 248 of Companies Act 2013.

(iii) The Group does not have any charges or satisfaction which is pending to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

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 - 23rd May, 2022

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

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

Notes