



# GRAPHITE INDIA LIMITED

BAKHTAWAR, 2ND FLOOR, NARIMAN POINT, MUMBAI 400 021.  
PHONE : (022) 2288 6418-21, FAX : (022) 2202 8833  
E-MAIL : gilbakt@graphiteindia.com

GIL:SEC:16:17/   
August 16, 2016

The Corporate Relationship Department  
Bombay Stock Exchange Limited  
2<sup>nd</sup> Floor, New Trading Ring,  
Rotunda Bldg., P.J.Towers,  
Dalal Street, **Mumbai 400 001.**  
Fax No. 2272 1072/3121/ 3719/ 2061  
Scrip Code – 509488


Sir,

**Re: Annual Report 2015-16**

We are attaching here-with Annual Report of the Company for the Financial year ended 31<sup>st</sup> March, 2016 in pdf form. The same has been approved and adopted in the Annual General Meeting of the members of the company held on 10<sup>th</sup> August, 2016.

Thanking you,

Yours faithfully,  
For Graphite India Limited

  
B Shiva  
Company Secretary  
Encl: as above

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# Graphite India Limited

ANNUAL REPORT  
2015-16

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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  
Dr R Srinivasan  
Mr Gaurav Swarup  
Mr N Venkataramani  
Mr J D Curavala  
Mrs Shalini Kamath  
Mr M B Gadgil, Executive Director

## **COMPANY SECRETARY**

Mr B Shiva

## **AUDITORS**

Price Waterhouse

## **SOLICITORS**

Khaitan & Co.  
Orr, Dignam & Co.

## **BANKERS**

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

## **REGISTERED OFFICE**

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

**GRAPHITE INDIA LIMITED**

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

NOTICE is hereby given that the Forty First ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Wednesday, the 10th day of August, 2016 at 3:45 p.m. at Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Interim dividend paid on Equity Shares for the year ended 31st March, 2016 as final dividend for the said year.
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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) as Auditors of the Company for a period of 3 (three) years i.e. till the conclusion of the 42nd Annual General Meeting (AGM) of the Company, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the Forty Second AGM of the Company to be held in the year 2017, at such remuneration plus service tax and out of pocket expenses as shall be fixed by the Board of Directors in consultation with the Auditors.

**SPECIAL BUSINESS**

5. To appoint Mrs. Shalini Kamath (DIN: 06993314) as a Director and an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

RESOLVED THAT Mrs. Shalini Kamath (DIN: 06993314) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, Mrs. Shalini Kamath (DIN: 06993314), who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (five) consecutive years for a term from 10th August, 2016 upto 9th August, 2021.

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, 2017 as approved by the Board of Directors of the Company, on the recommendation of the Audit Committee and as detailed hereunder be and is hereby ratified.

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

@ plus service tax and reimbursement of out of pocket expenses

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

RESOLVED THAT pursuant to Section 42 of Companies Act, 2013 and Rule 14(2) (a) Companies (Prospectus & Allotment of Securities Rules) 2014 and other provisions / rules as may be applicable and subject wherever required to 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 which the Board of Directors of the Company (Board) be and is hereby authorized to accept, to create, issue and allot Non-convertible Debentures (hereinafter referred to as NCDs) upto an aggregate amount of Rs.500 crore (Rupees Five Hundred crore) (Nominal value of each NCD to be decided by the Board) in one or more series / tranches for subscription for cash at par on private placement basis 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 NCDs are to be issued, consideration, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental there.

FURTHER RESOLVED THAT for the purpose of giving effect to this Special Resolution, the Board be and is hereby authorized 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 NCDs, nature of security, if any, appointment of Trustees and do all such acts, deeds, matters and things of whatsoever nature as the Board, in its absolute discretion, consider necessary, expedient, usual or proper.

FURTHER RESOLVED THAT the Board shall have the right at any time to modify, amend any of the terms and conditions contained in the Offer Documents, Application Forms etc. notwithstanding 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 authorize in this behalf.

By Order of the Board  
For Graphite India Limited

B. Shiva  
Company Secretary

Kolkata  
May 12, 2016

**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 Directors proposed for re-appointment/ appointments at the meeting are annexed hereto.
- b. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- c. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 4th August, 2016 to Wednesday, the 10th August, 2016 (both days inclusive).
- e. Interim dividend paid @ Rs.2/- per share has been recommended for declaration to be final dividend for the year ended 31st March, 2016.
- f. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government. Outstanding unclaimed / unencashed fractional entitlement upon merger of Powmex Steels division of GKW Ltd. with the Company would be transferred to the said fund in last week of July, 2016.

Unclaimed / unencashed dividend (Final dividend) declared by the Company for the year ended 31st March, 2009 would be transferred to the said fund in the last week of August, 2016.

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office/ Mumbai office of the Company for revalidation and encash them immediately. Unclaimed/ Unencashed dividend upto the year ended 31st March, 2008 have already been transferred to the IEPF.

- g. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 11, 2015 (date of last Annual General Meeting) on the website of the Company ([www.graphiteindia.com](http://www.graphiteindia.com)) as also on the Ministry of Corporate Affairs website ([www.mca.gov.in](http://www.mca.gov.in))
- h. Members/Proxies should fill in the Attendance Slip for attending the meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting. Members are requested to affix their signature at the space provided in the attendance slip with complete details including the Folio No. annexed to the proxy form and hand over the slip at the entrance of the place of meeting.
- i. Members are requested to notify change in their address, if any, immediately to the Company's Registrar, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400 078 or to their Kolkata office at 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020.
- j. All the documents referred in the accompanying notice will be available for inspection at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days till the date of ensuing Annual General Meeting.

**k. Voting through electronic means**

- I The Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the 41st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("e-voting") will be provided by Central Depository Services Limited (CDSL).
- II The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.

**III The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 7th August, 2016 – from 9.00 a.m. (IST) and ends on 9th August, 2016 – at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (3rd August, 2016), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - o For CDSL: 16 digits beneficiary ID,
  - o For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - o Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (IV) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (3rd August, 2016) only shall be entitled to avail the facility of e-voting as well as voting at the AGM through ballot paper.
- (V) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “e-voting” or “Ballot Paper” or “Poll Paper” for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- (VI) Mrs. Swati Bajaj, Partner, M/s. P.S. & Associates, Practicing Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through Ballot Paper or Poll Paper, in a fair and transparent manner.
- (VII) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the



Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

By Order of the Board  
For Graphite India Limited

Kolkata  
May 12, 2016

B. Shiva  
Company Secretary

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

#### **ITEM NO. 5**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Shalini Kamath as an Additional Director of the Company, who holds office upto the date of the AGM of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Shalini Kamath for the office of Director of the Company.

Mrs. Shalini Kamath is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Mrs. Shalini Kamath that she meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Regulations 16(1)(b) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015. In the opinion of the Board, Mrs. Shalini Kamath fulfills the conditions for her appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015. Mrs. Shalini Kamath is independent of the management.

Brief resume of Mrs. Shalini Kamath, nature of her expertise in specific functional areas and names of listed companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulations 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 is annexed to the Notice.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of shareholders.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Shalini Kamath is appointed as an Independent Director.

Copy of the draft letter for appointment of Mrs. Shalini Kamath as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

#### **ITEM No. 6**

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

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

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

**ITEM No. 7**

In order to arrange funds for capital expenditure / general corporate purposes, the Board could consider issue of Non-convertible debentures upto Rs. 500 crore (Rupees Five Hundred crore) on a private placement basis. Pursuant to the provision of Section 42 of Companies Act, 2013 read with Rules 14(2) (a) of Companies (Prospectus & Allotment of Securities) Rules, 2014, members approval by way of a special resolution would be sufficient for all offers or invitation for such 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 set out at Item No. 7 of the Notice.

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

By Order of the Board  
For Graphite India Limited

Kolkata  
May 12, 2016

B. Shiva  
Company Secretary

**Profile of Directors being appointed / re-appointed in the order of the items mentioned in the notice**

**Mr. K. K. Bangur** aged 55 years, Chairman of the Company is an industrialist of repute. He has been exposed to business and industry at an early age and has more than 30 years of experience in managing the affairs of companies and its business activities. He has been a director of the Company since July 1988 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 19,07,726 shares of the Company including 50500 equity shares held as Karta of HUF & 199505 equity shares on behalf of Family Welfare Trust.

**Directorships in other Companies**

1	Shree Laxmi Agents Ltd.	Chairman
2	Matrix Commercial Pvt. Ltd.	Director
3	Innovative Properties Pvt. Ltd.	Chairman
4	The Marwar Textiles (Agency) Pvt. Ltd.	Director
5	West Bengal Properties Ltd.	Director

**Committee Membership in other Companies - NIL**

**Mrs. Shalini Kamath**, aged 51 years, is a MBA graduate from Edinburgh Business School, UK. She has been trained at Harvard Business School in "Change and Transformation". She is an alumni of CSC Global leadership program. She is a Certified and practicing 'CEO Coach'. She has close to three decades of work experience in three distinct fields – Human Resources, Business Development and Social & Community Development and across two continents – India and Africa. Her Human Resources Career spans close to a decade and half with Group HR Head positions for Chevron Texaco India (Oil & Gas), Star India (Media & Entertainment), KPMG India (Consulting, Audit & Taxation) and Ambit Holdings (Financial Services & Investment Banking). She is a member of the HR Western Sub-Committee of Confederation of Indian Industry (CII), and a member of the HR Committee of Bombay Chamber of Commerce & Industry (BCCI). Mrs. Kamath is an Independent Director on the Board of Gujarat Borosil Ltd. and is on the Advisory Board on TRRAIN (Trust of Retailers and Retail Associates of India). She is also the Chairperson for FICCI – Women on Corporate Boards Mentoring program. She does not hold any shares of the Company. She is not related to any director of the Company.

**Directorships in other Companies**

1	Gujarat Borosil Ltd.	Director
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**Committee Membership in other Companies - NIL**

By Order of the Board  
For Graphite India Limited

Kolkata  
May 12, 2016

B. Shiva  
Company Secretary

## DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty First Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2016.

**Financial Results**

Particulars	Rs in Crore			
	2015-16	2014-15	2015-16	2014-15
	Graphite India Limited		Graphite India Limited Consolidated	
Revenue from Operations (Gross)	1424.64	1571.36	1610.37	1784.80
<b>Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Exceptional Item and Tax</b>	<b>180.08</b>	<b>186.02</b>	<b>167.74</b>	<b>171.85</b>
Finance Costs	7.41	12.23	9.04	15.83
<b>Profit before Depreciation, Exceptional Item and Tax</b>	<b>172.67</b>	<b>173.79</b>	<b>158.70</b>	<b>156.02</b>
Depreciation and Amortisation Expense	44.42	38.75	49.20	43.54
Profit before Tax and Exceptional Item	128.25	135.04	109.50	112.48
Exceptional Item	-	5.60	-	5.60
<b>Profit before Tax</b>	<b>128.25</b>	<b>129.44</b>	<b>109.50</b>	<b>106.88</b>
Tax Expense for the Current Year				
Current Tax	49.50	47.12	52.08	50.57
Deferred Tax	(3.63)	0.13	(3.63)	0.13
Tax Expense - Write Back relating to Earlier Years (Net)	-	-	(0.41)	(1.41)
<b>Profit for the Year</b>	<b>82.38</b>	<b>82.19</b>	<b>61.46</b>	<b>57.59</b>
Balance as at the beginning of the Year	234.05	198.89	229.40	219.71
Amount available for appropriation	316.43	281.08	290.86	277.30
Appropriations :				
Transfer to General Reserve	75.00	-	75.00	-
Transfer to Reserve Fund	-	-	0.59	0.87
Interim Dividend	39.08	-	39.08	-
Proposed Dividend on Equity Shares	-	39.08	-	39.08
Dividend Tax	7.95	7.95	7.95	7.95
Balance as at the close of the Year	194.40	234.05	168.24	229.40
	<b>316.43</b>	<b>281.08</b>	<b>290.86</b>	<b>277.30</b>

**REVIEW OF THE ECONOMY**

The global economic activity remained subdued in year under review. Growth in emerging market which accounts for over 70% of global growth declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy. On this backdrop global economy is estimated to have grown at 3.1% in 2015.

Global growth is projected at 3.4% in 2016 and 3.6% in 2017 as per the World Economic Outlook (WEO) update released by the International Monetary Fund (IMF). In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016-17.

The Central Statistics Office (CSO) has estimated that Indian economy is likely to grow at 7.6% in 2015-16, higher than growth of 7.2% achieved in 2014-15. The growth in agriculture, industry and services is estimated at 1.1%, 7.3% and 9.2% in 2015-16 as opposed to (-) 0.2%, 5.9% and 10.3% respectively in 2014-15. This shows a pick-up in industrial growth, driven by manufacturing which is estimated to have grown at 9.5% in 2015-16, as compared to 5.5% registered in 2014-15. This year witnessed the continuation of the reform momentum built in 2014-15, aiming at aiding growth and macroeconomic stability. The reforms that were initiated last year for debottlenecking the economy, removing structural constraints, promoting industry and enterprise via Make-in-India initiative and the attempted measures to improve the ease of doing business, improving "programme delivery", through direct benefit transfer and other measures, encouraging saving and financial linkages through deepening of banking services and liberalising foreign direct investment policy in various sectors have been taken forward this year.

The Indian economy has emerged as a bright spot in the world economy, becoming one of the fastest growing large economies in the world. It is noteworthy that this growth is estimated to

be achieved despite subdued global demand that dampened India's exports significantly, and two consecutive below-normal monsoons that impacted farm output and productivity.

### **GRAPHITE INDIA**

The Company recorded a subdued performance during the year. Revenue from Operations decreased by 9% to Rs. 1,424.64 crore for FY 2015-16 as against Rs. 1,571.36 crore in the previous year. The decline was primarily driven by lower sales price realization while maintaining the volume. The slide in the prices witnessed during last year continued unabated during the current year due to excess capacity and fierce competition. The global demand for graphite electrodes has remained subdued owing to limited incremental demand for steel. Furthermore, falling iron ore prices have made the Electric Arc Furnace route less economical as compared to the Blast Furnace route in the recent past. Reduction in input costs has compensated to some extent the fall in electrode prices. However, the reduction was not sufficient to compensate for the falling price of finished goods which resulted in stagnant margins. The PAT of Rs. 82.38 crore for current year was slightly higher in comparison to Rs. 82.19 crore of previous year.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 91% of the total revenue.

Glass Reinforced Plastic Pipes division performed better during the year in comparison to previous year. Steel division's performance during the current year was similar compared to previous year.

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

The performance of the German subsidiaries continues to suffer due to unremunerative selling prices and weak demand scenario in Europe. However, the industry continues to be optimistic of a recovery in the medium term.

### **DIVIDEND**

The Directors recommend dividend @ Rs. 2 per equity share on 19,53,75,594 equity shares for the financial year ended 31st March 2016 (inclusive of interim dividend paid @ Rs. 2 per equity share).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **(i) Industry's structure and developments**

#### **A. Graphite and Carbon Segment**

##### **Graphite Electrodes**

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

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

Stagnant demand, intense competition and sliding sales price continued to pose challenges during the year. This is compounded by liberalisation of import tariff for these items by the Government in the FTA regime. Recent Anti Dumping measures on import of graphite electrodes from China had some positive impact to stop the unabated imports from China.

##### **Calcined Petroleum Coke and Paste**

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

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

##### **Impervious Graphite Equipment**

The Impervious Graphite Equipment (IGE) Division is engaged in design, manufacture and supply of Impervious Graphite Heat and Mass transfer equipment and Turnkey systems. The product range includes Graphite Heat Exchangers in Shell & tube type and Polyblock type construction, Turnkey systems like HCl Synthesis units and Dry Gas generation units, Absorbers and Absorption systems, Graphite Columns, H<sub>2</sub>SO<sub>4</sub> Dilution and Cooling units, Vacuum Ejector systems, Graphite Bursting Discs and accessories.

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

Over the years the Company has built this product line into a reliable brand with a reputation for prompt service, good quality and consistent performance through investing in strengthening the core competencies. Compared to previous three years, division's sales were lower primarily due to low order book brought forward from last year. Domestic order booking has been consistent but export market continues to be challenging, though there is some improvement in export order booking compared to last year.

### **Captive Power**

Power constitutes one of the major costs of Electrode Production. For captive consumption, the Company has an installed capacity of 31.5 MW of power generation through Hydel route (18 MW) and through multi-fuel route (13.5 MW). Power generation through Hydel Power Plant was 41.00 million units as against 48.48 million units in the previous year. The multi-fuel power generating sets remained as a stand-by facility as adequate power was available from the Grid.

### **B. Steel Segment**

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

PSD's expectations for growth and consequent improvement in demand for its HSS products did not materialize during 2015-16 due to overall depressed industrial environment in India. This also resulted in lower demand for the special grades developed for a domestic customer. Currently, PSD is developing a new grade which is expected to be approved during 2016-17. During the year, special sections of squares and flats in M2 grade were successfully developed for the domestic market. Exports were affected due to weak economic conditions in the Division's overseas markets.

### **C. Other Segments**

#### **Glass Reinforced Plastic Pipes and Tanks (GRP)**

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

The Company has a good track record of supplying large

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

#### **1.5 MW Hydel Power Facility**

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

#### **(ii) Opportunities and threats**

India is the fourth largest producer of steel in the world. India's crude steel production for 2015 was 89.6 Mt, up by 2.6% on 2014. Indian steel industry has witnessed a sharp downfall after riding high in 2007-08. Sub optimal level of capacity utilization, lower realization due to abundant cheap imports from China, Korea and Russia has adversely impacted the performance. In addition the highly leveraged position with no adequate profitability has put stress on liquidity position of the industry. The situation has been viewed seriously by the Government and effective measures have been taken in the recent past with an objective to bring the industry on track. The recent imposition of Safeguard Duty and Minimum Import Price (MIP) in respect of Chinese imports has shown some initial positive results. Chinese imports to India for January / February 2016 have been on declining trend. Also Chinese domestic Hot Rolled Coil prices have rebound sharply of late from the lows in December 2015 which have resulted in increased steel prices in domestic market. However, the sustainability of the same needs to be established.

India holds third position in consumption of steel. Make in India initiative, investment in railway sector, opening of defense industry for private sector and various other initiatives taken by the Government will give further boost to the steel demand. In the medium to long term, this augurs well for the Graphite Electrode industry.

The short-term challenges which still exist are: (a) uncertain and uneven global growth; (b) highly deteriorated financial health of steel industry; and (c) production of steel through BF route due to lower prices of iron ore. It may also put on hold some of the investment / expansion plans.

There is a gap between demand and supply of Graphite Electrodes. Surplus supply has resulted in price pressure on Graphite Electrodes. Closure of unprofitable electrode manufacturing facilities is expected to give some relief in the medium to long run.

Volumes and business prospects, in general, would be impacted by factors like: (a) Uncertainty about the economic recovery in 2016-17; (b) doubts about the early resolution of the crisis in the euro zone and China; (c) doubts about the pace of hike in

interest rates in the United States; (d) revival of commodity and oil prices to a sustainable level.

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

### (iii) Segment-wise Performance

#### Revenue of the Company

The revenue from operations amounted to Rs. 1,424.64 crore as against Rs. 1,571.36 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 671.70 crore as against Rs. 761.01 crore in the previous year.

#### Graphite and Carbon Segment

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 62,022 Mt against 66,525 Mt in the previous year.

Production of Calcined Petroleum Coke during the year was 20,162 Mt as against 21,668 Mt in the previous year.

Production of Carbon Paste during the year was 5,405 Mt against 8,408 Mt in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares at 1,070 Mt was lower as compared to that of 1,114 Mt in the previous year.

Power generated from captive Hydel Power Plant of 18 MW capacity amounted to 41.00 million units during the year as against 48.48 million units in the previous year. Multi-fuel generating facilities remained as stand-by and were not operated due to adequate availability from the grid.

The Segment Revenue declined to Rs. 1,290.75 crore from Rs. 1,393.73 crore in the previous year. Domestic and Export sales in terms of volume and realization were impacted adversely due to severe competition during the year. The profitability of the segment slightly increased from Rs. 142.46 crore in FY 2014-15 to Rs. 143.34 crore in FY 2015-16.

#### Steel Segment

Production of HSS and Alloy Steels was 1,275 Mt during the year as against 1,554 Mt in the previous year.

#### Other Segments

The GRP Division produced 6,132 Mt as against 10,350 Mt in the previous year.

Sale of power from 1.5 MW Link Canal facility was 3.39 million units as against 3.90 million units in the previous year.

#### (iv) Outlook

World crude steel production reached 1,622.80 Mt for the year 2015, down by -2.8% compared to 2014. Annual production in Asia during 2015 was 1,113.80 Mt of crude steel, a decrease of -2.3% compared to 2014. India's crude steel production for 2015 was 89.6 Mt, up by 2.6% compared to 2014.

The economic environment facing the steel industry continues to be challenging with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low oil

and other commodity prices. While we expect contraction of demand in China, slow but steady growth is visible in some other key regions including NAFTA and EU. Growth for steel demand in all markets except China is expected in 2017. No major recovery is expected in EAF in the short term owing to relatively more favourable economics of BF route.

Indian economy will outgrow China and its BRICS peers with a GDP growth of 7.5 % as per the IMF report. The oil and commodity price fall will continue to benefit Indian economy. The Government initiatives for infrastructure development, including railway projects, implementation of smart city project and 'Make in India' initiatives should boost demand of steel in India. This will increase graphite electrode demand in the domestic market.

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

In spite of current adverse economics of EAF steel as compared to BF route, it is expected that EAF steel production will grow in the long term due to its inherent advantages like low capital requirement and low emission levels.

With its competitive cost structure, strong technical product features and a well diversified customer base, the Company has established its presence in the global Graphite Electrode market as a global player.

#### (v) Risks and Concerns

The Company is exposed to the threat of the cyclical nature of the steel demand as also to the risks arising from the volatility in the cost of input materials. Over the last couple of years steel industry across the globe is undergoing tremendous stress due to reduced steel demand, increasing export of steel from China and slowing down of development in the Middle East due to lower crude oil prices. In addition, due to reduced price level of iron ore and coking coal, the BF route for producing steel has become more economical and hence is being preferred by steel producers. Combined result of these developments has reduced capacity utilization of EAF steel industry for the last 2-3 years. This has resulted in surplus supply in the market leading to reduction in electrode price level. The electrode business will continue to be at risk till significant restructuring takes place in the global electrode industry.

Economic slowdown and/or cyclical recession in certain major steel consuming industries may adversely impact the demand-supply dynamics as also the profitability and your Company too is vulnerable to these changes.

Disproportionate increase in taxes and other levies imposed periodically by the Central and State Governments, especially on essential inputs, may increase the cost of manufacture and reduce the profit margins.

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

There are serious concerns caused by the Eurozone crisis at the centre stage, compounded further by the political turmoil seen in many countries particularly in the Middle East and other recent setbacks to the global economic growth.

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

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

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

**(vi) Internal control systems and their adequacy**

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

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

Revenue from Operations recorded Rs. 1,424.64 crore as against Rs. 1,571.36 crore in the previous year.

Global financial dynamics during the year has centered around lower crude oil and commodity prices, tightening / possible tightening of interest rates in USA and liquidity enhancing measures in Europe and Japan. While US Dollar (USD) had strengthening bias across major currencies, mainly Euro and Yen during major part of the year, it has shown some trend reversal in the recent past. The global operating environment continued to be characterized by uneven economic recovery across the regions, lower capacity utilizations and lower inflation in the face of growing uncertainty. Liquidity management through proactive management of resources and close monitoring of credit risk, country risk and commodity price risk required focused attention of the Management.

The year was less volatile as compared to last year from the financial management perspective with some ease in liquidity, lower inflation and lower volatility in exchange rates vis-a-vis USD. However, it continued to be characterized by uneven global recovery uncertainty in the economic environment, lower capacity utilizations, political and economic turmoil seen in many countries and cross currency headwinds. In the face of growing export-import exposure, financial challenges like currency rate fluctuations, country risk and commodity price risks required focused attention and effective management of potential risks.

RBI had reduced repo rate by 1% and is presently at 6.5%. Softening of inflation rate, improvement in current account deficit and growth concerns have been the prime factors for

reversal of RBI's stance. However, the benefit has not been fully trickled down to the borrowers. The year also witnessed considerable depreciation of rupee against USD and other currencies making export and domestic markets slightly favourable for the Company.

Profit after tax was Rs. 82.38 crore as against Rs. 82.19 crore in the previous year. Profit before tax was flat at Rs. 128.25 crore as compared to Rs. 129.44 crore in the previous year. The benefit of lower input costs has been negated by lower realization and lower investment income.

Borrowing at Rs. 179.92 crore was lower than Rs. 248.29 crore in the previous year and as a result the Finance Cost decreased to Rs. 7.41 crore from Rs. 12.23 crore in previous year.

Capital expenditure during the year amounted to Rs. 51.69 crore as against Rs. 31.66 crore in the previous year. The Company is a net foreign exchange earner.

The Company has repaid / prepaid balance portion of External Commercial borrowing during the year.

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

Details of contingent liabilities are given in Note 36 to the Financial Statements.

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

The HRD policies and practices focus on contemporary and pragmatic people centric initiatives, aligning it with business vision and objectives, which primarily help in creating robust organisational structure and aims at optimum utilisation of resources. In order to meet these objectives, the Company has revisited its HR processes, including the Performance Management System (PMS).

The Training & Development Programmes encompassing the competency building initiatives amongst employees continues to be an ongoing process. Besides, the leadership building at senior and middle management level, and the succession planning for critical positions continue to be a focus area. The involvement of employees in the operational initiatives at the manufacturing plants of the Company continues to be high. The Company has availed services of a competent consulting agency in the area of resource optimisation, employee cost control, and restructuring during the year and basis findings and recommendations of the consulting agency initiated appropriate steps improving the utilisation of human resources. The SAP HR payroll module and other Information Technology developments, provide the data analysis, and business opportunities based on the real time sharing of information and integration of systems, leading to



efficient decision making process and impacting the internal communication positively.

The total number of permanent employees in the Company is 1981 as on 31st March, 2016.

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

#### **Pollution Matter – Bangalore**

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

#### **Research & Development**

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

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

Continuous efforts are made to develop import substitute materials for Aeronautical, Aerospace, Railway and other industrial applications. Superior version of carbon brake pads for aircrafts is being developed.

State of art furnace was designed, fabricated, installed and successfully used to process carbon-carbon composite materials.

Many of the cost savings achieved were significant and in compliance with the "pollution control and clean environment norms". These R&D efforts were continuous and by benchmarking the operational efficiencies of manufacturing facilities at different locations, steps were taken for process improvement and achieving operational synergies. The focus is on further development and upgrading of standards/norms.

#### **Subsidiary Companies**

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

The overseas subsidiaries recorded a turnover of Euro 35.17 Mn as compared to Euro 38.74 Mn in the previous year.

On the backdrop of prolonged economic slowdown, German subsidiaries did not do well due to low demand in Europe, high production costs and reduction in prices by competitors to capture volumes in the dwindling market. Due to these unfavourable factors the loss for the year was higher at € 4.75 Mn as against € 2.26 Mn in the previous year.

The Company earned by way of Royalty Rs. 2.81 crore during the year, as against Rs. 2.98 crore in the previous year, from overseas subsidiary.

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

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

The Consolidated Financial Statements of the Company along with those of its subsidiaries prepared as per AS-21 forms a part of this Annual Report.

#### **Audit Committee**

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

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

#### **Information pursuant to Section 134 of the Companies Act, 2013**

- a. Extract of the annual return as provided under Section 92 (3) of Companies Act, 2013 is enclosed - **Annexure 1**
- b. Four meetings of the Board of Directors of the Company were held during the year on 14th May, 2015, 11th August, 2015, 9th November, 2015 and 27th January, 2016.
- 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 auditor in his report and by Company Secretary in practice in the secretarial audit report and hence no explanations or comments by the Board are required.
- f. Particulars of loans, guarantees or investments under Section 186 of Companies Act, 2013 is enclosed - **Annexure 3**
- g. Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Companies Act, 2013 is enclosed - **Annexure 4**
- h. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed - **Annexure 5**
- i. Risk management policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through half yearly risk mitigation reports / Operations Report. There are no current risks which threaten the existence of the Company.

- j. Corporate Social Responsibility (CSR)  
As part of its CSR activities, the Company has initiated projects aimed at promoting education and employment enhancing vocational skills and livelihood enhancement projects through B D Bangur Endowment. The CSR policy has been displayed on company website [www.graphiteindia.com](http://www.graphiteindia.com) and can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx)
- The CSR annual report for the year ended 31st March 2016 is attached separately and forms part of this report - **Annexure 6**
- k. Formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors on the basis of a set of criterias framed and approved by the Nomination & Remuneration Committee / Board.
- l. The Company has adopted a Vigil Mechanism which has been posted on the Company's website and can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx)
- m. The Company does not accept deposits from public.
- n. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Disclosures pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are contained in **Annexures 7 and 8**.

#### DIRECTORS

Mrs. Renu Challu resigned as director of the Company on 1st October, 2015. The Board has placed on record its sincere appreciation of the services rendered by Mrs. Renu Challu during her tenure as director of the Company.

Mrs. Shalini Kamath was appointed as an additional director effective 18th November, 2015 by the Board of Directors of the Company. She holds office up to the date of the ensuing AGM. Proposal for her being appointed as an Independent Director for a period of five years from the date of ensuing AGM is included in the notice convening the 41st AGM for approval of the members of the Company.

Mr. K. K. Bangur retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

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

#### KEY MANAGERIAL PERSONNEL

Mr. K. C. Parakh retired as Chief Financial Officer (CFO) of the Company on 31st May 2015. The Board of Directors appointed Mr. S. W. Parnerkar as CFO from 1st June 2015.

#### Recognition/Award

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

- from ECGC - DNB : Dun & Bradstreet Corporate Award 2015.
- from EEPC : National Award 2013-14 for star performance.
- from CAPEXIL : Special Export Award for 2012-13.
- from FIEO : Niryat Shree Award (Non MSME Category).

#### 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**

#### Auditors

Price Waterhouse, Chartered Accountants, existing Auditors of the Company were appointed for a period of three years by the members of the Company in the 39th AGM held on 12th August, 2014. Their appointment for the third year to audit the accounts for the financial year beginning on 1st April, 2016 to 31st March, 2017 requires ratification by the members. They are eligible and available for re-appointment.

#### Cost Auditors

The Company had appointed following Cost Auditors for FY 2015-16 who conducted cost audit as detailed below-

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

The due date for filing Cost Audit Report in XBRL mode for the financial year ended 31st March, 2015 was extended by Ministry of Corporate Affairs (MCA) vide its' circular no. 12/2015 dated 01st September, 2015 till 30th September, 2015.

Consolidated Cost Audit Report for FY 2014-15 was filed with the Ministry of Corporate Affairs, Government of India, on 30th September, 2015.

The Company has appointed following Cost Auditors for FY 2016-17:

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

### Secretarial Audit Report

The Board appointed M/s. P. S. & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for FY 2015-16. The Secretarial Audit Report is annexed herewith - **Annexure 10**

### Acknowledgement

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

On behalf of the Board

Kolkata  
May 12, 2016

K. K. Bangur  
Chairman

Form No.MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended 31st March, 2016  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]**

**I REGISTRATION AND OTHER DETAILS**

i)	CIN	L10101WB1974PLC094602
ii)	Registration Date	2nd May, 1974
iii)	Name of the Company	Graphite India Limited
iv)	Category / Sub-category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	31, Chowringhee Road, Kolkata 700016 Phone -033 -40029600 Fax- 033 -40029676 E-mail -gilro@graphiteindia.com
vi)	Whether listed company	Yes
vii)	Name , Address and Contact details of Registrar and Transfer Agents, if any	Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound LBS Marg, Bhandup (W) Mumbai 400078 Phone 022-25946970 Fax 022-25946969 E-mail - rnt.helpdesk@linktime.co.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S1. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover of the company #
1	Manufacturing of Graphite Electrodes and Miscellaneous Graphite Products & Impervious Graphite Equipment and Spares	23994 - Manufacture of graphite products other than electrical articles	85.42%

\* As per National Industrial Classification (Amended up to 2008) - Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S1. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Emerald Company Ltd. 31, Chowringhee Road, Kolkata 700 016	U99999WB1940PLC128211	Holding	61.2	2(46)
2	Carbon Finance Ltd. 31, Chowringhee Road, Kolkata 700016	U51909WB1992PLC055850	Subsidiary	100	2(87)(ii)
3	Graphite International B V, Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	-	Subsidiary	100	2(87)(ii)
4	Graphite COVA Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
5	Bavaria Electrodes Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
6	Bavaria Carbon Specialities Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
7	Bavaria Carbon Holdings Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)

**IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	982562	2005	984567	0.50	982562	2005	984567	0.50		
b) Central Govt.	0	0	0	0.00	0	0	0	0.00		
c) State Govt.	0	0	0	0.00	0	0	0	0.00		
d) Bodies Corporates	116900230	250	116900480	59.83	124850064	250	124850314	63.90	4.07	Increase
e) Bank/ FI	0	0	0	0.00	0	0	0	0.00		
f) Any other	0	0	0	0.00	0	0	0	0.00		
<b>SUB TOTAL:(A) (1)</b>	<b>117882792</b>	<b>2255</b>	<b>117885047</b>	<b>60.33</b>	<b>125832626</b>	<b>2255</b>	<b>125834881</b>	<b>64.40</b>	<b>4.07</b>	<b>Increase</b>
<b>(2) Foreign</b>										
a) NRI- Individuals	186261	0	186261	0.10	1583102	0	1583102	0.81	0.71	Increase
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00		
c) Bodies Corp.	9415450	0	9415450	4.82	0	0	0	0.00	(4.82)	Decrease
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00		
e) Any other	0	0	0	0.00	0	0	0	0.00		
<b>SUB TOTAL (A) (2)</b>	<b>9601711</b>	<b>0</b>	<b>9601711</b>	<b>4.92</b>	<b>1583102</b>	<b>0</b>	<b>1583102</b>	<b>0.81</b>	<b>(4.11)</b>	<b>Decrease</b>
<b>Total Shareholding of Promoter</b>	<b>127484503</b>	<b>2255</b>	<b>127486758</b>	<b>65.25</b>	<b>127415728</b>	<b>2255</b>	<b>127417983</b>	<b>65.22</b>	<b>(0.03)</b>	<b>Decrease</b>
<b>(A) = (A)(1) + (A)(2)</b>										
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds UTI	3362403	54269	3416672	1.75	7553350	53569	7606919	3.89	2.14	Increase
b) Banks/ FI	171053	26795	197848	0.10	24952	26795	51747	0.03	(0.07)	Decrease
c) Central Govt	0	0	0	0.00	0	0	0	0.00		
d) State Govt.	0	0	0	0.00	0	0	0	0.00		
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00		
f) Insurance Companies	6751415	1750	6753165	3.46	6751415	1750	6753165	3.46		
g) FIs	24800624	20713	24821337	12.70	20500358	20013	20520371	10.50	(2.20)	Decrease
h) Foreign Portfolio Investor (Corporate)	3369417	0	3369417	1.72	3750684	0	3750684	1.92	0.20	Increase
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00		
j) Others (specify)	0	0	0	0.00	0	0	0	0.00		
<b>SUB TOTAL (B)(1):</b>	<b>38454912</b>	<b>103527</b>	<b>38558439</b>	<b>19.73</b>	<b>38580759</b>	<b>102127</b>	<b>38682886</b>	<b>19.80</b>	<b>0.07</b>	<b>Increase</b>
<b>(2) Non Institutions</b>										
a) Bodies Corporates										
i) Indian	11263763	80740	11344503	5.81	10971131	80503	11051634	5.66	(0.15)	Decrease
ii) Overseas	0	0	0	0.00	0	0	0	0.00		
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11865092	2661855	14526947	7.44	11563051	2552832	14115883	7.22	(0.22)	Decrease
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	1053778	0	1053778	0.54	1158778	0	1158778	0.59	0.05	Increase
c) Others (specify)										
Clearing Member	49100	0	49100	0.03	105623	0	105623	0.05	0.02	Increase
Foreign Nationals	0	37530	37530	0.02	0	37530	37530	0.02		
Non Resident Indians (REPAT)	1878663	254841	2133504	1.09	1882532	254841	2137373	1.09	0.00	
Non Resident Indians (NON Repat)	164861	5181	170042	0.09	115001	5156	120157	0.06	(0.03)	Decrease
.Other Directors	4750	6200	10950		4750	6200	10950			
.Relatives Of Directors	333	2800	3133		333	2800	3133			
Trusts	878	32	910	0.00	872	32	904	0.00		
Hindu Undivided Family	0	0	0	0.00	532701	59	532760	0.27	0.27	Increase
<b>SUB TOTAL:(B) (2)</b>	<b>26281218</b>	<b>3049179</b>	<b>29330397</b>	<b>15.02</b>	<b>26334772</b>	<b>2939953</b>	<b>29274725</b>	<b>14.98</b>	<b>(0.04)</b>	<b>Decrease</b>
<b>Total Public Shareholding</b>	<b>64736130</b>	<b>3152706</b>	<b>67888836</b>	<b>34.75</b>	<b>64915531</b>	<b>3042080</b>	<b>67957611</b>	<b>34.78</b>	<b>0.03</b>	<b>Increase</b>
<b>(B) = (B) (1) + (B) (2)</b>										
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00		
<b>Grand Total (A+B+C)</b>	<b>192220633</b>	<b>3154961</b>	<b>195375594</b>	<b>100.00</b>	<b>192331259</b>	<b>3044335</b>	<b>195375594</b>	<b>100.00</b>		

**IV (ii) SHAREHOLDING OF PROMOTERS**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% change in shareholding during the year
		No of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
<b>Indian Promoters</b>								
1	Emerald Company Ltd.	113629585	58.16	0	119579419	61.20	0	3.04
2	G K W Limited	2000000	1.02	0	4000000	2.05	0	1.03
3	Shree Laxmi Agents Ltd.	884000	0.45	0	884000	0.45	0	0.00
4	Carbo Ceramics Ltd.	386645	0.20	0	386645	0.20	0	0.00
5	The Bond Company Ltd.	250	0.00	0	250	0.00	0	0.00
6	Krishna Kumar Bangur	509550	0.26	0	509550	0.26	0	0.00
7	Krishna Kumar Bangur	830	0.00	0	830	0.00	0	0.00
8	Krishna Kumar Bangur	335	0.00	0	335	0.00	0	0.00
9	Krishna Kumar Bangur	170	0.00	0	170	0.00	0	0.00
10	Manjushree Bangur	248391	0.13	0	248391	0.13	0	0.00
11	Manjushree Bangur	670	0.00	0	670	0.00	0	0.00
12	Divya Bangur	169333	0.09	0	169333	0.09	0	0.00
13	Rukmani Devi Bangur	55288	0.03	0	55288	0.03	0	0.00
<b>Foreign Promoters</b>								
1	Kiwi Investments Ltd.	9415450	4.82	0	0	0.00	0	(4.82)
2	Krishna Kumar Bangur	0	0.00	0	1396841	0.71	0	0.71
3	Aparna Daga	186261	0.10	0	186261	0.10	0	0.00
<b>Total</b>		<b>127486758</b>	<b>65.25</b>		<b>127417983</b>	<b>65.22</b>	<b>0</b>	<b>(0.03)</b>

**IV (iii) Change in Promoters' Shareholding**

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Emerald Company Ltd.</b>				
	As at 01/04/2015	113629585	58.16		
	28/08/2015 - transfer	74371	0.04	113703956	58.20
	04/09/2015 - transfer	35463	0.02	113739419	58.22
	31/03/2016 - transfer	5840000	2.99	119579419	61.20
	As at 31/03/2016			119579419	61.20
2	<b>G K W Limited</b>				
	As at 01/04/2015	2000000	1.02		
	31/03/2016 - transfer	2000000	1.02		
	As at 31/03/2016			4000000	2.05
3	<b>Shree Laxmi Agents Limited</b>				
	As at 01/04/2015	884000	0.45		
	As at 31/03/2016			884000	0.45
4	<b>Carbo Ceramics Limited</b>				
	As at 01/04/2015	386645	0.20		
	As at 31/03/2016			386645	0.20
5	<b>The Bond Company Limited</b>				
	As at 01/04/2015	250	0.00		
	As at 31/03/2016			250	0.00
6	<b>Krishna Kumar Bangur</b>				
	As at 01/04/2015	509550	0.26		
	As at 31/03/2016			509550	0.26
7	<b>Krishna Kumar Bangur</b>				
	As at 01/04/2015	0	0.00		
	31/03/2016 - transfer	1396841	0.71		
	As at 31/03/2016			1396841	0.71
8	<b>Krishna Kumar Bangur</b>				
	As at 01/04/2015	830	0.00		
	As at 31/03/2016			830	0.00
9	<b>Krishna Kumar Bangur</b>				
	As at 01/04/2015	335	0.00		
	As at 31/03/2016			335	0.00
10	<b>Krishna Kumar Bangur</b>				
	As at 01/04/2015	170	0.00		
	As at 31/03/2016			170	0.00
11	<b>Manjushree Bangur</b>				
	As at 01/04/2015	248391	0.13		
	As at 31/03/2016			248391	0.13
12	<b>Manjushree Bangur</b>				
	As at 01/04/2015	670	0.00		
	As at 31/03/2016			670	0.00
13	<b>Divya Bangur</b>				
	As at 01/04/2015	169333	0.09		
	As at 31/03/2016			169333	0.09
14	<b>Rukmani Devi Bangur</b>				
	As at 01/04/2015	55288	0.03		
	As at 31/03/2016			55288	0.03
15	<b>Kiwi Investments Ltd.</b>				
	As at 01/04/2015	9415450	4.82		
	23/03/2016 - transfer	5840000	2.99	3575450	1.83
	28/03/2016 - transfer	113673	0.06	3461777	1.77
	29/03/2016 - transfer	2064936	1.06	1396841	0.71
	30/03/2016 - transfer	1396841	0.71	0	0.00
	As at 31/03/2016			0	0.00
16	<b>Aparna Daga</b>				
	As at 01/04/2015	186261	0.10		
	As at 31/03/2016			186261	0.10



**IV (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	<b>Fidelity North Star Fund</b>				
	As at 01/04/2015	8733337	4.47		
	21/08/2015 -Transfer	-157450	-0.08	8575887	4.39
	28/08/2015 -Transfer	-75887	-0.04	8500000	4.35
	04/09/2015 -Transfer	-100000	-0.05	8400000	4.30
	29/01/2016 -Transfer	-1660	0.00	8398340	4.30
	05/02/2016 -Transfer	-13170	-0.01	8385170	4.29
	12/02/2016 -Transfer	-10896	-0.01	8374274	4.29
	19/02/2016 -Transfer	-21678	-0.01	8352596	4.28
	26/02/2016 -Transfer	-152596	-0.08	8200000	4.20
	As at 31/03/2016			8200000	4.20
2	<b>SBI Mutual Fund</b>				
	As at 01/04/2015	3272601	1.68		
	10/04/2015 -Transfer	26618	0.01	3299219	1.69
	24/04/2015 -Transfer	167072	0.09	3466291	1.77
	01/05/2015 -Transfer	167736	0.09	3634027	1.86
	08/05/2015 -Transfer	1658	0.00	3635685	1.86
	15/05/2015 -Transfer	10277	0.01	3645962	1.87
	22/05/2015 -Transfer	109508	0.06	3755470	1.92
	05/06/2015 -Transfer	96268	0.05	3851738	1.97
	12/06/2015 -Transfer	20072	0.01	3871810	1.98
	19/06/2015 -Transfer	2255	0.00	3874065	1.98
	26/06/2015 -Transfer	120000	0.06	3994065	2.04
	30/06/2015 -Transfer	5935	0.00	4000000	2.05
	07/08/2015 -Transfer	200000	0.10	4200000	2.15
	14/08/2015 -Transfer	107304	0.05	4307304	2.20
	21/08/2015 -Transfer	192696	0.10	4500000	2.30
	04/09/2015 -Transfer	176370	0.09	4676370	2.39
	11/09/2015 -Transfer	162809	0.08	4839179	2.48
	30/09/2015 -Transfer	298116	0.15	5137295	2.63
	06/11/2015 -Transfer	457817	0.23	5595112	2.86
	13/11/2015 -Transfer	14692	0.01	5609804	2.87
	11/12/2015 -Transfer	11783	0.01	5621587	2.88
	18/12/2015 -Transfer	19182	0.01	5640769	2.89
	31/12/2015 -Transfer	61762	0.03	5702531	2.92
	01/01/2016 -Transfer	397369	0.20	6099900	3.12
	08/01/2016 -Transfer	517510	0.26	6617410	3.39
	15/01/2016 -Transfer	221732	0.11	6839142	3.50
	22/01/2016 -Transfer	100003	0.05	6939145	3.55
	29/01/2016 -Transfer	597	0.00	6939742	3.55
	05/02/2016 -Transfer	5710	0.00	6945452	3.55
	12/02/2016 -Transfer	29221	0.01	6974673	3.57
	19/02/2016 -Transfer	25327	0.01	7000000	3.58
	26/02/2016 -Transfer	463588	0.24	7463588	3.82
	As at 31/03/2016			7463588	3.82
3	<b>Edgbaston Asian Equity Trust</b>				
	As at 01/04/2015	4754811	2.43		
	10/04/2015 -Transfer	65799	0.03	4820610	2.47
	24/04/2015 -Transfer	64411	0.03	4885021	2.50
	08/05/2015 - Transfer	70506	0.04	4955527	2.54
	05/06/2015 - Transfer	31566	0.02	4987093	2.55
	03/06/2015 - Transfer	8133	0.00	4995226	2.56
	24/07/2015 - Transfer	11116	0.01	5006342	2.56
	31/07/2015- Transfer	19287	0.01	5025629	2.57
	07/08/2015 - Transfer	4949	0.00	5030578	2.57

**IV (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	04/09/2015 - Transfer	62451	0.03	5093029	2.61
	11/09/2015 - Transfer	76618	0.04	5169647	2.65
	18/09/2015 - Transfer	26239	0.01	5195886	2.66
	25/09/2015 - Transfer	45109	0.02	5240995	2.68
	30/09/2015 - Transfer	47956	0.02	5288951	2.71
	23/10/2015 - Transfer	39453	0.02	5328404	2.73
	30/10/2015 - Transfer	13240	0.01	5341644	2.73
	15/01/2016 - Transfer	58840	0.03	5400484	2.76
	22/01/2016 - Transfer	30261	0.02	5430745	2.78
	29/01/2016 - Transfer	3290	0.00	5434035	2.78
	19/02/2016 - Transfer	8647	0.00	5442682	2.79
	26/02/2016 - Transfer	71223	0.04	5513905	2.82
	25/03/2016 - Transfer	10115	0.01	5524020	2.83
	31/03/2016 - Transfer	9791	0.01	5533811	2.83
	As at 31/03/2016			5533811	2.83
4	<b>Life Insurance Corporation of India</b>				
	As at 01/04/2015	3650377	1.87		
	As at 31/03/2016			3650377	1.87
5	<b>CD Equifinance Pvt Ltd.</b>				
	As at 01/04/2015	3350414	1.71		
	10/04/2015 - Transfer	-15725	-0.01	3334689	1.71
	17/04/2015 - Transfer	-3357	0.00	3331332	1.71
	12/06/2015 - Transfer	-178	0.00	3331154	1.71
	19/06/2015 - Transfer	-7694	0.00	3323460	1.70
	26/06/2015 - Transfer	-4549	0.00	3318911	1.70
	03/07/2015 - Transfer	-36583	-0.02	3282328	1.68
	10/07/2015 - Transfer	-18735	-0.01	3263593	1.67
	17/07/2015 - Transfer	-500	0.00	3263093	1.67
	31/03/2016 - Transfer	-107186	-0.05	3155907	1.62
	As at 31/03/2016			3155907	1.62
6	<b>The New India Assurance Co Ltd</b>				
	As at 01/04/2015	3055890	1.56		
	As at 31/03/2016			3055890	1.56
7	<b>Retail Employees Superannuation Pty. Ltd as Trustee for Retail Employees Superannuation Trust</b>				
	As at 01/04/2015	2488635	1.27		
	As at 31/03/2016			2488635	1.27
8	<b>Patton International Ltd</b>				
	As at 01/04/2015	2075000	1.06		
	As at 31/03/2016			2075000	1.06
9	<b>Bellona Finvest Ltd</b>				
	As at 01/04/2015	1748449	0.89		
	As at 31/03/2016			1748449	0.89
10	<b>Samuel Jacobs</b>				
	As at 01/04/2015	1633290	0.84		
	As at 31/03/2016			1633290	0.84

## IV (v) Shareholding of Directors &amp; Key Managerial Personnel

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	<b>Directors</b>				
1	<b>Mr.Krishna Kumar Bangur</b>				
	As at 01/04/2015	509550	0.26		
	As at 31/03/2016			509550	0.26
	<b>Mr.Krishna Kumar Bangur</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			1396841	0.71
	<b>Mr.Krishna Kumar Bangur</b>				
	As at 01/04/2015	830	0.00		
	As at 31/03/2016			830	0.00
	<b>Mr.Krishna Kumar Bangur</b>				
	As at 01/04/2015	335	0.00		
	As at 31/03/2016			335	0.00
	<b>Mr.Krishna Kumar Bangur</b>				
	As at 01/04/2015	170	0.00		
	As at 31/03/2016			170	0.00
2	<b>Mr.P K Khaitan</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
3	<b>Mr.N S Damani</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
4	<b>Mr.A V Lodha</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
5	<b>Dr.R Srinivasan</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
6	<b>Mr.Gaurav Swarup</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
7	<b>Mrs.Shalini Kamath</b>				
	As at 01/04/2015	0	0.00		
	As at 31/03/2016			0	0.00
8	<b>Mr.J D Curravala</b>				
	As at 01/04/2015	4750	0.00		
	As at 31/03/2016			4750	0.00
9	<b>Mr.N Venkataramani</b>				
	As at 01/04/2015	4200	0.00		
	As at 31/03/2016			4200	0.00
10	<b>Mr.M.B.Gadgil</b>				
	As at 01/04/2015	2000	0.00		
	As at 31/03/2016			2000	0.00
	<b>Key Managerial Personnel</b>				
11	<b>Mr.S.W.Parnerkar</b>				
	As at 01/04/2015	150	0.00		
	As at 31/03/2016			150	0.00
12	<b>Mr.B.Shiva</b>				
	As at 01/04/2015	416	0.00		
	As at 31/03/2016			416	0.00

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

				(Rs.in Lakhs)
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year (01/04/2015)</b>				
i) Principal Amount	21,253.22	3,575.82	-	24,829.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39.98	2.96	-	42.94
<b>Total (i + ii + iii)</b>	<b>21,293.20</b>	<b>3,578.78</b>	<b>-</b>	<b>24,871.98</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	7,002.15	-	7,002.15
- Reduction	13,835.69	-	-	13,835.69
<b>Net Change</b>	<b>(13,835.69)</b>	<b>7,002.15</b>	<b>-</b>	<b>(6,833.54)</b>
<b>Indebtedness at the end of the financial year (31/03/2016)</b>				
i) Principal Amount	7,445.24	10,546.99	-	17,992.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.27	33.94	-	46.21
<b>Total (i + ii + iii)</b>	<b>7,457.51</b>	<b>10,580.93</b>	<b>-</b>	<b>18,038.44</b>

**VI. Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

			(Rs.in Lakhs)
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/Manager</b>	<b>Total Amount</b>
		Mr.M.B.Gadgil - Whole-time Director	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	88.18	88.18
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	17.83	17.83
	(c) Profits in lieu of salary under section 17(3) Income - tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of Profit -Others, please specify	55.00	55.00
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>161.01</b>	<b>161.01</b>
	Ceiling as per the Act	-	-

**B. Remuneration to Other Directors**

Sr. No.	Particulars of Remuneration	Names of Directors										Total Amount
		Mr. K. K. Bangur	Mr. P. K. Khaitan	Mr. N. S. Damani	Mr. A. V. Lodha	Dr. R. Srinivasan	Mrs. Renu Challu	Mr. J. D. Curravala	Mr. Gaurav Swarup	Mr. N. Venkata-ramani	Mrs. Shalini Kamath	
<b>1</b>	<b>Independent Directors</b>											
	Fees for attending board/ committee meeting	-	2.00	0.80	2.20	2.20	0.60	-	0.80	1.80	0.20	10.60
	Commission	-	2.00	2.00	3.00	3.00	-	-	2.00	10.00	2.00	24.00
	Others											
	<b>Total (1)</b>	-	<b>4.00</b>	<b>2.80</b>	<b>5.20</b>	<b>5.20</b>	<b>0.60</b>	-	<b>2.80</b>	<b>11.80</b>	<b>2.20</b>	<b>34.60</b>
<b>2</b>	<b>Other Non-Executive Directors</b>											
	Fees for attending board/ committee meeting	2.00	-	-	-	-	-	1.60	-	-	-	3.60
	Commission	100.00	-	-	-	-	-	3.00	-	-	-	103.00
	Others											
	<b>Total (2)</b>	<b>102.00</b>	-	-	-	-	-	<b>4.60</b>	-	-	-	<b>106.60</b>
	<b>Total B = (1 + 2)</b>	<b>102.00</b>	<b>4.00</b>	<b>2.80</b>	<b>5.20</b>	<b>5.20</b>	<b>0.60</b>	<b>4.60</b>	<b>2.80</b>	<b>11.80</b>	<b>2.20</b>	<b>141.20</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	-	-	-	-	-	-	<b>127.00</b>
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-	-	134.57

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary	CFO (01.04.2015 to 31.05.2015)*	CFO (01.06.2015 to 31.03.2016)**	
<b>1</b>	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	35.07	22.78	27.83	85.68
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	1.29	12.39	1.41	15.09
	(c) Profits in lieu of salary under section 17(3) of Income -tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-	-
4	Commission - as % of Profit - Others, please specify	-	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-	-
	<b>Total (A)</b>	-	<b>36.36</b>	<b>35.17</b>	<b>29.24</b>	<b>100.77</b>

\* Kamal Chand Parakh was CFO only for part of the Financial Year 2015-16 i.e. upto May 31, 2015 - including retirement benefits

\*\* Sanjay Wamanrao Parnerkar has been appointed as CFO from June 01, 2015.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

## **NOMINATION AND REMUNERATION POLICY**

The objectives of this Policy include the following:

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

### **DEFINITIONS**

Unless the context requires otherwise, the following terms shall have the following meanings:

“Director” means a Director of the Company.

“Key Managerial Personnel” or “KMP” means-

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

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

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

### **Independent Directors**

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

### **Appointment criteria and qualifications**

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

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

### **Evaluation:**

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

### **Evaluation of Directors:**

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

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

### **Evaluation of KMP and Senior Management Personnel**

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

### **Criteria for evaluating performance of Other Employees**

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

**REMUNERATION OF DIRECTORS AND KMP**

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

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

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

**Sitting Fees:**

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

**Remuneration to Senior Management Personnel:**

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

**Remuneration to Other Employees**

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

**BOARD DIVERSITY**

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

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

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

**Annexure 3****Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

<b>Name of the Entity</b>	<b>Nature of Relationship</b>	<b>Amount (Rs. in Lakhs)</b>	<b>Particulars of Loans, Guarantees and Investments</b>
Graphite International B.V. (GIBV)	Wholly-owned Subsidiary	11,588.48	Fully Paid-up Shares
Carbon Finance Limited	Wholly-owned Subsidiary	3,003.76	Fully Paid-up Equity Shares
Graphite Cova GmbH	Wholly-owned Subsidiary of GIBV	19,150.50	Guarantee given in favour of Loan & Material taken by Graphite Cova GmbH
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	247.66	Fully Paid-up Class A Equity Shares
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	312.34	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. 6,582.75 Lakhs	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs. 395.84 Lakhs	10th November, 2014	Nil
3	Graphite Cova GmbH, Wholly-owned Subsidiary	Royalty Income	Ongoing	Certain Percentage of sales of graphite electrodes including coated graphite electrodes amounting to Rs. 281.13 Lakhs	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee Received / Receivable	Valid upto 30th September, 2017	Certain Percentage of Corporate Guarantee amount utilized amounting to Rs. 119.58 Lakhs	10th November, 2014	Nil
5	Graphite Cova GmbH, Wholly-owned Subsidiary	Reimbursement of Claims	Ongoing	Rs.4.32 Lakhs	10th November, 2014	Nil
6	Carbon Finance Limited	Payment of Rent	Ongoing	Rs. 108.57 Lakhs	9th May, 2014	Nil
7	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee given	Valid upto 30th September, 2017	Rs. 19,150.50 Lakhs	15th December, 2014	NA
8	Khaitan & Co, Mumbai, Firm in which a Director is a Partner	Professional Fees	Ongoing	Rs. 70.04 Lakhs	9th May, 2014	NA
9	Khaitan & Co LLP, New Delhi / Kolkata, Firm in which a Director is a Partner	Professional Fees	Ongoing	Rs. 23.94 Lakhs	9th May, 2014	NA

On behalf of the Board

K. K. Bangur  
Chairman

Kolkata  
May 12, 2016

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of energy-****a) Energy conservation measures taken**

- Improvement in power factor at lower loads.
- Energy saving in Graphitization unit by optimizing heating cycles.
- Saving on electrical energy by optimizing water supply system.
- Saving on electrical energy by relocation and optimization of lights in various sections.

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

- Use of wind power in two manufacturing units.
- Installing solar water heater for hot water requirement in canteen in two manufacturing units.

**c) Additional investment proposal on energy conservation.**

- Installation of one more energy efficient baking furnace in progress.
- Installation of one more energy efficient mixing plant in progress.
- Replacing pneumatic tools with electrical tools in order to reduce net energy consumption.
- Replacing office fluorescent tube lights & some street lights with LED lights.

**(B) Technology absorption-****i) The efforts made towards technology absorption**

- Development of isostatic graphite material
- Positive validation of graphitized Rail wheel mould blanks.
- Graphitization of high density Electrodes
- Development of CFC (Carbon fiber composites)

**ii) The benefits derived as result of above efforts**

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

**iii) No technology was imported during last three years.****iv) Expenditure incurred on R&D : Rs. 12.58 Lakhs****(C) Foreign Exchange earnings : Rs. 51,491.93 Lakhs****Foreign Exchange outgo : Rs. 19,381.95 Lakhs**

**Annexure 6****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

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

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

- Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

The policy can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx) under the head "Corporate Governance".

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

**3. Average net profit of the Company for last three financial years (2012-2013 to 2014-2015):** Rs. 203 crore.

**4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** Rs. 4.06 crore

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

**(a) Total amount to be spent for the financial year:** Rs. 9.17 crore

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

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

(1) Sl. No	(2) CSR Projects or Activities identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local Area or other (2) Specify the state or district where projects or programs were undertaken	(5) Amount outlay (Budget) projects or program wise  (Rs.) lacs	(6) Amount spent on the projects of programs		(7) Cumulative expenditure upto the reporting period  (Rs.)	(8) Amount spent: Directly or through implementing Agency*  (Rs.)
					Direct expenditure on programs or projects  (Rs.) lacs	Overheads  (Rs.)		
1	Promoting education among children & employment enhancement vocational skills.	Education, vocation skills	Andul, Durgapur & neighbouring villages in West Bengal	300	92.59		92.59	Through B D Bangur Endowment
2	Providing water pump	Safe drinking water	Durgapur village in West Bengal }		1.80		1.80	-do-
3	Promoting healthcare	Health care	Andul in West Bengal & Nashik in Maharashtra }	100	3.69		3.69	-do-
	Sub-total			400	98.08		98.08	
	Overheads				5.72		5.72	
	Total CSR spend				103.80*		103.80*	

\* Contribution of the Company lying unspent with BD Bangur Endowment as on 31.3.16 – Rs. 3.73 Lacs not included.

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**The activities have been started and being long term in nature, would require time.

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

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

For Graphite India Limited

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

M B Gadgil  
Executive Director

K K Bangur  
Chairman of Corporate Social Responsibility Committee

May 12, 2016

#### 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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

S I No	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2015-16	% increase in Remuneration in the Financial Year 2015-16"	"Ratio of remuneration of each Director/to median remuneration of employees"
		Rs. in Lakhs		
1	Krishna Kumar Bangur (Non-Executive Chairman)	102.00	-2%	21.86
2	Pradip Kumar Khaitan (Non-Executive Director)	4.00	-9%	0.86
3	Nandan Surajratan Damani (Non-Executive Director)	2.80	8%	0.60
4	Aditya Vikram Lodha (Non-Executive Director)	5.20	-4%	1.11
5	Raghavachari Srinivasan (Non-Executive Director)	5.20	-4%	1.11
6	Jemi Dorabji Curravala (Non-Executive Director)	4.60	0%	0.99
7	Nayankankuppam Venkataramani (Non-Executive Director)	11.80	-30%	2.53
8	Gaurav Swarup (Non-Executive Director)	2.80	17%	0.60
9	Shalini Kamath (Non-Executive Director)	2.20	#	0.47
10	Renu Challu (Non-Executive Director)	0.60	##	0.13
11	Makarand Bhalachandra Gadgil (Whole-time Director)	177.78	5%	38.10
12	Kamal Chand Parakh (Chief Financial Officer)	9.32	*	Not Applicable
13	Sanjay Wamanrao Parnerkar (Chief Financial Officer)	30.69	**	Not Applicable
14	Shiva Balan (Company Secretary)	42.45	10%	Not Applicable

- (i) # Details not given as Shalini Kamath was not Director in the Financial Year 2014-15.

## Details not given as Renu Challu was Director only for part of the Financial Year 2015-16 i.e. upto October 01, 2015.

\* Details not given as Kamal Chand Parakh was CFO only for part of the Financial Year 2015-16 i.e. upto May 31, 2015.

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

- (ii) During the financial year, the median remuneration of employees increased by 1%.
- (iii) There were 1,981 permanent employees on the rolls of Company as on March 31, 2016.
- (iv) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2016 decreased by 1% whereas the increase in median remuneration was 1%.
- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 6% from Rs. 246.18 Lakhs in 2014-15 to Rs. 260.24 Lakhs in 2015-16 whereas the Profit before Tax decreased by 1% from Rs. 12,944 Lakhs to Rs. 12,825 Lakhs.
- (vi) a) Variations in the market capitalisation of the Company:

	Share Price (Rs.)	Market Capitalisation (Rs. in Crore)	Decrease in Market Capitalisation (Rs. in Crore)
As on 31st March, 2015	83.05	1,622.59	
As on 31st March, 2016	71.85	1,403.77	218.82

- b) Variations in price earnings ratio:  
As on 31st March, 2015 - 19.73  
As on 31st March, 2016 - 16.56
- c) Percentage increase in the market quotation of the shares in comparison to the rate at which the Company came out with the last public offer:  
Last Public offer was in 1977 – Issued at face value - Rs. 10/-  
Market price (Face value Rs. 2/-) as on 31.3.2016 (NSE) – Rs. 71.85  
% increase - 3493%
- (vii) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2015-16 was 6% whereas the increase in the managerial remuneration for the same financial year was 6%.
- (viii) Variable pay in the form of commission is paid to directors, taking into account the performance of each director on the basis of criteria framed for performance evaluation and time and effort devoted by a director in the business affairs of the Company.
- (ix) Ratio of Remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable.
- (x) It is affirmed that the remuneration is as per the remuneration policy of the Company.

### Annexure 8

#### STATEMENT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

##### Employed throughout the Financial Year

Name	Designation	Remuneration (Rs. in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
Mr. M. B. Gadgil	Whole-time Director	177.78	Contractual	B. Tech (Mech.), MBA (Operation Research)	40	06.02.1978	63	Motor Industries Company Limited, Bangalore Asst. Officer - Materials Planning

##### Notes:

- Mr. M. B. Gadgil is not related to any Director, nor holds by himself or along with his spouse and dependent children, two percent or more of the equity shares of the company.
- There was no employee who was employed for a part of the financial year who was in receipt of remuneration at a rate which, in the aggregate, was not less than Rs. 5 Lakhs per month.
- No employee drew remuneration at a rate in excess of that drawn by the WTD.

## 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, 2016

The strength of the Board of Directors as on 31st March, 2016 was ten comprising the non-executive Chairman (promoter director), one Executive Director, seven non-executive directors of whom six are independent and one additional director appointed by the Board vide circular resolution dated 13th November, 2015 (appointment effective date 18th November, 2015) and who would acquire the status of Independent Director on appointment by the members in the ensuing AGM of the Company. None of the directors are related inter-se.

Name	Category	Directorships	Other# Committee ^ positions held	
		in other Public Limited Companies incorporated in India	As Chairman	As Member (Including Chairmanship)
K K Bangur	Promoter-Chairman Non-Executive	2	-	-
N S Damani	INED	5	1	4
A V Lodha	INED	2	-	-
Dr. R Srinivasan	INED	5	2	4
P.K.Khaitan	INED	9	-	3
N Venkataramani	INED	1	-	-
Gaurav Swarup	INED	6	1	3
J D Curravala	Non-Executive	1	-	-
Shalini Kamath (Mrs)	Additional Director Non-Executive	1	-	-
M B Gadgil	Executive Director	-	-	-

INED – Independent Non-Executive Director

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

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

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

Four meetings of the Board of Directors were held during the year on 14th May, 2015, 11th August, 2015, 9th November, 2015 and 27th January, 2016. The requisite information as per Part A to Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations, 2015") and Annexure X forming part of Clause 49 of the erstwhile Listing Agreement has been made available to the Board. The Board periodically has reviewed compliance reports of all laws applicable to the Company, prepared by the Company and appropriate steps taken by the Company, where applicable.

#### Attendance Record

Names of Directors	Number of Board Meetings during April 2015 to March 2016		Attended last Annual General Meeting (AGM) held on 11th August, 2015
	Held	Attended	
K K Bangur	4	4	Yes
N S Damani	4	3	Yes
A V Lodha	4	4	Yes
Dr. R Srinivasan	4	4	Yes
P. K.Khaitan	4	4	Yes
Gaurav Swarup	4	3	Yes
Renu Challu (Mrs) (refer note 1)	4	2	Yes
N Venkataramani	4	4	Yes
J D Curravala	4	4	Yes
Shalini Kamath (Mrs) (refer Note 2)	4	1	NA
M B Gadgil	4	4	Yes

## Notes:

- (1) Mrs. Renu Challu resigned as director on 1st October, 2015.
- (2) Mrs. Shalini Kamath was appointed additional director effective 18th November, 2015. She will attain the status of Independent Director on appointment by the members in the ensuing AGM of the Company.

**Code of Conduct**

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

**III Audit Committee****Composition and Terms of Reference**

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

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

**Committee Meetings held and attendance during the year**

Four meetings of the Audit Committee were held during the year on 14th May, 2015, 11th August, 2015, 9th November, 2015 and 27th January, 2016.

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

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

The Executive Director and Sr. Vice President (Finance)/General Manager-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 14th May, 2015 to review and approve the draft annual accounts of financial year 2014-2015 for recommendation to the Board. The Audit Committee had also reviewed the unaudited quarterly results during the year before recommending the same to the Board of Directors for adoption and required publication.

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

The Chairman of the Audit Committee, Mr. A V Lodha attended the last Annual General Meeting (AGM) held on 11th August, 2015.

**IV Nomination and Remuneration Committee**

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

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

\*Meetings held on 14th May, 2015 and 9th November, 2015



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

### Remuneration Policy

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

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

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

Name	Salary	Contribution to Provident and Other Funds	Other Benefits	Ex-gratia	Commission	Sitting Fees *	No. of Shares held as on 31st March, 2016 *
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	-	-	-	-	10000000	200000	1907726@
N S Damani	-	-	-	-	200000	80000	-
A V Lodha	-	-	-	-	300000	220000	-
Dr R Srinivasan	-	-	-	-	300000	220000	-
P K Khaitan	-	-	-	-	200000	200000	-
N Venkataramani	-	-	-	-	1000000	180000	4200
J D Curavala	-	-	-	-	300000	160000	4750
Gaurav Swarup	-	-	-	-	200000	80000	-
Renu Challu (Mrs.)	-	-	-	-	-	60000	-
Shalini Kamath (Mrs)	-	-	-	-	200000	20000	-
M B Gadgil	5696000	1886622	3432467	1262500	5500000	-	2000

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

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

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

Severance Fees Three months salary in lieu of notice

Stock Option No stock option has been given.

### V Stakeholders' Relationship Committee

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

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

During the year, 38 complaints were received from the shareholders, all of which were attended to. The details of shareholders grievances are placed before the Committee. Four meetings of the Committee were held during the year on 30th June, 2015, 21st September, 2015, 31st December, 2015 and 21st March, 2016.

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

**VI General Body Meetings**

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

AGM	Year	Venue	Date	Time
40th	2014-2015	Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	11.08.2015	4.00 p.m.
39th	2013-2014	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	12.08.2014	2.00 p.m.
38th	2012-2013	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	05.08.2013	11.00 a.m.

## ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
40th	Yes	(i) Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to enter into various transactions on annual FY basis with Graphite Cova Gmbh (WOS) (ii) Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to execute guarantee on behalf of Graphite Cova Gmbh (WOS) in favour of its bankers against credit facilities upto Euro 24 million. (iii) Consent u/s 42 of Companies Act, 2013 to issue and allot Non-Convertible Debentures on private placement basis upto aggregate limit of Rs.500 crore.
39th	Yes	(i) Consent u/s 180(1) (a) of Companies Act, 2013 for creating mortgage and / or charge on Company's assets upto a limit of Rs.2000 crore. (ii) Consent u/s 180(1) (c) of Companies Act, 2013 for borrowing moneys not exceeding Rs.2000 crore. (iii) Consent u/s 94 of Companies Act, 2013 for keeping Register of Members, debentureholder etc. with Index, annual returns etc. at the office of the Registrars & Share Transfer agents in Mumbai.
38th	None	

All special resolutions pertaining to the 40th AGM mentioned above were passed through e-voting process. Facility to members attending the AGM to vote through physical ballot forms was also provided. Ms. Swati Bajaj, Partner, PS & Associates, Kolkata was appointed as the Scrutinizer for the purpose of scrutinizing the entire voting process and ascertaining the results. Details of voting pattern are as under –

	No. of votes cast in favour		No. of votes cast against		No. of votes abstained		Total votes cast
	No	% of total voting cast	No	% of total voting cast	No	% of total voting cast	
Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to enter into various transactions on annual FY basis with Graphite Cova to Gmbh (WOS)	153698190	99.9975	3818	0.0025	-	-	153702008
Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to execute guarantee on behalf of Graphite Cova Gmbh (WOS) in favour of its bankers against credit facilities upto Euro 24 million.	153699148	99.9981	2860	0.0019	-	-	153702008
Consent U/s 42 of Companies Act, 2013 to issue and allot Non-Convertible Debentures on private placement basis upto limit of Rs.500 crore.	153699123	99.9981	2885	0.0019	-	-	153702008

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

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

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

## **VII Disclosure**

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

The related party relationships and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures specified under the Companies Act, 2013 disclosed in Note No. 47 to the Standalone Financial Statements for the year ended 31st March, 2016 may be referred.

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

- B. During the last three years, there were no strictures or penalties imposed by SEBI, Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.
- C. In terms of Regulations 26 (5) of the Listing Regulations, 2015, the senior management have disclosed to the Board that they have no personal interest in material, financial and commercial transactions of the Company, that may have a potential conflict with the interest of the Company at large.
- D. The Company has adopted a Whistle Blower Policy (Vigil Mechanism) which has been posted on the Company's website and can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx) under the head "Corporate Governance". No personnel has been denied access to the audit committee.
- E. Familiarisation programme for independent directors can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx).
- F. Policy for determining 'material' subsidiaries can be viewed on [http://www.graphiteindia.com/View/investor\\_relation.aspx](http://www.graphiteindia.com/View/investor_relation.aspx)
- G. (i) The Company has complied with all mandatory requirements of the Listing Regulations, 2015.
- (ii) Non-Mandatory requirements
- The Company maintains a Chairman office at its expense. Reimbursement of expenses incurred in performance of his duties are made.
  - The audit report on the financial statements of the Company for the previous year has no qualifications.
  - The Company has separate persons to the post of Chairman and Executive Director.
  - The Internal Auditor can report directly to the Audit Committee.
  - Half yearly declaration of financial performance including summary of significant events in last six months are not sent to each household of shareholders.

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

## **VIII Means of Communication**

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

The Company has a separate e-mail ID [investorgrievance@graphiteindia.com](mailto:investorgrievance@graphiteindia.com) for investors to intimate their grievances, if any.

There were no presentations made to the Institutional Investors or to the 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.

**IX General Shareholder Information**

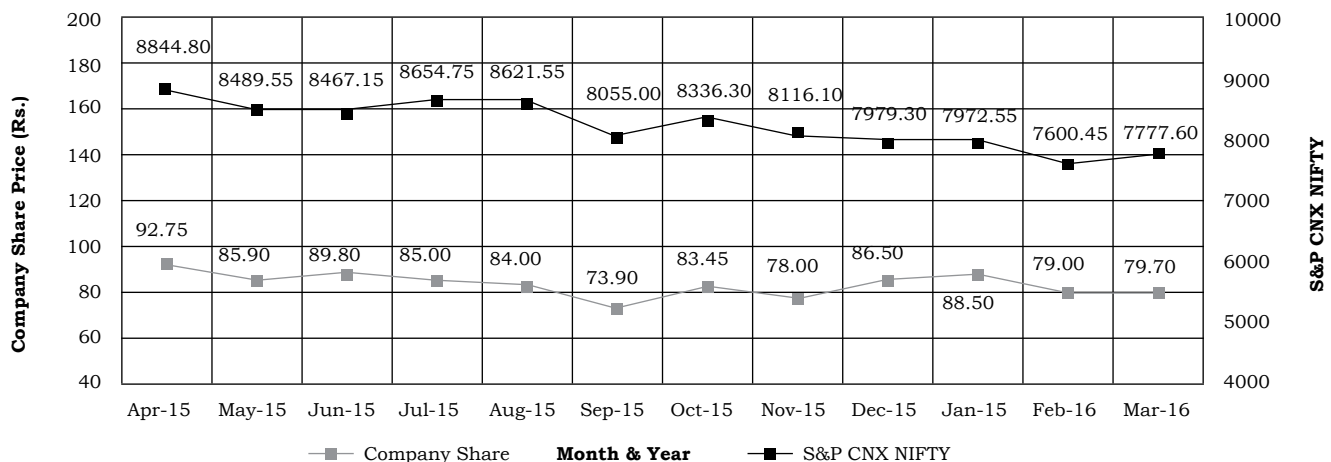
<b>AGM Date, Time and Venue</b>	10th August, 2016 at 3:45 p.m. at Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017
<b>Financial Year</b>	1st April to 31st March
<b>Date of Book Closure</b>	Thursday, 4th August, 2016 to Wednesday, 10th August, 2016 (both days inclusive)
<b>Dividend Payment Date</b>	N.A. as interim dividend paid has been confirmed as final dividend.
<b>Listing on Stock Exchanges</b>	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001  National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Bandra-Kurla Complex Bandra (E), Mumbai 400 051  The Company has paid the listing fees for the period April, 2016 to March, 2017 to BSE & NSE.
<b>Stock Code</b>	509488 on BSE GRAPHITE on NSE
<b>Demat ISIN Number for NSDL and CDSL</b>	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, 2015	92.75	81.10	October, 2015	83.45	67.35
May, 2015	85.90	79.00	November, 2015	78.00	68.20
June, 2015	89.80	76.95	December, 2015	86.50	72.00
July, 2015	85.00	78.00	January, 2016	88.50	72.25
August, 2015	84.00	64.00	February, 2016	79.00	64.55
September, 2015	73.90	67.20	March, 2016	79.70	65.40

**S&P CNX NIFTY**

Period	High Rs	Period	High Rs
April 2015	8844.80	October 2015	8336.30
May 2015	8489.55	November 2015	8116.10
June 2015	8467.15	December 2015	7979.30
July 2015	8654.75	January 2016	7972.55
August 2015	8621.55	February 2016	7600.45
September 2015	8055.00	March 2016	7777.60

**Stock Performance of the company in comparison to S&P CNX NIFTY**

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

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

Link Intime India Pvt. Ltd.,  
C-13 Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W), Mumbai 400 078  
Phone: 022-25946970, Fax : 022- 25946969  
E-mail: rnt.helpdesk@linktime.co.in

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

**Share Transfer System**

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

**Distribution of Shareholding as on 31st March, 2016**

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1 – 500	96684	94.5417	4641290	2.3756
501 – 1000	2824	2.7614	2256031	1.1547
1001-2000	1396	1.3651	2084761	1.0671
2001 – 3000	490	0.4791	1236285	0.6328
3001 – 4000	218	0.2132	776341	0.3974
4001 – 5000	191	0.1868	910415	0.4660
5001 – 10000	219	0.2141	1613222	0.8257
10001 – 30000	137	0.1340	2268947	1.1613
30001 – 50000	37	0.0362	1467153	0.7509
50001 – 100000	25	0.0244	1807382	0.9251
100001 and above	45	0.0440	176313767	90.2435
<b>Total</b>	<b>102266</b>	<b>100.00</b>	<b>195375594</b>	<b>100.00</b>
No. of shareholders in Physical mode	65960	64.4985	3044335	1.5582
Electronic Mode	36306	35.5015	192331259	98.4418
<b>Total</b>	<b>102266</b>	<b>100.00</b>	<b>195375594</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March, 2016**

Category	No. of Shares	%
<b>Promoters Holding</b>		
Promoters		
Indian Promoters	125834881	64.41
Foreign Promoters	1583102	0.81
Persons acting in concert	-	-
<b>Sub-Total</b>	<b>127417983</b>	<b>65.22</b>
<b>Non-Promoters Holding</b>		
<b>Institutional Investors</b>		
Mutual Fund and UTI	7606919	3.89
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6804912	3.48
Foreign Portfolio Investor	24271055	12.42
<b>Sub-Total</b>	<b>38682886</b>	<b>19.80</b>
<b>Others</b>		
Private Corporate Bodies	11051634	5.66
Indian Public	15928031	8.15
NRI / OCBs	2295060	1.17
Any Other	-	-
<b>Sub-Total</b>	<b>29274725</b>	<b>14.98</b>
<b>Grand Total</b>	<b>195375594</b>	<b>100.00</b>
<b>Total Foreign Shareholding</b>		
Foreign Promoters	1583102	0.81
Foreign Portfolio Investor	24271055	12.42
NRIs / OCBs	2295060	1.17
<b>Total</b>	<b>28149217</b>	<b>14.40</b>

**Dematerialisation of shares and liquidity**

As on 31st March 2016, 192331259 shares of the Company representing 98.44 % of the total shares are in dematerialised form.

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

**Outstanding GDRs / ADRs/ Warrants/ Convertible Instruments**

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

**Commodity price risk or foreign exchange risk and hedging activities**

The Company is exposed to risk on account of volatility in the prices of commodity used as inputs as well as the company's finished products. The company does not hedge any commodity. Company enters into annual contracts for supply of needle coke which is as per Industry norm. Company has foreign exchange risk in the form of receivables for export and payables for Import, foreign currency loans and certain expenditures. The general policy of the company is to balance the same. However, select hedging is often undertaken in appropriate circumstances. The position of unhedged receivables and payables along with details of hedges outstanding as on 31st March, 2016 is incorporated in Note no. 50 to the Financial Statements.

**Plant Locations**

Graphite	P.O. Sagarbhanga Colony, Dist –Burdwan, Durgapur -713211, West Bengal Phone : (0343) 2556642-45/ 2557743
	88 MIDC Industrial Area Satpur, Nashik - 422 007 Phone : (0253) 2203300
	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Coke	Village- Phulwaria, National Highway 28, P O & Dist. Barauni - 851 112, Bihar Phone : (06279) 232252 / 232844
Impervious Graphite Equipment	C-7 MIDC Industrial Area, Ambad, Nashik - 422 010 Phone : (0253) 2302100
Glass Reinforced Pipes/ Tanks	Gut No. 523/524, Village Gonde, Taluka – Igatpuri, Nashik - 422 403 Phone : (02553) 229400
Powmex Steels	AT - Turla, PO – Jagua PS – Titilagarh, District Bolangir Odisha - 767066 Phone : (06655) 220504 / 220505
Power	Chunchanakatte K R Nagar Taluk, Dist –Mysore, Karnataka - 571 617 Phone : (08223) 281116
	Link Canal Mini Hydel Plant Peehali, Arekere Hobli, Srirangapatna Taluk Mandya Dist Karnataka - 57141
	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
	88 MIDC Industrial Area Satpur, Nashik - 422 007 Phone : (0253) 2203300
R & D Centre	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Sales Office	407 Ashoka Estate 24, Barakhamba Road, New Delhi - 110 001 Phone : (011) 23314364 / 65

**Address for Correspondence**

Graphite India Limited Bakhtawar, 2nd Floor Nariman Point Mumbai 400 021 Phone : (022) 22886418-21 Fax : (022) 22028833 E-Mail ID gilbakt@graphiteindia.com investorgrievance@graphiteindia.com	Graphite India Limited 31, Chowringhee Road Kolkata - 700 016 Phone : (033) 40029600 Fax : (033) 40029676/ 22496420 E-Mail ID: corp_secy@graphiteindia.com
Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup(W) Mumbai 400 078 Phone: 022-25946970 Fax : 022- 25946969 E-mail: rnt.helpdesk@linktime.co.in	Link Intime India Pvt. Ltd., 59 C, Chowringhee Road, 3rd Floor, Kolkata - 700 020 Phone: 033-22890540 Fax: 033- 22890539 E-mail: kolkata@linkintime.co.in

On behalf of the Board

Kolkata  
May 12, 2016

K. K. Bangur  
Chairman

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**Declaration**

All the Board Members and the Senior management Personnel have as on 31.03.16 affirmed their compliance of the “Code of Conduct for Directors and Senior Management Personnel dated 09.05.2014”.

Kolkata  
May 12, 2016

M B Gadgil  
Executive Director, Graphite India Limited

**Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of Graphite India Limited

We have examined the compliance of conditions of Corporate Governance by Graphite India Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

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

For Price Waterhouse  
Firm Registration Number:301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner  
Membership No: 57572

Place: Kolkata  
Date: May 12, 2016



**SECRETARIAL AUDIT REPORT****Annexure 10**

for the financial year ended 31st March 2016  
[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 2016, 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, 2016, 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is engaged in the business of manufacturing Graphite electrodes, graphite equipments, steel, GRP pipes and tanks and generation of hydel power. No Act specifically for the aforesaid businesses is/are applicable to the Company:
4. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement(s) entered into by the Company with Bombay Stock Exchange Limited (BSE Limited) and National Stock Exchange of India Limited, as applicable upto 30th November 2015. Thereafter, with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f 1st December, 2015.

5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
  - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
  - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observation(s):

**Observation(s):**  
The Company has partially spent the amount out of the prescribed Corporate Social Responsibility expenditure to be spent during the year. Shortfall in spending is being carried forward for spending in future years.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. We further report that:
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For PS & Associates

Sd/-Swati Bajaj

(Swati Bajaj)

Partner

C.P.No.: 3502, ACS:13216

Place: Kolkata  
Date: 28/04/2016

**STANDALONE  
FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GRAPHITE INDIA LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Graphite India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub - section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;
  - ii. The Company has long - term contracts and derivative contracts as at March 31, 2016 for which there were no 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 during the year ended March 31, 2016.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Pinaki Chowdhury  
Partner  
Membership Number 57572

Kolkata  
May 12, 2016

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Graphite India Limited on the standalone financial statements for the year ended March 31, 2016

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

1. We have audited the internal financial controls over financial reporting of Graphite India Limited ("the Company") as of March 31, 2016 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

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls

and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Pinaki Chowdhury  
Partner

Kolkata  
May 12, 2016

Membership Number 57572

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Graphite India Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 11.1 on fixed assets to the standalone financial statements, are held in the name of the Company, except for the following (details of which are set out in Note 11.5 to the standalone financial statements):
- | Particulars                                   | Gross Block<br>(Rs. in Lakhs) | Net Block<br>(Rs. in Lakhs) |
|---|-------------------------------|-----------------------------|
| Certain Freehold Land at Nashik and Titlagarh | 8.89                          | 8.89                        |
| Certain Leasehold Land at Titlagarh           | 22.08                         | 15.71                       |
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
- We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, service tax, works contract tax and labour welfare fund though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, duty

of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	16.00	1996-97, 1999-00, 2010-11 to 2012-13	Assistant / Deputy Commissioner of Central Excise
		16.04	2008-09, 2010-11 and 2011-12	Additional Commissioner of Central Excise
		266.53	2010-11 to 2012-13	Commissioner, Central Excise
		733.99	1999-2000 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		19.28	2000-01	High Court
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.07	2009-10	Deputy Commissioner of Sales Tax
		25.13	2005-06 to 2007-08	Additional Commissioner of Commercial Taxes
		0.90	2011-12	Additional Commissioner, Commercial Division (Appeal)
		229.99	2002-03, 2003-04, 2005-06 to 2008-09	Sales Tax Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	18.17	2011-12	West Bengal Taxation Tribunal
Karnataka Value Added Tax Act, 2003	Value Added Tax and Interest	7.87	2008-09	Assistant Commissioner of Commercial Taxes
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.77	2008-09	Commercial Tax Officer
Customs Act, 1962	Customs Duty, Interest and Penalty	3.77	1988-89	Chief Metropolitan Magistrate
		855.99	2005-06 to 2007-08	Commissioner of Customs
		279.74	1991-92, 1996 to 2000, 2007-08 and 2008-09	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax, Interest and Penalty	62.81	2006-07 to 2014-15	Assistant / Deputy Commissioner, Central Excise
		84.77	2007-08 to 2011- 12, 2013-14 and 2014-15	Additional Commissioner
		122.27	2006-07 to 2015-16	Commissioner (Appeals)
		26.41	2004-05 to 2008-09	Joint Commissioner
		103.35	2004-05 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
		491.32	2007-08 to 2011-12	Appeal to be filed with Customs, Excise & Service Tax Appellate Tribunal
		104.77	2005-06 to 2007-08	High Court
Income-tax Act, 1961	Income Tax and Interest	3,618.15	2009-10 to 2011-12	Commissioner of Income Tax (Appeals)

- viii According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans and commercial papers have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Pinaki Chowdhury  
Partner  
Membership Number 57572

Kolkata  
May 12, 2016



**BALANCE SHEET** as at 31st March, 2016

		(Rs. in Lakhs)	
	Note	As at 31st March, 2016	As at 31st March, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,907.68	3,907.68
Reserves and Surplus	3	1,73,808.26	1,71,452.94
		<b>1,77,715.94</b>	<b>1,75,360.62</b>
<b>Non - current Liabilities</b>			
Long - term Borrowings	4	-	4,172.00
Deferred Tax Liabilities (Net)	5	7,279.71	8,211.68
Other Long - term Liabilities	6	125.80	0.70
		<b>7,405.51</b>	<b>12,384.38</b>
<b>Current Liabilities</b>			
Short - term Borrowings	7	17,992.23	14,399.04
Trade Payables	8		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		148.39	46.87
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		15,667.44	18,634.38
Other Current Liabilities	9	8,733.60	13,654.44
Short - term Provisions	10	5,540.59	10,270.41
		<b>48,082.25</b>	<b>57,005.14</b>
<b>TOTAL</b>		<b>2,33,203.70</b>	<b>2,44,750.14</b>
<b><u>ASSETS</u></b>			
<b>Non - current Assets</b>			
Fixed Assets			
Tangible Assets	11	53,935.95	58,912.77
Intangible Assets	11	151.87	169.00
Capital Work - in - progress		6,549.27	958.60
		<b>60,637.09</b>	<b>60,040.37</b>
Non - current Investments	12	17,275.56	21,305.67
Long - term Loans and Advances	13	1,576.29	2,058.08
Other Non - current Assets	14	6.52	12.26
		<b>79,495.46</b>	<b>83,416.38</b>
<b>Current Assets</b>			
Current Investments	15	37,632.33	26,700.56
Inventories	16	63,202.12	85,498.69
Trade Receivables	17	44,216.95	38,788.37
Cash and Bank Balances	18	576.54	1,134.04
Short - term Loans and Advances	19	6,263.07	7,583.18
Other Current Assets	20	1,817.23	1,628.92
		<b>1,53,708.24</b>	<b>1,61,333.76</b>
<b>TOTAL</b>		<b>2,33,203.70</b>	<b>2,44,750.14</b>

The accompanying Notes are an integral part of these Financial Statements.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President-Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2016

		Year ended 31st March, 2016	(Rs. in Lakhs) Year ended 31st March, 2015
Revenue from Operations (Gross)	21	1,42,463.80	1,57,135.74
Less: Excise Duty		7,796.33	7,413.86
Revenue from Operations (Net)		<b>1,34,667.47</b>	<b>1,49,721.88</b>
Other Income	22	2,600.39	3,074.02
<b>Total Revenue</b>		<b>1,37,267.86</b>	<b>1,52,795.90</b>
Expenses			
Cost of Materials Consumed	23	45,991.15	69,400.44
Purchases of Stock - in - trade	24	89.69	-
Changes in Inventories of Finished Goods and Work - in - progress	25	12,807.89	(1,969.80)
Employee Benefits Expense	26	13,613.99	13,846.70
Finance Costs	27	741.47	1,222.63
Depreciation and Amortisation Expense	28	4,442.24	3,874.62
Other Expenses	29	46,756.32	52,916.96
<b>Total Expenses</b>		<b>1,24,442.75</b>	<b>1,39,291.55</b>
<b>Profit before Exceptional Item and Tax</b>		<b>12,825.11</b>	<b>13,504.35</b>
Exceptional Item - Loss (Refer Note 45)		-	560.00
<b>Profit before Tax</b>		<b>12,825.11</b>	<b>12,944.35</b>
Tax Expense			
Current Tax		4,949.91	4,712.40
Deferred Tax		(362.91)	12.60
<b>Profit for the year</b>		<b>8,238.11</b>	<b>8,219.35</b>
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (Previous Year - Rs.2/-)]	30		
Basic (Rs.)		4.22	4.21
Basic before Exceptional Item (Rs.)		4.22	4.49
Diluted (Rs.)		4.22	4.21
Diluted before Exceptional Item (Rs.)		4.22	4.49

The accompanying Notes are an integral part of these Financial Statements.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President - Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman

**CASH FLOW STATEMENT** for the year ended 31st March, 2016

	Year ended 31st March, 2016	(Rs. in Lakhs) Year ended 31st March, 2015
<b>A. Cash Flows from Operating Activities:</b>		
Profit before Tax	12,825.11	12,944.35
<u>Adjustments for:</u>		
Depreciation and Amortisation Expense	4,442.24	3,874.62
(Gain)/Loss on Disposal of Tangible Fixed Assets (Net)	(0.87)	30.93
Bad Debts/Advances Written Off	40.72	151.72
Provision for Diminution in Value of Long - term Investments	-	560.00
Provision for Doubtful Debts	347.53	158.41
Provision for Mark - to - market Losses on Derivatives Written Back	-	(38.26)
Net Gain on Disposal of Long - term Investments	-	(116.32)
Net Gain on Disposal of Current Investments	(984.67)	(1,410.46)
Interest Income	(363.61)	(615.48)
Finance Costs	741.47	1,222.63
Provision for Doubtful Debts Written Back	(25.76)	(85.89)
Liabilities no Longer Required Written Back	(331.01)	(351.80)
Foreign Exchange Loss (Net)	319.74	77.37
Operating Profit before Working Capital Changes	<b>17,010.89</b>	<b>16,401.82</b>
<u>Changes in Working Capital:</u>		
Decrease in Trade Payables	(2,683.24)	(3,835.82)
Increase/(Decrease) in Provisions	26.71	(139.64)
Increase/(Decrease) in Other Current Liabilities	1,159.23	(768.80)
Increase/(Decrease) in Other Long - term Liabilities	125.10	(46.35)
(Increase)/Decrease in Trade Receivables	(5,934.37)	3,417.33
Decrease in Inventories	22,296.57	2,801.42
Decrease in Loans And Advances	1,348.39	4,126.51
(Increase)/Decrease in Other Current Assets	(85.29)	438.88
(Increase)/Decrease in Other Non - current Assets	3.72	(8.19)
Cash Generated from Operations	<b>33,267.71</b>	<b>22,387.16</b>
Income - tax paid (Net of Refunds)	(5,003.46)	(5,005.64)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>28,264.25</b>	<b>17,381.52</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of Tangible/Intangible Assets	(5,169.39)	(3,166.49)
Proceeds on Disposal of Tangible Fixed Assets	9.76	63.60
Purchase of Current Investments	(53,941.46)	(51,512.81)
Sale/Redemption of Current Investments	48,024.47	53,119.72
Sale/Redemption of Long - term Investments	-	1,376.32
Advance against Investments in Equity	(12.00)	-
Interest Received	262.61	641.34
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(10,826.01)</b>	<b>521.68</b>

**CASH FLOW STATEMENT** for the year ended 31st March, 2016

	Year ended 31st March, 2016	(Rs. in Lakhs) Year ended 31st March, 2015
<b>C. Cash Flows from Financing Activities:</b>		
Dividends Paid	(7,715.36)	(6,815.51)
Dividend Distribution Tax Paid	(1,590.95)	(1,162.14)
Finance Costs Paid	(738.20)	(1,273.40)
Repayment of Long - term Borrowings	(11,237.66)	(4,144.51)
Short - term Borrowings - Receipts/(Payments)	3,286.43	(5,763.50)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(17,995.74)</b>	<b>(19,159.06)</b>
<b>Net Cash Outflow</b>	<b>(557.50)</b>	<b>(1,255.86)</b>
<b>Cash and Cash Equivalents - Opening</b>	1,134.04	2,389.90
<b>Cash and Cash Equivalents - Closing</b>	576.54	1,134.04
	<b>(557.50)</b>	<b>(1,255.86)</b>
<b>Cash and Cash Equivalents comprise:</b>		
Cash on hand	20.38	28.10
Cheques, Drafts on hand	0.79	8.12
Balances with Banks*	555.37	1,097.82
<b>Total</b>	<b>576.54</b>	<b>1,134.04</b>
* Includes the following balances which are not available for use by the Company - Unpaid Dividend Accounts	<b>431.95</b>	<b>332.29</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' prescribed under the Act.
- Purchase of Tangible/Intangible Assets do not include Rs. 143.30 Lakhs (Previous Year - Rs. Nil) relating to adjustment of payables with trade receivables being a non - cash item.
- Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)

Partner

Membership No. 57572  
Kolkata - 12th May, 2016

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Chairman

## Notes to Financial Statements for the year ended 31st March, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (the 'Act').

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

#### B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

#### C. Fixed Assets

Fixed Assets are stated at cost of acquisition and inclusive of borrowing cost, where applicable, and adjustments for exchange differences referred to in Note 1(H) below, net of accumulated depreciation/amortisation and accumulated impairment losses, if any.

Cost comprises cost of acquisition including non-refundable taxes/duties, freight and other incidental expenses related to acquisition and installation. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Subsequent expenditures related to an item of fixed asset (tangible or intangible) are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Machinery spares which are irregular in use and associated with particular asset are treated as fixed assets.

#### D. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Act (Also refer Note 38). Leasehold land is amortised on straight-line basis over the primary lease period. Intangible assets (Computer Software) are amortised on a straight-line basis over a period of five years.

#### E. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired.

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the fixed asset over its remaining useful life.

#### F. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less write down for any diminution, other than temporary, in carrying value. Current investments are carried at lower of cost and fair value.

#### G. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. 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. Foreign Currency Transactions as applicable under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The resultant exchange differences (other than relating to long-term foreign currency monetary items) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss.

Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability).

## Notes to Financial Statements for the year ended 31st March, 2016

Premium or discount arising at the inception of a forward exchange contract entered into to hedge an existing asset/liability is amortised as expense or income over the life of the contract.

### I. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark - to - market loss, if any, on outstanding contracts as at the Balance Sheet date are recognised in the Statement of Profit and Loss and mark - to - market gain, if any, on outstanding contracts as at the Balance Sheet date is ignored.

Refer Note 1(H) above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

### J. Revenue

Revenue from sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. It includes excise duty but excludes value added tax/sales tax, trade discounts, returns, as applicable.

Income from services rendered is recognised as the service is performed on proportionate completion method and is booked based on agreements/arrangements with the concerned parties.

Export entitlements are recognised after completion of related exports on prudent basis.

### K. Construction Contracts

Revenue in respect of construction contracts is recognised on the basis of percentage of completion method. The stage of completion is determined on the basis of completion of physical proportion of the contract work. Future expected loss, if any, is recognised as expenditure.

### L. Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition and construction of qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost up to the date when such assets are substantially ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

### M. Research & Development Expenditure

Research costs are expensed in the period in which it is incurred. Expenditure on Development is expensed/capitalised in compliance with the provisions of the Accounting Standard 26 on 'Intangible Assets'.

### N. Employee Benefits

#### a) Short - term Employee Benefits :

The undiscounted amount of Short - term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

#### b) Post Employment Benefit Plans :

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

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight - line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

#### c) Other Long - term Employee Benefits (unfunded) :

The cost of providing other long - term employee benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long - term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

### O. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

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 will be required to settle or a reliable estimate of the amount cannot be made.

### P. Taxation

Current tax is provided as the amount of tax payable in respect of taxable income for the year, measured using the applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

**Notes to Financial Statements** for the year ended 31st March, 2016

Deferred tax assets are recognised only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

**Q. Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight - line basis over the period of lease.

**R. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. The Company generally accounts for inter - segment sales and transfers at cost plus appropriate margin. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Corporate - Unallocated (Net)".

2. Share Capital	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised</b>		
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Rs. 2/- each	4,000.00	4,000.00
<b>Issued, Subscribed and Paid - up</b>		
19,53,75,594 (Previous Year - 19,53,75,594) Equity Shares of Rs. 2/- each		
Fully Paid - up	3,907.51	3,907.51
Add: Forfeited Shares	0.17	0.17
	<b>3,907.68</b>	<b>3,907.68</b>

**2.1** The Company has one class of Equity Shares having a par value of Rs. 2/- per share . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**2.2** 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 Limited (ECL); the Holding Company	11,95,79,419	11,36,29,585
Shree Laxmi Agents Limited; a Subsidiary of ECL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECL	3,86,645	3,86,645

**2.3** Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company :

Name of Shareholder	Number of Shares	Number of Shares
Emerald Company Limited	11,95,79,419	11,36,29,585
	(61.20%)	(58.16%)

**Notes to Financial Statements** for the year ended 31st March, 2016

3. Reserves and Surplus	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve : As per Last Accounts	45.86	45.86
	<b>45.86</b>	<b>45.86</b>
Capital Redemption Reserve : As per Last Accounts	575.00	575.00
	<b>575.00</b>	<b>575.00</b>
Securities Premium Account : As per Last Accounts	20,097.65	20,097.65
	<b>20,097.65</b>	<b>20,097.65</b>
General Reserve (Note 3.1 below)		
Balance as at the Beginning of the Year	1,27,329.63	1,29,076.20
Add: Transferred from Surplus in Statement of Profit and Loss during the Year	7,500.00	-
Less: Adjustment of Net Book Value of certain Fixed Assets as per Schedule II of the Act (Net of Tax)	-	(1,746.57)
Less: Adjustment of Net Book Value of certain Fixed Assets due to Componentisation as per Schedule II of the Act (Net of Tax) (Refer Note 38)	(1,179.80)	-
Balance as at the End of the Year	<b>1,33,649.83</b>	<b>1,27,329.63</b>
Surplus in Statement of Profit and Loss		
Balance as at the Beginning of the Year	23,404.80	19,888.43
Add: Profit for the Year	8,238.11	8,219.35
Amount Available for Appropriation	<b>31,642.91</b>	<b>28,107.78</b>
Less: Appropriations		
Transferred to General Reserve	7,500.00	-
Interim Dividend on Equity Shares [Rs. 2.00 per Share (Previous Year - Rs. Nil)]	3,907.51	-
Dividend Distribution Tax on Interim Dividend	795.48	-
Proposed Dividend on Equity Shares [Rs. Nil per Share (Previous Year - Rs. 2.00 per Share)]	-	3,907.51
Dividend Distribution Tax on Proposed Dividend	-	795.47
Balance as at the End of the Year	<b>19,439.92</b>	<b>23,404.80</b>
	<b>1,73,808.26</b>	<b>1,71,452.94</b>

3.1 Represents a free reserve and is not meant for meeting any specific liability, contingency or commitment.

**4. Long - term Borrowings**

Secured		
Foreign Currency Term Loans from a Bank	-	4,172.00
(Secured by way of first charge on certain moveable fixed assets, both present and future, of the Company)		
	-	<b>4,172.00</b>



**Notes to Financial Statements** for the year ended 31st March, 2016

5. <b>Deferred Tax Liabilities (Net)</b>	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liabilities		
Depreciation @	<b>8,658.56</b>	<b>9,337.99</b>
Deferred Tax Assets		
Expenses Allowable for Tax Purpose on Payment	1,119.25	978.06
Provision for Doubtful Debts	259.60	148.25
	<b>1,378.85</b>	<b>1,126.31</b>
	<b>7,279.71</b>	<b>8,211.68</b>

@ After considering Rs. 569.06 Lakhs (Previous Year - Rs. 767.65 Lakhs) being tax effect arising from adjustment of Net Book Value of certain Fixed Assets in the General Reserve (Refer Note 38).

**6. Other Long-term Liabilities**

Trade Payables	125.10	-
Security Deposits	0.70	0.70
	<b>125.80</b>	<b>0.70</b>

**7. Short - term Borrowings**

Secured		
Loans Repayable on Demand from Banks (Secured by first charge by way of hypothecation of certain stocks and book debts, both present and future, and secured by creation of second charge by way of mortgage/charge on certain other movable and immovable assets of the Company, both ranking pari - passu amongst the related chargeholders)	7,445.24	10,823.22
Unsecured		
Loans Repayable on Demand from Banks	8,880.52	3,575.82
Foreign Currency Term Loan from a Bank	1,666.47	-
	<b>17,992.23</b>	<b>14,399.04</b>

**7.1** Balance outstanding as at 31st March, 2016 in respect of Commercial Paper was Rs. Nil (Previous Year - Rs. Nil). Maximum amount outstanding at any time during the year was Rs. 7,000.00 Lakhs (Previous Year - Rs. 5,000.00 Lakhs).

**8. Trade Payables**

(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 41)	<b>148.39</b>	<b>46.87</b>
(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
(i) Acceptances	3,421.80	3,345.53
(ii) Others	12,245.64	15,288.85
	<b>15,667.44</b>	<b>18,634.38</b>
	<b>15,815.83</b>	<b>18,681.25</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

<b>9. Other Current Liabilities</b>	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Current Maturities of Long - term Debt	-	6,258.00
Interest Accrued but not Due on Borrowings	46.21	42.94
Unpaid Dividends*	431.95	332.29
Other Payables		
Dues Payable to Government Authorities	3,333.33	3,200.73
Capital Liabilities	439.69	215.86
Advances from Customers	842.04	581.60
Billing in Excess of Revenue	44.03	212.50
Deposits	31.47	31.97
Claims/Charges Payable	1,586.41	768.54
Employee Benefits Payable	1,842.22	1,865.75
Fractional Entitlement Due for Refund to Shareholders	9.25	9.26
Remuneration Payable to Non - executive Directors	127.00	135.00
	<b>8,733.60</b>	<b>13,654.44</b>

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

**10. Short - term Provisions**

Provisions for Employee Benefits	1,696.44	1,664.04
Other Provisions		
Current Tax [Net of Advance Tax - Rs. 68,609.33 Lakhs (Previous Year - Rs. 63,605.87 Lakhs)]	3,843.69	3,897.24
Wealth Tax [Net of Advance Tax - Rs. 77.23 Lakhs (Previous Year - Rs. 71.54 Lakhs)]	0.46	6.15
Proposed Dividend on Equity Shares	-	3,907.51
Dividend Distribution Tax on Proposed Dividend	-	795.47
	<b>5,540.59</b>	<b>10,270.41</b>

**Notes to Financial Statements** for the year ended 31st March, 2016**11. Fixed Assets****11.1 Reconciliation of Gross and Net Carrying Amount of Each Class of Assets**

Description	GROSS BLOCK - AT COST				DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 31st March, 2015	Additions during the Year	Adjustments during the year [Refer Note 11.2 below]	Disposals during the Year	As at 31st March, 2016	Up to 31st March, 2015	Adjustments during the year [Refer Note 11.3 below]	For the Year [Refer Note 38]	On Disposals	Up to 31st March, 2016	As at 31st March, 2016
<b>Tangible Assets</b>											
Freehold Land	2,239.70	-	-	-	2,239.70	-	-	-	-	-	2,239.70
Leasehold Land	119.31	-	-	-	119.31	42.04	-	1.86	-	43.90	75.41
Buildings	25,642.53	28.40	236.24	-	25,907.17	8,440.40	-	871.75	-	9,312.15	16,595.02
Plant and Equipment	94,485.89	286.03	558.44	21.50	95,308.86	55,779.61	1,748.86	3,335.02	19.71	60,843.78	34,465.08
Furniture and Fixtures	787.49	16.27	-	0.06	803.70	572.99	-	41.57	0.06	614.50	189.20
Vehicles	753.37	25.43	-	57.93	720.87	455.70	-	74.08	50.86	478.92	241.95
Office Equipment	774.28	17.78	-	44.13	747.93	599.07	-	63.38	44.10	618.35	129.58
Machinery Spares	14.67	-	-	-	14.67	14.66	-	-	-	14.66	0.01
<b>Total</b>	<b>1,24,817.24</b>	<b>373.91</b>	<b>794.68</b>	<b>123.62</b>	<b>1,25,862.21</b>	<b>65,904.47</b>	<b>1,748.86</b>	<b>4,387.66</b>	<b>114.73</b>	<b>71,926.26</b>	<b>53,935.95</b>
<b>Intangible Assets</b>											
Computer Software - Acquired	556.15	37.45	-	-	593.60	387.15	-	54.58	-	441.73	151.87
<b>Total</b>	<b>556.15</b>	<b>37.45</b>	<b>-</b>	<b>-</b>	<b>593.60</b>	<b>387.15</b>	<b>-</b>	<b>54.58</b>	<b>-</b>	<b>441.73</b>	<b>151.87</b>
<b>Grand Total</b>	<b>1,25,373.39</b>	<b>411.36</b>	<b>794.68</b>	<b>123.62</b>	<b>1,26,455.81</b>	<b>66,291.62</b>	<b>1,748.86</b>	<b>4,442.24</b>	<b>114.73</b>	<b>72,367.99</b>	<b>54,087.82</b>

Description	GROSS BLOCK - AT COST				DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 31st March, 2014	Additions during the Year	Adjustments during the year [Refer Note 11.2 below]	Disposals during the Year	As at 31st March, 2015	Up to 31st March, 2014	Adjustments during the year [Refer Note 11.4 below]	For the Year [Refer Note 38]	On Disposals	Up to 31st March, 2015	As at 31st March, 2015
<b>Tangible Assets</b>											
Freehold Land	2,239.70	-	-	-	2,239.70	-	-	-	-	-	2,239.70
Leasehold Land	119.31	-	-	-	119.31	40.18	-	1.86	-	42.04	77.27
Buildings	25,407.75	78.54	161.22	4.98	25,642.53	7,195.84	339.26	910.23	4.93	8,440.40	17,202.13
Plant and Equipment	94,132.45	863.78	389.95	900.29	94,485.89	51,889.59	2,049.93	2,702.60	862.51	55,779.61	38,706.28
Furniture and Fixtures	659.33	138.25	-	10.09	787.49	506.98	41.56	34.62	10.17	572.99	214.50
Vehicles	860.48	28.86	-	135.97	753.37	427.04	14.09	91.88	77.31	455.70	297.67
Office Equipment	740.57	88.89	-	55.18	774.28	517.64	69.38	69.63	57.58	599.07	175.21
Machinery Spares	68.19	-	-	53.52	14.67	67.65	-	-	52.99	14.66	0.01
<b>Total</b>	<b>1,24,227.78</b>	<b>1,198.32</b>	<b>551.17</b>	<b>1,160.03</b>	<b>1,24,817.24</b>	<b>60,644.92</b>	<b>2,514.22</b>	<b>3,810.82</b>	<b>1,065.49</b>	<b>65,904.47</b>	<b>58,912.77</b>
<b>Intangible Assets</b>											
Computer Software - Acquired	549.64	6.51	-	-	556.15	323.35	-	63.80	-	387.15	169.00
<b>Total</b>	<b>549.64</b>	<b>6.51</b>	<b>-</b>	<b>-</b>	<b>556.15</b>	<b>323.35</b>	<b>-</b>	<b>63.80</b>	<b>-</b>	<b>387.15</b>	<b>169.00</b>
<b>Grand Total</b>	<b>1,24,777.42</b>	<b>1,204.83</b>	<b>551.17</b>	<b>1,160.03</b>	<b>1,25,373.39</b>	<b>60,968.27</b>	<b>2,514.22</b>	<b>3,874.62</b>	<b>1,065.49</b>	<b>66,291.62</b>	<b>59,081.77</b>

**11.2** Represents exchange differences arising on long - term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets [Refer Note 1(H) above].

**11.3** Represents adjustment due to revision in useful lives of certain fixed assets due to componentisation as per Schedule II to the Act (Refer Note 38).

**11.4** Represents adjustment due to revision in useful lives of certain fixed assets as per Schedule II to the Act.

**11.5** Title deeds of immovable properties set out in Note 11.1 above, where applicable, are in the name of the Company except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL), inter alia, the immovable properties of GVIL/PSL got transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

Particulars	(Rs. in Lakhs)	
	Gross Block	Net Block
Certain Freehold Land at Nashik and Titlagarh	8.89	8.89
Certain Leasehold Land at Titlagarh	22.08	15.71

## Notes to Financial Statements for the year ended 31st March, 2016

12. Non - current Investments	Unit		As at		(Rs. in Lakhs)
	Face Value	Number	31st March, 2016	Number	As at 31st March, 2015
<b>Long - term [Refer Note 1(F)]</b>					
<b>Trade Investments</b>					
<b>Unquoted</b>					
<b>Investments in Equity Instruments</b>					
<b>In Subsidiary Company</b>					
Fully Paid - up Shares					
Graphite International B.V.	Euro 1	1,73,00,000	11,588.48	1,73,00,000	11,588.48
<b>In Other Body Corporate</b>					
Fully Paid - up Equity Shares					
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)					
Class A Equity Shares	Rs.10	24,76,558	247.66	24,76,558	247.66
<b>Investments in Preference Shares</b>					
<b>In Other Body Corporate</b>					
Fully Paid - up Preference Shares					
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)					
0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	312.34	31,23,442	312.34
<b>Other than Trade Investments</b>					
<b>Unquoted</b>					
<b>Investments in Equity Instruments</b>					
<b>In Subsidiary Company</b>					
Fully Paid - up Equity Shares					
Carbon Finance Limited	Rs.10	53,00,000	3,003.76	53,00,000	3,003.76
<b>In Government Securities</b>					
6 Year National Savings Certificate (Deposited with Sales Tax Authority)			0.06		0.06
<b>Investments in Mutual Funds</b>					
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative	Rs.10	-	-	52,50,000.000	525.00
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan	Rs.10	-	-	50,00,000.000	500.00
HDFC FMP 370D March 2014 (1) Regular - Growth	Rs.10	80,00,000.000	800.00	80,00,000.000	800.00
HDFC FMP 370D August 2013 (2) Regular - Growth	Rs.10	-	-	50,00,000.000	500.00
Reliance Fixed Horizon Fund - XXIV - Series 15 - Growth Plan	Rs.10	-	-	58,10,000.000	581.00
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth	Rs.10	-	-	1,26,83,215.429	1,268.32
ICICI Prudential FMP Series 73 - 366 Days Plan A Regular Plan - Cumulative	Rs.10	1,09,42,600.000	1,094.26	1,09,42,600.000	1,094.26
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth	Rs.10	-	-	65,57,940.000	655.79
ICICI Prudential FMP Series 73 - 366 Days Plan B Regular Plan - Cumulative	Rs.10	78,90,000.000	789.00	78,90,000.000	789.00
			<b>17,835.56</b>		<b>21,865.67</b>
Less: Provision for Diminution in Value of Investments*			(560.00)		(560.00)
			<b>17,275.56</b>		<b>21,305.67</b>
<b>Aggregate Amount of Unquoted Investments</b>			<b>17,835.56</b>		<b>21,865.67</b>
<b>Net Asset Value of Units of Mutual Funds</b>			<b>3,217.42</b>		<b>7,564.80</b>

12.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 44.

**Notes to Financial Statements** for the year ended 31st March, 2016

13. Long - term Loans and Advances	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good :		
Capital Advances	753.58	1,219.09
Security Deposits	643.33	671.33
Other Loans and Advances		
Advance against Investments in Equity	12.00	-
Loans to Employees*	157.91	156.47
Prepaid Expenses	9.47	11.19
	<b>1,576.29</b>	<b>2,058.08</b>
* Includes amount due from an Officer of the Company	<b>6.90</b>	-

## 14. Other Non - current Assets

Unsecured, Considered Good :		
Fixed Deposits with Banks (with Maturity of more than Twelve Months) (Lodged with Government Authority/Others)	5.87	9.59
Accrued Interest on Fixed Deposits	0.65	2.67
	<b>6.52</b>	<b>12.26</b>

## 15. Current Investments

15. Current Investments	Unit		As at		(Rs. in Lakhs)
	Face Value	Number	31st March, 2016	Number	As at 31st March, 2015
<b>Unquoted [Refer Note 1(F)]</b>					
<b>Investments in Mutual Funds</b>					
HDFC Monthly Income Plan - Long Term - Growth	Rs.10	45,28,407.250	1,360.00	45,28,407.250	1,360.00
HSBC Monthly Income Plan - Savings Plan - Growth	Rs.10	30,86,246.563	715.00	30,86,246.563	715.00
Reliance Monthly Income Plan - Growth Plan Growth Option	Rs.10	51,64,324.701	1,510.00	51,64,324.701	1,510.00
ICICI Prudential MIP - 25 - Regular Plan - Growth	Rs.10	38,96,517.600	960.00	38,96,517.600	960.00
HDFC Short Term Plan - Growth	Rs.10	41,06,621.271	998.15	41,06,621.271	998.15
Franklin India Short Term Income Plan - Growth	Rs.1,000	23,861.287	680.00	52,076.267	1,426.59
Reliance Short Term Fund - Growth Plan - Growth Option	Rs.10	70,92,615.918	1,718.16	70,92,615.918	1,718.16
Reliance Regular Savings Fund - Debt Plan - Inst Growth Plan	Rs.10	30,33,352.819	512.97	30,33,352.819	512.97
Franklin India Income Opportunities Fund - Growth	Rs.10	1,77,17,738.990	2,511.79	2,37,07,915.101	3,361.00
Franklin India Corporate Bond Opportunities Fund - Growth	Rs.10	1,12,57,877.382	1,500.00	1,12,57,877.382	1,500.00
Reliance Dynamic Bond Fund - Growth Plan - Growth Option	Rs.10	87,42,169.322	1,404.08	1,21,34,552.743	1,948.94
IDFC Yearly Series Interval Fund Regular Plan - Series III - Growth	Rs.10	-	-	60,00,000.000	600.00
IDFC Dynamic Bond Fund - Growth - Regular Plan	Rs.10	35,13,604.678	500.00	35,13,604.678	500.00
IDFC Super Saver Income Fund - Investment Plan - Growth - Regular Plan	Rs.10	21,26,773.202	611.19	21,26,773.202	611.19
DSP BlackRock Strategic Bond Fund - Institutional Plan - Growth	Rs.1,000	29,027.132	400.00	29,027.132	400.00
DSP BlackRock Short Term Fund - Regular Plan - Growth	Rs.10	32,15,415.059	710.73	32,15,415.059	710.73
UTI Bond Fund - Growth	Rs.10	13,95,946.172	500.00	13,95,946.172	500.00
DSP BlackRock MIP - Regular Plan - Growth	Rs.10	21,19,173.861	500.00	21,19,173.861	500.00
Reliance Yearly Interval Fund - Series 1 - Growth Plan	Rs.10	91,96,755.384	1,000.00	91,96,755.384	1,000.00
DSP BlackRock Dynamic Asset Allocation Fund - Reg - Growth	Rs.10	66,76,858.218	750.00	66,76,858.218	750.00
ICICI Prudential Long Term - Regular Plan - Growth	Rs.10	41,72,144.494	700.00	41,72,144.494	700.00
HDFC Corporate Debt Opportunities Fund - Regular - Growth	Rs.10	62,46,595.812	700.00	62,46,595.812	700.00
Birla Sun Life Short Term Fund - Growth - Regular Plan	Rs.10	9,64,048.696	500.00	9,64,048.696	500.00
Birla Sun Life Dynamic Bond Fund - Retail Growth - Regular Plan	Rs.10	20,59,834.060	500.00	20,59,834.060	500.00
ICICI Prudential Short Term - Regular Plan - Growth Option	Rs.10	23,19,186.097	613.87	23,19,186.097	613.87
HDFC Floating Rate Income Fund - Short - Term Plan - Wholesale Option - Growth	Rs.10	44,69,153.900	1,000.00	44,69,153.900	1,000.00
SBI Magnum Income Fund - Regular - Growth	Rs.10	14,86,705.876	500.00	14,86,705.876	500.00
Reliance Medium Term Fund - Direct Plan - Growth Plan - Growth Option	Rs.10	1,29,15,808.673	4,079.66	-	-
Kotak Equity Savings Fund - Growth (Regular Plan)	Rs.10	61,47,634.995	670.00	-	-

**Notes to Financial Statements** for the year ended 31st March, 2016

	Unit		As at		(Rs. in Lakhs)
	Face Value	Number	As at		As at
			31st March, 2016	Number	31st March, 2015
<b>Investments in Commercial Papers</b>					
Piramal Enterprises Limited 179D CP 06MAY16	Rs.5,00,000	1,000.000	4,892.66	-	-
<b>Current Portion of Long - term Investments</b>					
<b>Investments in Mutual Funds</b>					
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative	Rs.10	52,50,000.000	525.00	-	-
HDFC FMP 370D August 2013 (2) - Regular - Growth	Rs.10	50,00,000.000	500.00	-	-
HDFC - FMP - 540D - December 2013 - I - Regular - Growth	Rs.10	60,39,628.000	603.96	60,39,628.000	603.96
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan	Rs.10	50,00,000.000	500.00	-	-
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth	Rs.10	1,26,83,215.429	1,268.32	-	-
Reliance Fixed Horizon Fund - XXIV - Series 15 - Growth Plan	Rs.10	58,10,000.000	581.00	-	-
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth	Rs.10	65,57,940.000	655.79	-	-
			<b>37,632.33</b>		<b>26,700.56</b>
<b>Aggregate Amount of Unquoted Investments</b>			<b>37,632.33</b>		<b>26,700.56</b>
<b>Net Asset Value of Units of Mutual Funds</b>			<b>38,083.95</b>		<b>29,860.01</b>

15.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 44.

	(Rs. in Lakhs)	
	As at	
	31st March, 2016	31st March, 2015
- At Lower of Cost and Net Realisable Value		
Raw Materials [Includes in transit - Rs. 846.02 Lakhs (Previous Year - Rs. 2,998.77 Lakhs)]	23,105.08	32,340.23
Work - in - progress [Includes in transit - Rs. 280.68 Lakhs (Previous Year - Rs. 745.46 Lakhs)]	29,279.67	36,199.18
Finished Goods [Includes in transit - Rs. 3,550.73 Lakhs (Previous Year - Rs. 2,565.51 Lakhs)]	9,391.19	15,279.57
Stores and Spares [Includes in transit - Rs. 43.38 Lakhs (Previous Year - Rs. 25.23 Lakhs)]	1,367.12	1,609.68
Loose Tools	59.06	70.03
	<b>63,202.12</b>	<b>85,498.69</b>

**17. Trade Receivables**

Unsecured :		
Debts Outstanding for a Period exceeding Six Months from the Date they are Due for Payment -		
Considered Good	2,660.20	1,024.89
Considered Doubtful	750.13	428.36
	<b>3,410.33</b>	<b>1,453.25</b>
Less: Provision for Doubtful Debts	(750.13)	(428.36)
	<b>2,660.20</b>	<b>1,024.89</b>
Other Debts -		
Considered Good	41,556.75	37,763.48
	<b>41,556.75</b>	<b>37,763.48</b>
	<b>44,216.95</b>	<b>38,788.37</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

18. Cash and Bank Balances	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	123.42	765.53
Unpaid Dividend Accounts @	431.95	332.29
Cheques, Drafts on Hand	0.79	8.12
Cash on Hand	20.38	28.10
	<b>576.54</b>	<b>1,134.04</b>

@ Earmarked for payment of Unclaimed Dividend

18.1 Fixed Deposits with Banks with Maturity of more than Twelve Months included in Note 14	5.87	9.59
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**19. Short - term Loans and Advances**

Unsecured, Considered Good :		
Advance/Deposits with Government Authorities	4,834.63	5,471.52
Advance to Suppliers/Service Providers	704.60	1,179.91
Prepaid/Advance for Expenses	316.29	621.76
Loans/Advances to Employees*	154.27	122.20
Claims Receivable/Charges Recoverable	143.97	93.86
Security and Other Deposits	109.31	93.93
	<b>6,263.07</b>	<b>7,583.18</b>

\*Includes amount due from an Officer of the Company

**20. Other Current Assets**

Unsecured, Considered Good :		
Receivables from a Related Party		
Subsidiary	145.65	219.63
Accrued Interest on Deposits		
with Banks	4.45	1.57
with Others	72.98	37.49
Accrued Interest on Investments	64.65	-
Export Entitlement Receivable	1,529.50	1,370.23
	<b>1,817.23</b>	<b>1,628.92</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

21. Revenue from Operations (Gross)	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	1,11,131.00	1,19,737.00
Carbon Paste	1,592.18	2,693.70
Calcined Petroleum Coke	3,502.33	2,727.17
Electricity	150.23	172.76
Impervious Graphite Equipment and Spares	8,156.28	10,239.22
GRP/FRP Pipes and Tanks	4,826.94	8,553.16
High Speed Steel [Includes Sale of Traded Goods amounting to Rs. 89.69 Lakhs (Previous Year - Rs. Nil)]	6,914.05	8,380.56
Alloy Steel	367.85	584.13
Others	1,616.68	1,694.07
	<b>1,38,257.54</b>	<b>1,54,781.77</b>
Sale of Services		
Processing/Service Charges	243.04	233.83
Installation Charges	1,139.52	94.69
	<b>1,382.56</b>	<b>328.52</b>
Other Operating Revenues		
Export Entitlement	2,542.57	1,727.21
Royalty	281.13	298.24
	<b>2,823.70</b>	<b>2,025.45</b>
	<b>1,42,463.80</b>	<b>1,57,135.74</b>

**22. Other Income**

Interest Income		
On Current Investments	64.65	-
On Loans and Deposits	70.42	72.73
From Customers	227.08	324.32
From Income - tax/Other Government Authorities	1.46	218.43
Net Gain on Disposal of Long - term Investments	-	116.32
Net Gain on Disposal of Current Investments	984.67	1,410.46
Guarantee Fee	119.58	111.89
Liabilities no Longer Required Written Back	331.01	351.80
Provision for Doubtful Debts Written Back	25.76	85.89
Provision for Mark - to - market Losses on Derivatives Written Back	-	38.26
Net Gain on Disposal of Tangible Fixed Assets [Net of Loss on Disposal of Tangible Fixed Assets Rs. 3.31 Lakhs (Previous Year - Rs. Nil)]	0.87	-
Net Gain on Foreign Currency Transactions and Translation	505.34	-
Other Non - operating Income	269.55	343.92
	<b>2,600.39</b>	<b>3,074.02</b>

**23. Cost of Materials Consumed**

Opening Inventory	32,340.23	37,205.43
Add : Purchases	36,756.00	64,535.24
	<b>69,096.23</b>	<b>1,01,740.67</b>
Less : Closing Inventory	23,105.08	32,340.23
Cost of Materials Consumed	<b>45,991.15</b>	<b>69,400.44</b>



**Notes to Financial Statements** for the year ended 31st March, 2016

<b>23.1 Details of Materials Consumed</b>	<b>(Rs. in Lakhs)</b>	
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Raw Petroleum Coke	3,484.02	3,985.72
Calcined Petroleum Coke	27,982.63	41,318.25
Pitch	7,438.40	11,748.15
Extrusion Oil	128.22	193.29
Fibreglass	1,057.74	1,841.81
Resin Chemicals	1,638.75	3,470.39
Melting Scrap	1,955.84	2,759.72
Ferro Alloys, Fluxes and Other Materials	1,333.09	2,429.50
Stearic Acid	93.80	119.83
Iron & Ferric Oxide	210.65	233.25
Steel	37.78	60.52
Sand	140.34	246.07
Others	489.89	993.94
	<b>45,991.15</b>	<b>69,400.44</b>

**23.2 Details of Inventory**

Raw Petroleum Coke	77.93	35.36
Calcined Petroleum Coke	20,529.61	30,100.43
Pitch	258.41	557.42
Extrusion Oil	14.07	19.79
Fibreglass	443.82	159.82
Resin Chemicals	59.47	79.97
Melting Scrap	1,044.54	635.92
Ferro Alloys, Fluxes and Other Materials	206.06	385.14
Stearic Acid	10.41	29.82
Iron & Ferric Oxide	29.55	27.63
Steel	16.11	17.39
Sand	31.59	16.88
Others	383.51	274.66
	<b>23,105.08</b>	<b>32,340.23</b>

**24. Purchases of Stock - in - trade**

High Speed Steel	89.69	-
	<b>89.69</b>	-

**Notes to Financial Statements** for the year ended 31st March, 2016

25. Changes in Inventories of Finished Goods and Work-in-progress	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Finished Goods		
Closing Stock	9,391.19	15,279.57
Deduct: Opening Stock	15,279.57	10,557.17
	<b>5,888.38</b>	<b>(4,722.40)</b>
Work - in - progress		
Closing Stock	29,279.67	36,199.18
Deduct: Opening Stock	36,199.18	38,951.78
	<b>6,919.51</b>	<b>2,752.60</b>
	<b>12,807.89</b>	<b>(1,969.80)</b>

**25.1 Details of Inventory**

Finished Goods		
Graphite Electrodes and Miscellaneous Graphite Products	8,282.17	14,079.22
Carbon Paste	225.54	307.46
Calcined Petroleum Coke	29.35	-
Electricity	11.63	27.94
Impervious Graphite Equipment and Spares	364.63	240.89
GRP/FRP Pipes and Tanks	73.87	117.49
High Speed Steel	397.39	499.15
Alloy Steel	6.61	7.42
	<b>9,391.19</b>	<b>15,279.57</b>
Work - in - progress		
Graphite Electrodes and Miscellaneous Graphite Products	24,054.96	30,606.69
Calcined Petroleum Coke	296.76	370.72
Impervious Graphite Equipment and Spares	2,286.46	2,309.24
GRP/FRP Pipes and Tanks	421.13	165.22
High Speed Steel	2,052.96	2,622.26
Alloy Steel	105.48	107.77
Others	61.92	17.28
	<b>29,279.67</b>	<b>36,199.18</b>

**26. Employee Benefits Expense**

Salaries and Wages	11,803.53	12,056.42
Contribution to Provident and Other Funds (Refer Note 43)	1,113.78	1,119.47
Staff Welfare Expenses	696.68	670.81
	<b>13,613.99</b>	<b>13,846.70</b>

**27. Finance Costs**

Interest Expense on		
Borrowings from Banks	441.09	903.62
Others	265.69	255.29
Other Borrowing Costs	34.69	63.72
	<b>741.47</b>	<b>1,222.63</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

28. Depreciation and Amortisation Expense	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation on Tangible Assets (Refer Note 38)	4,385.80	3,808.96
Amortisation of Leasehold Land	1.86	1.86
Amortisation of Intangible Assets	54.58	63.80
	<b>4,442.24</b>	<b>3,874.62</b>
<b>29. Other Expenses</b>		
Consumption of Stores and Spare Parts	10,334.39	12,889.52
Power and Fuel	18,794.18	22,078.54
Rent	173.56	180.10
Repairs to Buildings	311.69	358.04
Repairs to Machinery	1,323.46	1,530.53
Repairs to Others	302.01	316.05
Insurance	480.55	425.19
Rates and Taxes	851.42	792.33
Freight and Transport	4,743.63	5,346.33
Commission to Selling Agents	1,537.77	1,456.64
Travelling and Conveyance	582.05	624.48
Payment to Auditors (Refer Note 40)	61.66	55.16
Directors' Remuneration (Other than Executive Director)	141.20	149.00
Excise Duty on Stocks etc.(Refer Note 29.2)	(28.79)	77.34
Bad Debts/Advances Written Off	40.72	151.72
Provision for Doubtful Debts	347.53	158.41
Processing Charges	217.01	269.20
Contractors' Labour Charges	4,047.03	2,856.31
Loss on Disposal of Tangible Fixed Assets [Net of Profit on Disposal of Tangible Fixed Assets Rs. Nil (Previous Year - Rs. 7.82 Lakhs)]	-	30.93
Net Loss on Foreign Currency Transactions and Translation	-	753.23
Expenditure towards Corporate Social Responsibility Activities [Refer Note 29.3 below]	107.52	-
Miscellaneous Expenditure	2,387.73	2,417.91
	<b>46,756.32</b>	<b>52,916.96</b>
<b>29.1</b> Consumption of Stores and Spare Parts includes:		
Packing Materials	1,254.07	1,439.63
Loose Tools	281.58	258.05
<b>29.2</b> Represents the aggregate amount of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
<b>29.3</b> Corporate Social Responsibility Expenditure:		
(a) Gross Amount required to be spent by the Company during the year	406.33	510.74
(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 5.72 Lakhs (Previous Year - Rs. Nil) and amount paid to B D Bangur Endowment towards construction/acquisition of assets and other purposes Rs. 80.03 Lakhs (Previous Year - Rs. Nil) and Rs. 21.77 Lakhs (Previous Year - Rs. Nil) respectively.		

**Notes to Financial Statements** for the year ended 31st March, 2016

30. Earnings per Equity Share	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of Each Equity Share (Rs.)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders		
Profit for the Year	8,238.11	8,219.35
(vi) Basic Earnings per Equity Share (Rs.)[(v)/(iii)]	4.22	4.21
(vii) Profit after Tax Available for Equity Shareholders (Before Exceptional Item) (Refer Note 30.1 below)	8,238.11	8,779.35
(viii) Basic Earnings per Equity Share before Exceptional Item (Rs.) [(vii)/(iii)]	4.22	4.49
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	4.22	4.21
(iii) Diluted Earnings per Equity Share before Exceptional Item (Rs.) [Same as (A)(viii) above]	4.22	4.49
<b>30.1</b> Profit after Tax Available for Equity Shareholders (Before Exceptional Item) :		
Profit for the Year	8,238.11	8,219.35
Add : Exceptional Item (Net of Tax - Rs. Nil) (Refer Note 45)	-	560.00
	<b>8,238.11</b>	<b>8,779.35</b>

**31. C.I.F. Value of Imports**

	2015-16	2014-15
Raw Materials	13,782.52	34,119.34
Components and Spare Parts	360.30	541.36
Capital Goods	2,886.45	41.20

**32. Expenditure in Foreign Currency on Account of**

	2015-16	2014-15
Travelling	145.85	204.94
Commission	901.69	1,064.33
Export Sales Expenses	720.74	508.53
Interest	221.47	334.51
Professional Fees	81.03	70.79
Bank Charges	45.55	38.93
Others	45.00	25.79

**33. Consumption of**

	2015-16		2014-15	
		%		%
Raw Materials				
Imported	24,919.17	54.18	40,123.32	57.81
Indigenous	21,071.98	45.82	29,277.12	42.19
	<b>45,991.15</b>	<b>100.00</b>	<b>69,400.44</b>	<b>100.00</b>
Stores and Spare Parts				
Imported	164.78	1.59	300.21	2.33
Indigenous	10,169.61	98.41	12,589.31	97.67
	<b>10,334.39</b>	<b>100.00</b>	<b>12,889.52</b>	<b>100.00</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

34. Amount Remitted in Foreign Currency	(Rs. in Lakhs)	
	2015-16	2014-15
On Account of Dividend (Rs. in Lakhs)	191.36	334.88
Total Number of Shareholders	15	15
Total Number of Shares of Rs. 2/- each held by the Shareholders on which the Dividends were Due	95,67,880	95,67,880
The Year to which such Dividends relate	2014-15	2013-14

**35. Earnings in Foreign Currency**

Export of Goods on F.O.B. Basis	51,042.32	69,730.34
Royalty	281.13	298.24
Guarantee Fee	119.58	111.89
Service Charges	48.90	41.59

**36. Contingent Liabilities**

	As at 31st March, 2016	As at 31st March, 2015
(i) Claims against the Company not acknowledged as debts:		
(a) Disputed Excise Duty	1,134.38	1,023.12
(b) Disputed Customs Duty	1,181.29	1,163.01
(c) Disputed Service Tax	1,117.21	509.06
(d) Disputed Sales Tax / Value Added Tax	574.31	656.09
(e) Disputed Entry Tax	149.86	383.50
(f) Disputed Income Tax	1,240.36	120.90
(g) Labour Related Matters	751.39	585.63
(h) Other Matters (Property, Rental, etc.)	316.58	316.58
(ii) Guarantee		
Corporate Guarantees given to banks to secure the financial assistance/ accommodation/credit facilities extended to a Subsidiary Company	19,150.50	16,144.80
(iii) In respect of Contingent Liabilities mentioned in Note 36(i) 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 Contingent Liabilities.		

**37. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes Rs. Nil (Previous Year - Rs. 21.53 Lakhs) relating to acquisition of intangible assets]	3,792.58	4,065.32
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**38.** The Company had reviewed its tangible fixed assets as at 1st April, 2015 and identified certain significant components with different useful lives from the remaining parts of the asset in keeping with the provisions of Schedule II to the Companies Act, 2013. The depreciation has been computed for such components separately effective 1st April, 2015. As a result, the depreciation expense for the year ended 31st March, 2016 is higher and the profit before tax is lower by Rs. 648.71 Lakhs and the net book value aggregating Rs. 1,179.80 Lakhs (net of deferred tax Rs. 569.06 Lakhs) relating to assets, where the revised useful lives have expired by 31st March, 2015 has been adjusted against opening balance of retained earnings as on 1st April, 2015.

The aforesaid revision of the useful lives will result in the following changes in the depreciation expense as compared to the original useful life of the assets.

Particulars	Year ending 31st March, 2017	After year ending 31st March, 2017
	Increase/(Decrease) in depreciation expense	326.21

**Notes to Financial Statements** for the year ended 31st March, 2016

39. Fixed Assets including Capital Work-in-progress includes Pre-operative expenses : Salaries & Wages Rs. 8.60 Lakhs (Previous Year - Rs. Nil), Rates and Taxes Rs. 5.37 Lakhs (Previous Year - Rs. 7.45 Lakhs), Insurance Rs. Nil (Previous Year - Rs. 3.16 Lakhs), Travelling and Conveyance Rs.2.79 Lakhs (Previous Year - Rs. 2.65 Lakhs), Contract Labour Charges Rs. 39.83 Lakhs (Previous Year - Rs. Nil) and Miscellaneous Expenses Rs. 36.27 Lakhs (Previous Year - Rs. 0.17 Lakhs).

**(Rs. in Lakhs)****40. Payment to Auditors (Note 29) include**

	<b>2015-16</b>	<b>2014-15</b>
(i) Payment to Statutory Auditors		
As Auditor		
As Audit Fee - Standalone Financial Statements	34.00	29.00
As Audit Fee - Consolidated Financial Statements	6.00	6.00
For Certificate and Other Matters	13.00	12.30
Reimbursement of Out-of-pocket Expenses	1.27	1.00
Service Tax and Education Cess	7.62	5.97
	<b>61.89</b>	<b>54.27</b>
Less: Cenvat Credit of Service Tax and Education Cess Availed	7.62	5.97
	<b>54.27</b>	<b>48.30</b>
(ii) Cost Auditors		
As Fee	6.69	6.20
For Certificate and Other Matters	0.59	0.35
Reimbursement of Out-of-pocket Expenses	0.11	0.27
Service Tax and Education Cess	0.75	0.81
	<b>8.14</b>	<b>7.63</b>
Less: Cenvat Credit of Service Tax and Education Cess Availed	0.75	0.77
	<b>7.39</b>	<b>6.86</b>
Total	<b>61.66</b>	<b>55.16</b>

**41. Information relating to Micro and Small Enterprises (MSEs)**

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier		
Principal	147.93	46.28
Interest	0.16	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	83.96	14.99
Interest	1.68	0.89
(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	65.77	178.85
Interest	0.30	0.63
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.46	0.59
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	1.55	0.63

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.

**Notes to Financial Statements** for the year ended 31st March, 2016

	(Rs. in Lakhs)	
<b>42. Particulars relating to Construction Contracts</b>	<b>2015-16</b>	<b>2014-15</b>
(a) Contract revenues recognised as revenue	1,444.55	3,491.05
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
(b) Other information relating to Contract Work-in-progress		
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	8,287.11	6,574.68
(ii) The amount of customer advances	0.09	9.42
(iii) The amount of retentions due from customers	886.60	674.05
(iv) Gross amount due from customers for contract work as an asset	377.96	86.00
(v) Gross amount due to customers for contract work as a liability	33.48	191.04

**43. Employee Benefits:****(I) Post Employment Defined Benefit Plans:****(A) Gratuity (Funded)**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Fund Trusts, administered and managed by the Life Insurance Corporation of India (LIC), 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. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(N)(b) 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 for the year ended 31st March, 2016:

	(Rs. in Lakhs)	
	<b>2015-16</b>	<b>2014-15</b>
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
Present Value of Obligation at the beginning of the year	2,730.20	2,506.36
Current Service Cost	192.48	182.96
Interest Cost	200.44	206.69
Actuarial Losses	87.73	122.48
Benefits Paid	(287.67)	(288.29)
Present Value of Obligation at the end of the year	<b>2,923.18</b>	<b>2,730.20</b>
(b) Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year	2,426.74	1,922.02
Expected Return on Plan Assets	188.75	181.73
Actuarial Gains	4.42	13.22
Contributions	305.15	598.06
Benefits Paid	(287.67)	(288.29)
Fair Value of Plan Assets at the end of the year	<b>2,637.39</b>	<b>2,426.74</b>
(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	2,923.18	2,730.20
Fair Value of Plan Assets at the end of the year	2,637.39	2,426.74
(Liabilities) recognised in the Balance Sheet	<b>(285.79)</b>	<b>(303.46)</b>
(d) Expense recognised in the Statement of Profit and Loss:		
Current Service Cost	192.48	182.96
Interest Cost	200.44	206.69
Expected Return on Plan Assets	(188.75)	(181.73)
Actuarial Losses (Net)	83.31	109.26
Total Expense recognised @	<b>287.48</b>	<b>317.18</b>
@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.		

**Notes to Financial Statements** for the year ended 31st March, 2016**43. Employee Benefits:** (Contd.)

	(Rs. in Lakhs)				
	2015-16		2014-15		
(e) Category of Plan Assets:					
Fund with LICI		2,626.53			2,424.31
Others (including bank balances)		10.86			2.43
Total		<b>2,637.39</b>			<b>2,426.74</b>
(f) Actual Return on Plan Assets		193.17			194.95
(g) Principal Actuarial Assumptions:					
Discount Rate		7.75%			7.75%
Salary Escalation		7.00%			7.00%
Expected Return on Assets		7.75%			8.75%
(h) Other Disclosures:	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	2,923.18	2,730.20	2,506.36	1,963.64	1,621.75
Fair Value of Plan Assets at the end of the year	2,637.39	2,426.74	1,922.02	1,659.21	1,429.51
Surplus/(Deficit) at the end of the year	(285.79)	(303.46)	(584.34)	(304.43)	(192.24)
Experience Adjustments on Plan Assets [Gain/(Loss)]	4.42	13.22	2.98	20.55	1.56
Experience Adjustments on Obligation [(Gain)/Loss]	87.73	125.69	226.65	236.64	203.06

## Notes:

- (a) 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.
- (b) The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

**(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 is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on 'Employee Benefits' issued by the Accounting Standard Board of The Institute of Chartered Accountants of India (ICAI), Provident Fund Trusts set up by the Company are treated as defined benefit plans in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 22.26 Lakhs (Previous Year - Rs. 21.70 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs. 30.60 Lakhs (Previous Year - Rs. 31.25 Lakhs) 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 relevant information available as per the Actuary's Report -

	2015-16	2014-15
<b>Principal Actuarial Assumptions</b>		
Discount Rate	7.17/7.40%	7.87/7.80%
Expected Return on Exempted Fund	8.49/8.44%	8.87/8.78%
Return on EPFO	8.80%	8.75%



**Notes to Financial Statements** for the year ended 31st March, 2016**43. Employee Benefits:** (Contd.)**(II) Post Employment Defined Contribution Plans**

During the year, an amount of Rs. 795.70 Lakhs (Previous Year - Rs. 771.04 Lakhs) has been recognised as expenditure towards defined contribution plans of the Company.

**44. The following table includes the classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments'**

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
<b>Current Investments</b>		
In Units of Mutual Funds	28,105.60	26,096.60
In Commercial Papers	4,892.66	-
	<b>32,998.26</b>	<b>26,096.60</b>
<b>Long - term Investments</b>		
Fully Paid - up Shares in Graphite International B.V.	11,588.48	11,588.48
Fully Paid - up Equity Shares in Sai Wardha Power Limited	247.66	247.66
Fully Paid - up Equity Shares in Carbon Finance Limited	3,003.76	3,003.76
Fully Paid - up Redeemable Preference Shares in Sai Wardha Power Limited	312.34	312.34
In Government Securities	0.06	0.06
In Units of Mutual Funds	7,317.33	7,317.33
	<b>22,469.63</b>	<b>22,469.63</b>
Less: Provision for Diminution in Value of Investments	(560.00)	(560.00)
<b>Total Long - term Investments</b>	<b>21,909.63</b>	<b>21,909.63</b>
<b>Total Investments (Current and Long - term)</b>	<b>54,907.89</b>	<b>48,006.23</b>
<b>Disclosed Under:</b>		
Non - current Investments (Refer Note 12)	17,275.56	21,305.67
Current Investments (Refer Note 15)	37,632.33	26,700.56
<b>Total</b>	<b>54,907.89</b>	<b>48,006.23</b>

**45. Exceptional Item in the previous year represents provision for diminution in value of long-term investments (Refer Note 12).**

**Notes to Financial Statements** for the year ended 31st March, 2016**46. Segment Information****A. Primary Segment Reporting (by Business Segments)**

i) The composition of business segments is as under:

- a) Graphite and Carbon Segment, engaged in the production of Graphite Electrodes, Other Miscellaneous Carbon and Graphite Products including Captive Power Generating Units and Impervious Graphite Equipment division.
- b) Steel Segment engaged in production of High Speed Steel and Alloy Steel, and
- c) Others Segment engaged in manufacturing of Glass Reinforced Pipes and Power Generating Unit exclusively for outside sale.

ii) Composition of Geographical Segments

The geographical segments considered for disclosure are as follows :

- a) Sales within India include sales to customers located within India
- b) Sales outside India include sales to customers located outside India
- c) The carrying amount of segment assets in India and outside India is based on geographical location of assets.

iii) Segment Revenues, Results and Other Information as at/for the year ended 31st March, 2016 -

	<b>(Rs. in Lakhs)</b>							
	<b>Graphite and Carbon</b>		<b>Steel</b>		<b>Others</b>		<b>Total of Reportable Segments</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
Revenue from Operations (Gross)								
External Sales	1,26,238.58	1,37,324.91	7,281.90	8,964.69	6,119.62	8,820.69	1,39,640.10	1,55,110.29
Inter Segment Sales	16.07	33.45	-	-	5.55	5.02	21.62	38.47
Other Operating Revenues	2,820.73	2,014.41	0.88	7.50	2.09	3.54	2,823.70	2,025.45
<b>Segment Revenues</b>	<b>1,29,075.38</b>	<b>1,39,372.77</b>	<b>7,282.78</b>	<b>8,972.19</b>	<b>6,127.26</b>	<b>8,829.25</b>	<b>1,42,485.42</b>	<b>1,57,174.21</b>
Segment Results	14,334.28	14,246.43	249.74	654.72	611.25	627.27	15,195.27	15,528.42
Segment Assets	1,60,598.22	1,80,586.45	21,528.07	22,497.19	6,176.91	4,169.94	1,88,303.20	2,07,253.58
Segment Liabilities	22,183.02	23,427.84	1,115.69	2,004.46	1,887.93	1,270.55	25,186.64	26,702.85
Capital Expenditure	5,924.79	2,129.81	28.20	3.63	3.42	32.09	5,956.41	2,165.53
Depreciation and Amortisation	3,981.17	3,392.24	67.28	74.62	235.80	253.58	4,284.25	3,720.44
Non-cash Expenses other than Depreciation and Amortisation	383.12	228.81	8.36	11.51	0.05	103.43	391.53	343.75

**Reconciliation of Reportable Segments with the Financial Statements -**

	<b>Revenues</b>		<b>Results/Net Profit</b>		<b>Assets</b>		<b>Liabilities *</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
Total of Reportable Segments	1,42,485.42	1,57,174.21	15,195.27	15,528.42	1,88,303.20	2,07,253.58	25,186.64	26,702.85
Corporate - Unallocated / Others (Net)	-	-	(1,628.69)	(1,361.44)	44,900.50	37,496.56	30,301.12	42,686.67
Inter Segment Sales	(21.62)	(38.47)	-	-	-	-	-	-
Finance Costs	-	-	(741.47)	(1,222.63)	-	-	-	-
Tax Expense	-	-	(4,587.00)	(4,725.00)	-	-	-	-
	<b>1,42,463.80</b>	<b>1,57,135.74</b>	<b>8,238.11</b>	<b>8,219.35</b>	<b>2,33,203.70</b>	<b>2,44,750.14</b>	<b>55,487.76</b>	<b>69,389.52</b>

\* Excluding Shareholders' Funds

**B. Secondary Segment (Geographical)**

	<b>India</b>		<b>Outside India</b>		<b>Total</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
Segment Revenues (Gross)	75,294.13	81,034.62	67,169.67	76,101.12	1,42,463.80	1,57,135.74
Segment Assets	1,88,303.20	2,07,253.58	-	-	1,88,303.20	2,07,253.58
Capital Expenditure	5,956.41	2,165.53	-	-	5,956.41	2,165.53

**Notes to Financial Statements** for the year ended 31st March, 2016**47. Related Party Disclosures:**

(In accordance with Accounting Standard - 18 specified under the Act)

## (i) Related Parties -

Name	Relationship
(a) Where control exists:	
Emerald Company Limited (ECL)	Holding Company
Bavaria Carbon Holdings GmbH	Subsidiary
Bavaria Carbon Specialities GmbH	Subsidiary
Bavaria Electrodes GmbH	Subsidiary
Carbon Finance Limited	Subsidiary
Graphite Cova GmbH	Subsidiary
Graphite International B.V.	Subsidiary
(b) Others with whom transactions have taken place during the year:	
Carbo Ceramics Limited	Fellow Subsidiary (up to 11th March, 2015)
Shree Laxmi Agents Limited	Fellow Subsidiary
Mr. K. K. Bangur	Individual owning an interest in the voting power of ECL that gives him control over the Company
Mrs. Manjushree Bangur, Ms. Divya Bangur, Mrs. Aparna Daga and Mrs. Rukmani Devi Bangur	Relatives of the above individual
GKW Limited and B.D. Bangur Endowment	Enterprise over which Mr. K. K. Bangur is able to exercise significant influence
Mr. M. B. Gadgil, Executive Director	Key Management Personnel

## (ii) Particulars of transactions during the year ended 31st March, 2016 -

	2015-16	(Rs. in Lakhs) 2014-15
(A) Holding Company		
Dividend Paid		
Emerald Company Limited	4,547.38	3,963.97
(B) Subsidiary Companies		
(a) Sale of Goods		
Graphite Cova GmbH	6,582.75	8,260.17
(b) Purchase of Raw Materials		
Graphite Cova GmbH	376.71	578.61
(c) Purchase of Stores and Spare Parts		
Graphite Cova GmbH	19.13	17.50
(d) Royalty Income		
Graphite Cova GmbH	281.13	298.24
(e) Guarantee Fee Income		
Graphite Cova GmbH	119.58	111.89
(f) Rent Expense		
Carbon Finance Limited	108.57	104.89
(g) Recoveries/(Reimbursement) of Expenses (Net)		
Graphite Cova GmbH	(4.32)	(26.48)
(h) Corporate Guarantee given on behalf of		
Graphite Cova GmbH	1,126.50	16,144.80
(i) Corporate Guarantee released which was given on behalf of		
Graphite International B.V. & its subsidiaries	-	6,195.75
(C) Fellow Subsidiaries		
Dividend Paid		
Carbo Ceramics Limited	-	13.53
Shree Laxmi Agents Limited	35.36	30.94

**Notes to Financial Statements** for the year ended 31st March, 2016**47. Related Party Disclosures:** (contd.)

	<b>2015-16</b>	<b>(Rs. in Lakhs) 2014-15</b>
(D) Individual owning an interest in the voting power of ECL that gives him control over the Company		
Mr. K. K. Bangur		
(a) Sitting Fees	2.00	1.20
(b) Remuneration	100.00	103.00
(c) Dividend Paid	20.38	17.83
(E) Relatives of individual owning an interest in the voting power of ECL		
Dividend Paid		
Mrs. Manjushree Bangur	9.94	8.69
Ms. Divya Bangur	6.77	5.93
Mrs. Aparna Daga	7.45	6.52
Mrs. Rukmani Devi Bangur	2.21	1.94
(F) Enterprise over which Mr. K. K. Bangur is able to exercise significant influence		
GKW Limited		
Dividend Paid	80.00	70.00
B.D. Bangur Endowment		
Contribution towards CSR activities	101.80	-
(G) Key Management Personnel		
Mr. M. B. Gadgil		
(a) Remuneration	177.77	168.58
(b) Dividend Paid	0.08	0.07

## (iii) Balance outstanding at the year end -

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
(a) Trade Receivables		
Graphite Cova GmbH	3,010.90	2,424.79
(b) Investments in Shares		
Graphite International B.V.	11,588.48	11,588.48
Carbon Finance Limited	3,003.76	3,003.76
(c) Other Current Assets		
Graphite Cova GmbH	145.65	219.63
(d) Trade Payables		
Graphite Cova GmbH	170.15	346.87
(e) Other Current Liabilities		
Mr. K. K. Bangur	100.00	103.00
Mr. M. B. Gadgil	70.89	81.43
Graphite Cova GmbH	1.92	7.90
(f) Outstanding Corporate Guarantees in favour of		
Graphite Cova GmbH	19,150.50	16,144.80

**48.** The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rentals for the year debited to the Statement of Profit and Loss amount to Rs. 129.26 Lakhs (Previous Year - Rs. 122.80 Lakhs).

**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 of 22nd May, 2009, such assets and liabilities remain included in the books of the Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).

**Notes to Financial Statements** for the year ended 31st March, 2016**50. Derivative Instruments and Unhedged Foreign Currency Exposure**

			(In Million)	
			As at	As at
			31st March, 2016	31st March, 2015
<b>(a) Derivatives outstanding as at the reporting date</b>				
<b>Particulars</b>				
Forward Contracts for Foreign Currency Receivables	USD		7.00	-
<b>(b) Particulars of unhedged foreign currency exposures as at the reporting date</b>				
Receivables	USD		4.30	16.47
	Euro		5.66	5.23
	CAD		0.26	0.97
Payables	USD		7.00	6.79
	Euro		0.40	0.64
	CAD		0.04	0.25
Loans	USD		2.74	24.38
	Euro		4.70	4.00

**51.** Research and Development Expenditure of revenue nature of Rs. 12.58 Lakhs (Previous Year - Rs. 12.95 Lakhs).

**52.** Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.

Signatures to Notes 1 to 52.

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)

Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President-Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman

**FINANCIAL DATA** (Based on Schedule III of Companies Act, 2013)

Particulars	(Rs. in Lakhs)					
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Revenue from Operations (Net)	1,34,667	1,49,722	1,76,808	1,76,486	1,67,084	1,22,594
Other Income	2,600	3,074	4,021	2,635	3,462	3,043
Profit before Interest, Depreciation and Tax (PBIDT)	18,008	18,602	32,448	30,526	34,587	31,343
Depreciation	4,442	3,875	5,360	5,004	4,044	3,933
Profit before Interest and Tax (PBIT)	13,566	14,727	27,088	25,522	30,543	27,410
Finance Cost	741	1,223	1,696	2,214	1,439	555
Profit before Exceptional Item and Tax	12,825	13,504	25,392	23,308	29,104	26,855
Exceptional Item (Gain)/Loss	-	560	-	-	(2,962)	1,273
Profit before Tax (PBT)	12,825	12,944	25,392	23,308	32,066	25,582
Provision for Taxation	4,587	4,725	8,300	7,000	8,277	8,350
Profit after Tax (PAT)	8,238	8,219	17,092	16,308	23,789	17,232
EPS - Basic (Rs.)	4.22	4.21	8.75	8.35	12.18	9.19
Equity Dividend per Share (Rs.)	2.00	2.00	3.50	3.50	3.50	3.50
<b>Non-current Assets</b>						
Fixed Assets	60,637	60,040	64,147	66,257	66,997	53,603
Non - current Investments	17,276	21,306	15,756	10,933	20,507	9,185
Other Non - current Assets	1,583	2,070	769	775	907	2,130
<b>Current Assets</b>						
Current Investments	37,632	26,701	34,266	23,641	12,841	18,093
Other Current Assets	1,16,076	1,34,633	1,47,026	1,68,930	1,44,110	1,22,809
<b>Total Assets</b>	<b>2,33,204</b>	<b>2,44,750</b>	<b>2,61,964</b>	<b>2,70,536</b>	<b>2,45,362</b>	<b>2,05,820</b>
Shareholders' Fund	1,77,716	1,75,361	1,73,591	1,64,500	1,56,192	1,40,350
<b>Non - current Liabilities</b>						
Long - term Borrowings	-	4,172	10,017	12,674	15,327	6,697
Deferred Tax Liability	7,280	8,211	8,967	9,504	7,082	6,302
Other Non - current Liabilities	126	1	47	174	146	50
<b>Current Liabilities</b>						
Short - term Borrowings	17,992	14,399	20,085	44,087	30,845	19,819
Other Current Liabilities	30,090	42,606	49,257	39,597	35,770	32,602
<b>Equity and Liabilities</b>	<b>2,33,204</b>	<b>2,44,750</b>	<b>2,61,964</b>	<b>2,70,536</b>	<b>2,45,362</b>	<b>2,05,820</b>
<b>Capital Employed (Including Current maturities of Long - term debts)</b>	<b>1,95,708</b>	<b>2,00,190</b>	<b>2,07,699</b>	<b>2,24,883</b>	<b>2,02,364</b>	<b>1,66,866</b>
<b>Financial/Performance Ratios</b>						
PBIDT/Total Revenue - Percent	13.12	12.17	17.94	17.04	20.28	24.95
Net Profit (PAT)/Total Revenue - Percent	6.00	5.38	9.45	9.10	13.95	13.72
Finance Cost Cover - Times	24.29	15.21	19.13	13.79	24.03	56.51
Return on Capital Employed (PBIT/Capital Employed) - Percent	6.93	7.36	13.04	11.35	15.09	16.43
Return on Net Worth (PAT/Net worth) - Percent	4.64	4.69	9.85	9.91	15.23	12.28
Debt Equity Ratio (Long-term Borrowings)	0.00:1	0.06:1	0.08:1	0.10:1	0.10:1	0.05:1
Debt Equity Ratio (Total Borrowings)	0.10:1	0.14:1	0.20:1	0.37:1	0.30:1	0.19:1
Current Ratio	3.20	2.83	2.61	2.30	2.36	2.69
Book Value per Share (Rs.)	90.96	89.76	88.85	84.20	79.94	71.84

**HISTORICAL FINANCIAL DATA** (Based on Schedule III of Companies Act, 2013)

Particulars	(Rs. in Lakhs)								
	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Sales/Income from Operations (Net)	1,13,119	1,12,588	1,09,905	84,985	61,400	51,422	52,128	38,802	34,782
Other Income	3,058	2,891	3,621	3,833	1,728	1,167	1,360	827	762
Profit before Interest, Depreciation and Tax (PBIDT)	40,928	26,104	27,619	20,379	12,875	9,432	9,878	7,944	8,297
Depreciation	3,954	3,435	3,350	2,993	2,476	2,069	2,057	1,986	1,751
Profit before Interest and Tax (PBIT)	36,974	22,669	24,269	17,386	10,399	7,363	7,821	5,958	6,546
Interest	1,049	2,594	3,570	3,215	2,001	1,063	1,284	2,316	2,797
Profit before Tax (PBT)	35,925	20,075	20,699	14,171	8,398	6,300	6,537	3,642	3,749
Provision for Taxation	12,709	718	7,335	4,408	2,103	1,500	1,405	303	379
Profit after Tax but before Non-recurring Item (PAT)	23,216	19,357	13,364	9,763	6,295	4,800	5,132	3,339	3,370
Non - recurring Item	-	-	-	9,624	-	-	-	-	-
Profit after Non-recurring Item	23,216	19,357	13,364	19,387	6,295	4,800	5,132	3,339	3,370
EPS - Basic (Excluding Non - recurring Item) (Rs.)	13.58	12.55	9.03	7.38	4.29	3.27	3.48	2.24	2.25
Equity Dividend per Share (Rs.)	3.50	3.00	3.00	3.00	1.20	0.90	0.80	0.50	0.50
Fixed Assets	48,548	50,362	49,827	51,788	47,349	41,475	35,244	35,452	36,417
Investments	25,276	16,641	14,707	14,707	5,007	2,886	1,407	1,434	1,445
Current Assets	1,01,682	1,02,746	87,899	77,624	67,552	39,400	31,936	28,123	25,114
<b>Total Assets</b>	<b>1,75,506</b>	<b>1,69,749</b>	<b>1,52,433</b>	<b>1,44,119</b>	<b>1,19,908</b>	<b>83,761</b>	<b>68,587</b>	<b>65,009</b>	<b>62,976</b>
Loan Funds	24,926	35,224	47,304	58,180	52,493	25,867	16,230	18,067	20,377
Current Liabilities	24,851	26,410	28,337	20,139	17,346	12,912	10,984	9,340	7,151
Deferred Tax Liability	7,377	6,276	7,001	6,381	4,683	3,590	3,256	3,051	3,063
Share Capital									
Equity	3,430	3,420	3,022	2,938	2,938	2,938	2,938	2,938	2,938
Preference	-	-	-	-	-	-	-	250	500
Reserves and Surplus (Net of Misc. Expenditure)	1,14,922	98,419	66,769	56,481	42,448	38,454	35,179	31,363	28,947
<b>Total Liabilities</b>	<b>1,75,506</b>	<b>1,69,749</b>	<b>1,52,433</b>	<b>1,44,119</b>	<b>1,19,908</b>	<b>83,761</b>	<b>68,587</b>	<b>65,009</b>	<b>62,976</b>
<b>Net Worth</b>	<b>1,18,352</b>	<b>1,01,839</b>	<b>69,791</b>	<b>59,419</b>	<b>45,386</b>	<b>41,392</b>	<b>38,117</b>	<b>34,301</b>	<b>31,885</b>

**Financial/Performance Ratios**

PBIDT/Total Income - Percent	35.23	22.61	24.33	22.94	20.40	17.94	18.47	20.05	23.34
Net Profit/Total Income - Percent	19.98	16.76	11.77	10.99	9.97	9.13	9.60	8.43	9.48
Interest Cover - Times	39.02	10.07	7.74	6.34	6.43	8.87	7.69	3.43	2.97
Return on Capital Employed (PBIT/Net Worth + Loan Funds) - Percent	25.81	16.54	20.73	14.78	10.62	10.95	14.39	11.38	12.53
Return on Net Worth (PAT/Net Worth) - Percent	19.62	19.01	19.15	16.43	13.87	11.60	13.46	9.73	10.56
Debt Equity Ratio (Long-term Debt)	0.11:1	0.22:1	0.34:1	0.52:1	0.67:1	0.31:1	0.18:1	0.29:1	0.39:1
Debt Equity Ratio (Total Debt)	0.21:1	0.35:1	0.68:1	0.98:1	1.16:1	0.62:1	0.43:1	0.52:1	0.64:1
Book Value per Share (Rs.)	69.01	59.56	46.19	40.45	30.90	28.18	25.95	23.35	21.70

**CONSOLIDATED  
FINANCIAL STATEMENTS**



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Graphite India Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Graphite India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); refer Note 32 (a) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matter**

8. We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 29,311.94 Lakhs and net assets of Rs. 14,101.75 Lakhs as at March 31, 2016, total revenue of Rs. 25,879.38 Lakhs, net profit of Rs. 4,777.43 Lakhs and net cash flows amounting to Rs. (486.42) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to the preparation of the consolidated 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 Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on

31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group - Refer Note 34 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2016.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2016. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2016.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Kolkata  
May 12, 2016

Pinaki Chowdhury  
Partner  
Membership Number 57572

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Graphite India Limited on the consolidated financial statements for the year ended March 31, 2016

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Graphite India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

8. In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Kolkata  
May 12, 2016

Pinaki Chowdhury  
Partner  
Membership Number 57572

**CONSOLIDATED BALANCE SHEET** as at 31st March, 2016

		(Rs. in Lakhs)	
		As at	As at
	Note	31st March, 2016	31st March, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	2	3,907.68	3,907.68
Reserves and Surplus	3	1,71,201.15	1,70,730.00
		<b>1,75,108.83</b>	<b>1,74,637.68</b>
Non-current Liabilities			
Long-term Borrowings	4	-	4,172.00
Deferred Tax Liabilities (Net)	5	7,279.71	8,211.68
Other Long-term Liabilities	6	125.80	0.70
Long-term Provisions	7	315.55	315.20
		<b>7,721.06</b>	<b>12,699.58</b>
Current Liabilities			
Short-term Borrowings	8	30,233.53	26,238.56
Trade Payables	9		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		148.39	46.87
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		16,968.14	20,887.76
Other Current Liabilities	10	9,878.84	14,704.82
Short-term Provisions	11	5,575.92	10,289.53
		<b>62,804.82</b>	<b>72,167.54</b>
<b>TOTAL</b>		<b>2,45,634.71</b>	<b>2,59,504.80</b>
<b><u>ASSETS</u></b>			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	58,877.64	63,690.45
Intangible Assets	12	241.64	287.69
Capital Work-in-progress		6,549.27	958.60
		<b>65,668.55</b>	<b>64,936.74</b>
Non - current Investments	13	3,963.55	10,230.18
Long - term Loans and Advances	14	2,128.53	2,441.75
Other Non - current Assets	15	6.52	12.26
		<b>71,767.15</b>	<b>77,620.93</b>
Current Assets			
Current Investments	16	37,632.33	26,700.56
Inventories	17	74,850.76	99,171.69
Trade Receivables	18	48,480.72	43,260.96
Cash and Bank Balances	19	2,104.63	3,148.56
Short - term Loans and Advances	20	9,099.50	8,192.81
Other Current Assets	21	1,699.62	1,409.29
		<b>1,73,867.56</b>	<b>1,81,883.87</b>
<b>TOTAL</b>		<b>2,45,634.71</b>	<b>2,59,504.80</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President-Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2016

		<b>Year ended</b>	<b>(Rs. in Lakhs)</b>
	<b>Note</b>	<b>31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Revenue from Operations (Gross).	22	1,61,037.28	1,78,479.63
Less: Excise Duty		7,796.33	7,413.86
Revenue from Operations (Net)		<b>1,53,240.95</b>	<b>1,71,065.77</b>
Other Income	23	2,893.82	3,510.35
<b>Total Revenue</b>		<b>1,56,134.77</b>	<b>1,74,576.12</b>
Expenses			
Cost of Materials Consumed	24	50,677.30	76,078.49
Purchases of Stock-in-trade	25	89.69	-
Changes in Inventories of Finished Goods and Work-in-progress	26	13,845.03	(496.74)
Employee Benefits Expense	27	20,174.57	20,804.08
Finance Costs	28	903.86	1,582.71
Depreciation and Amortisation Expense	29	4,919.89	4,354.33
Other Expenses	30	54,574.12	61,004.78
<b>Total Expenses</b>		<b>1,45,184.46</b>	<b>1,63,327.65</b>
<b>Profit before Exceptional Item and Tax</b>		<b>10,950.31</b>	<b>11,248.47</b>
Exceptional Item - Loss (Refer Note 39)		-	560.00
<b>Profit before Tax</b>		<b>10,950.31</b>	<b>10,688.47</b>
Tax Expense for the Current Year			
Current Tax		5,207.92	5,057.47
Deferred Tax		(362.91)	12.60
Tax Expense - Write Back relating to Earlier Years (Net)		(41.37)	(140.94)
<b>Profit for the Year</b>		<b>6,146.67</b>	<b>5,759.34</b>
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (Previous Year - Rs. 2/-)]	31		
Basic (Rs.)		3.15	2.95
Basic before Exceptional Item (Rs.)		3.15	3.23
Diluted (Rs.)		3.15	2.95
Diluted before Exceptional Item (Rs.)		3.15	3.23

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President-Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2016

	Year ended 31st March, 2016	(Rs. in Lakhs) Year ended 31st March, 2015
<b>A. Cash Flows from Operating Activities:</b>		
Profit before Tax	10,950.31	10,688.47
<u>Adjustments for:</u>		
Depreciation and Amortisation Expense	4,919.89	4,354.33
(Gain)/Loss on Disposal of Tangible Fixed Assets (Net)	(0.87)	27.29
Bad Debts/Advances Written Off	40.93	152.41
Provision for Doubtful Debts	347.53	158.41
Provision for Diminution in Value of Long-term Investments	-	560.00
Provision for Mark-to-market Losses on Derivatives Written Back	-	(38.26)
Net Gain on Disposal of Long-term Investments	(218.60)	(256.15)
Net Gain on Disposal of Current Investments	(984.67)	(1,410.46)
Interest Income	(383.81)	(636.88)
Finance Costs	903.86	1,582.71
Provision for Doubtful Debts Written Back	(25.76)	(85.89)
Liabilities no Longer Required Written Back	(396.50)	(383.97)
Foreign Exchange Loss (Net)	319.74	77.37
Operating Profit before Working Capital Changes	<b>15,472.05</b>	<b>14,789.38</b>
Changes in Working Capital:		
Decrease in Trade Payables	(4,199.35)	(2,152.92)
Decrease in Provisions	(8.38)	(69.92)
Increase/(Decrease) in Other Current Liabilities	1,198.10	(669.65)
Increase/(Decrease) in Other Long-term Liabilities	125.10	(46.35)
(Increase)/Decrease in Trade Receivables	(4,904.54)	2,314.40
Decrease in Inventories	25,076.72	2,862.99
(Increase)/Decrease in Loans and Advances	(873.96)	4,812.99
(Increase)/Decrease in Other Current Assets	(159.27)	491.18
(Increase)/Decrease in Other Non-current Assets	3.72	(8.19)
Cash Generated from Operations	<b>31,730.19</b>	<b>22,323.91</b>
Income-tax Paid (Net of Refunds)	(5,152.66)	(5,250.37)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>26,577.53</b>	<b>17,073.54</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of Tangible / Intangible Assets	(5,568.23)	(2,662.93)
Proceeds on Disposal of Tangible Fixed Assets	63.59	68.32
Purchase of Long-term Investments	(1,137.71)	(3,491.09)
Sale/Redemption of Long-term Investments	3,592.82	4,534.55
Purchase of Current Investments	(53,941.46)	(51,512.81)
Sale/Redemption of Current Investments	48,024.47	53,119.72
Advance against Investment in Equity	(12.00)	-
Interest Received	254.77	663.14
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(8,723.75)</b>	<b>718.90</b>

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2016

	Year ended 31st March, 2016	(Rs. in Lakhs) Year ended 31st March, 2015
<b>C. Cash Flows from Financing Activities:</b>		
Dividends Paid	(7,715.36)	(6,815.51)
Dividend Distribution Tax Paid	(1,590.95)	(1,162.14)
Finance Costs Paid	(900.59)	(1,633.48)
Repayment of Long-term Borrowings	(11,243.43)	(4,156.63)
Short-term Borrowings-Receipts/(Payments)	2,343.54	(3,575.12)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(19,106.79)</b>	<b>(17,342.88)</b>
<b>D. Exchange Differences on Translation of Foreign Currency</b>		
Cash and Cash Equivalents	<b>209.08</b>	<b>(342.40)</b>
<b>Net Cash Inflow/ (Outflow)</b>	<b>(1,043.93)</b>	<b>107.16</b>
<b>Cash and Cash Equivalents - Opening</b>	3,148.56	3,041.40
<b>Cash and Cash Equivalents - Closing</b>	<b>(1,043.93)</b>	<b>107.16</b>
<b>Cash and Cash Equivalents comprise:</b>		
Cash on Hand	30.85	30.35
Cheques, Drafts on Hand	0.79	8.12
Balances with Banks*	2,072.99	3,110.09
<b>Total</b>	<b>2,104.63</b>	<b>3,148.56</b>
*Includes the following balances which are not available for use by the Group Unpaid Dividend Accounts	<b>431.95</b>	<b>332.29</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard- 3 on Cash Flow Statements specified under the Act.
- Purchase of Tangible/Intangible Assets do not include Rs. 143.30 Lakhs (Previous Year - Rs. Nil) relating to adjustment of payables with trade receivables being a non-cash item.
- Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.

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

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
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Executive Director

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Chairman



## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended].

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non - current classification of assets and liabilities.

#### B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

#### C. Fixed Assets

Fixed Assets are stated at cost of acquisition and inclusive of borrowing cost, where applicable, and adjustments for exchange differences referred to in Note 1(H) below, net of accumulated depreciation / amortisation and accumulated impairment losses, if any.

Cost comprises cost of acquisition including non-refundable taxes/duties, freight and other incidental expenses related to acquisition and installation. Cost of software includes licence fees and cost of implementation/system integration services, where applicable.

Subsequent expenditures related to an item of fixed asset (tangible or intangible) are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Machinery spares which are irregular in use and associated with particular asset are treated as fixed assets.

#### D. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Act (Also refer Note 35). Leasehold land is amortised on straight-line basis over the primary lease period. Intangible assets (Computer Software) are amortised on a straight-line basis over a period of five years.

In case of foreign subsidiaries, depreciation on tangible fixed assets is provided on straight-line basis over the estimated useful lives of the assets and intangible assets are amortised on a straight-line basis over a period not exceeding ten years in accordance with local fiscal regulation.

#### E. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired.

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the fixed asset over its remaining useful life.

#### F. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less write down for any diminution, other than temporary, in carrying value. Current investments are carried at lower of cost and fair value.

#### G. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. 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. Foreign Currency Transactions as applicable under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The resultant exchange differences (other than relating to long-term foreign currency monetary items) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss.

Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability).

Premium or discount arising at the inception of a forward exchange contract entered into to hedge an existing asset/liability is amortised as expense or income over the life of the contract.

### I. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/ losses on settlement and mark-to-market loss, if any, on outstanding contracts as at the Balance Sheet date are recognised in the Statement of Profit and Loss and mark-to-market gain, if any, on outstanding contracts as at the Balance Sheet date is ignored.

Refer Note 1(H) above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

### J. Revenue

Revenue from sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. It includes excise duty but excludes value added tax/sales tax, trade discounts, returns, as applicable.

Income from services rendered is recognised as the service is performed on proportionate completion method and is booked based on agreements / arrangements with the concerned parties.

Export entitlements are recognised after completion of related exports on prudent basis.

### K. Construction Contracts

Revenue in respect of construction contracts is recognised on the basis of percentage of completion method. The stage of completion is determined on the basis of completion of physical proportion of the contract work. Future expected loss, if any, is recognised as expenditure.

### L. Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition and construction of qualifying assets ( i.e., assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost up to the date when such assets are substantially ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

### M. Research & Development Expenditure

Research costs are expensed in the period in which it is incurred. Expenditure on Development is expensed/capitalised in compliance with the provisions of the Accounting Standard 26 on 'Intangible Assets'.

### N. Employee Benefits

#### (a) Short-term Employee Benefits:

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

#### (b) Post Employment Benefit Plans:

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

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

#### (c) Other Long-term Employee Benefits (unfunded):

The cost of providing other long-term employee benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long-term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

### O. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

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 will be required to settle or a reliable estimate of the amount cannot be made.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### P. **Taxation**

Current tax is provided as the amount of tax payable in respect of taxable income for the year, measured using the applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual/reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective entity of the Group will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the respective entity of the Group will pay normal income tax in excess of MAT during the specified period.

### Q. **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

### R. **Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margin. Revenue

and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Corporate-Unallocated (Net)".

### S. **Consolidation**

Consolidated financial statements relate to Graphite India Limited, the Parent Company and its subsidiaries (the 'Group'). The consolidated financial statements are in conformity with the Accounting Standard - 21 on 'Consolidated Financial Statements' specified under the Act and are prepared as set out below:

- (i) The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after adjustments/elimination of inter-company balances, transactions including unrealised profits on inventories etc.
- (ii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- (iii) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognised in the financial statements as Goodwill.
- (iv) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiary, assets and liabilities using the closing exchange rates at the Balance Sheet date, for revenues, costs and expenses using average exchange rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

<b>2. Share Capital</b>	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Authorised</b>		
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Rs. 2/- each	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed and Paid-up</b>		
19,53,75,594 (Previous Year - 19,53,75,594) Equity Shares of Rs. 2/- each		
Fully Paid-up	3,907.51	3,907.51
Add: Forfeited Shares	0.17	0.17
	<b>3,907.68</b>	3,907.68

**2.1** The Parent Company has one class of Equity Shares having a par value of Rs. 2/- per share . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts in proportion to their shareholding.

**2.2** Details of Equity Shares held by the holding company of Graphite India Limited and by subsidiary/associate of the holding company :

	<b>Number of Shares</b>	<b>Number of Shares</b>
Emerald Company Limited (ECL); the Holding Company	11,95,79,419	11,36,29,585
Shree Laxmi Agents Limited; a Subsidiary of ECL	8,84,000	8,84,000
Carbo-Ceramics Limited; an Associate of ECL	3,86,645	3,86,645

**2.3** Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company :

<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
Emerald Company Limited	11,95,79,419	11,36,29,585
	(61.20%)	(58.16%)

3. Reserves and Surplus	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve : As per Last Accounts	45.86	45.86
	<b>45.86</b>	<b>45.86</b>
Capital Redemption Reserve : As per Last Accounts	575.00	575.00
	<b>575.00</b>	<b>575.00</b>
Securities Premium Account : As per Last Accounts	20,097.65	20,097.65
	<b>20,097.65</b>	<b>20,097.65</b>
Reserve Fund (Note 3.1 below)		
Balance as at the Beginning of the Year	429.75	342.67
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss during the Year	58.55	87.08
Balance as at the End of the Year	<b>488.30</b>	<b>429.75</b>
General Reserve (Note 3.2 below)		
Balance as at the Beginning of the Year	1,27,329.63	1,29,076.20
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss during the Year	7,500.00	-
Less: Adjustment of Net Book Value of certain Fixed Assets as per Schedule II of the Act (Net of Tax)	-	(1,746.57)
Less: Adjustment of Net Book Value of certain Fixed Assets due to componentisation as per Schedule II of the Act (Net of Tax) (Refer Note 35)	(1,179.80)	-
Balance as at the End of the Year	<b>1,33,649.83</b>	<b>1,27,329.63</b>
Foreign Currency Translation Adjustment Account [Refer Note 1(S)(iv)]		
Balance as at the Beginning of the Year	(688.25)	(88.15)
Add: Adjustment for the Year	207.27	(600.10)
Balance as at the End of the Year	<b>(480.98)</b>	<b>(688.25)</b>
Surplus in Consolidated Statement of Profit and Loss		
Balance as at the Beginning of the Year	22,940.36	21,971.08
Add: Profit for the Year	6,146.67	5,759.34
Amount Available for Appropriation	<b>29,087.03</b>	<b>27,730.42</b>
Less: Appropriations		
Transferred to General Reserve	7,500.00	-
Transferred to Reserve Fund	58.55	87.08
Interim Dividend on Equity Shares [Rs. 2.00 per Share (Previous Year - Rs. Nil per Share)]	3,907.51	-
Dividend Distribution Tax on Interim Dividend	795.48	-
Proposed Dividend on Equity Shares [Rs. Nil per Share (Previous Year - Rs. 2.00 per Share)]	-	3,907.51
Dividend Distribution Tax on Proposed Dividend	-	795.47
Balance as at the End of the Year	<b>16,825.49</b>	<b>22,940.36</b>
	<b>1,71,201.15</b>	<b>1,70,730.00</b>

**3.1** 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.

**3.2** Represents a free reserve and is not meant for meeting any specific liability, contingency or commitment.

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>4. Long - term Borrowings</b>		
Secured		
Foreign Currency Term Loans from a Bank (Secured by way of first charge on certain moveable fixed assets, both present and future, of the Parent Company)	-	4,172.00
	-	<b>4,172.00</b>
<b>5. Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities		
Depreciation @	<b>8,658.56</b>	<b>9,337.99</b>
Deferred Tax Assets		
Expenses Allowable for Tax Purpose on Payment	1,119.25	978.06
Provision for Doubtful Debts	259.60	148.25
	<b>1,378.85</b>	<b>1,126.31</b>
	<b>7,279.71</b>	<b>8,211.68</b>
@ After considering Rs. 569.06 Lakhs (Previous Year - Rs. 767.65 Lakhs) being tax effect arising from adjustment of Net Book Value of certain Fixed Assets in the General Reserve (Refer Note 35)		
<b>6. Other Long - term Liabilities</b>		
Trade Payables	125.10	-
Security Deposits	0.70	0.70
	<b>125.80</b>	<b>0.70</b>
<b>7. Long-term Provisions</b>		
Provisions for Employee Benefits	315.55	315.20
	<b>315.55</b>	<b>315.20</b>
<b>8. Short - term Borrowings</b>		
Secured		
Loans Repayable on Demand from Banks (Secured by first charge by way of hypothecation of certain stocks and book debts, both present and future, and secured by creation of second charge by way of mortgage/charge on certain other movable and immovable assets of the Parent Company, both ranking pari - passu amongst the related chargeholders)	7,445.24	10,823.22
Unsecured		
Loans Repayable on Demand from Banks	21,121.82	15,415.34
Foreign Currency Term Loan from a Bank	1,666.47	-
	<b>30,233.53</b>	<b>26,238.56</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

9. Trade Payables	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	148.39	46.87
(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
(i) Acceptances	3,421.80	3,345.53
(ii) Others	13,546.34	17,542.23
	<b>16,968.14</b>	<b>20,887.76</b>
	<b>17,116.53</b>	<b>20,934.63</b>

**10. Other Current Liabilities**

Current Maturities of Long-term Debt	-	6,263.35
Interest Accrued but not Due on Borrowings	46.21	42.94
Unpaid Dividends*	431.95	332.29
Other Payables		
Dues Payable to Government Authorities	3,494.58	3,312.07
Capital Liabilities	439.69	215.86
Advances from Customers	901.19	650.33
Billing in Excess of Revenue	44.03	212.50
Deposits	36.41	44.03
Claims/Charges Payable	2,147.84	1,307.15
Employee Benefits Payable	2,200.69	2,180.04
Fractional Entitlement Due for Refund to Shareholders	9.25	9.26
Remuneration Payable to Non-executive Directors	127.00	135.00
	<b>9,878.84</b>	<b>14,704.82</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

**11. Short - term Provisions**

Provisions for Employee Benefits	1,696.44	1,664.04
Other Provisions		
Current Tax [Net of Advance Tax]	3,879.02	3,916.36
Wealth Tax [Net of Advance Tax]	0.46	6.15
Proposed Dividend on Equity Shares	-	3,907.51
Dividend Distribution Tax on Proposed Dividend	-	795.47
	<b>5,575.92</b>	<b>10,289.53</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### 12. Fixed Assets

#### 12.1 Reconciliation of Gross and Net Carrying Amount of Each Class of Assets

(Rs. in Lakhs)											
Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2015	Additions during the Year	Adjustments during the Year [Refer Note 12.4 below]	Disposals during the Year	As at 31st March, 2016	Up to 31st March, 2015	Adjustments during the Year [Refer Note 12.2 below]	For the Year [Refer Note 35]	On Disposals/ Adjustments [Refer Note 12.5 below]	Up to 31st March, 2016	As at 31st March, 2016
<b>Tangible Assets</b>											
Freehold Land	2,712.31	14.01	46.48	-	2,772.80	-	-	-	-	-	2,772.80
Leasehold Land	119.31	-	-	-	119.31	42.04	-	1.86	-	43.90	75.41
Buildings	27,812.25	33.32	296.22	-	28,141.79	8,843.95	-	922.19	(25.83)	9,791.97	18,349.82
Plant and Equipment	1,04,241.80	512.52	1,723.87	75.33	1,06,402.86	63,125.24	1,748.86	3,672.27	(858.41)	69,404.78	36,998.08
Furniture and Fixtures	787.49	16.27	-	0.06	803.70	572.99	-	41.57	0.06	614.50	189.20
Vehicles	869.62	25.51	13.53	57.93	850.73	528.63	-	84.62	42.00	571.25	279.48
Office Equipment	1,566.79	51.40	93.27	48.76	1,662.70	1,306.28	-	108.57	(35.01)	1,449.86	212.84
Machinery Spares	14.67	-	-	-	14.67	14.66	-	-	-	14.66	0.01
<b>Total</b>	<b>1,38,124.24</b>	<b>653.03</b>	<b>2,173.37</b>	<b>182.08</b>	<b>1,40,768.56</b>	<b>74,433.79</b>	<b>1,748.86</b>	<b>4,831.08</b>	<b>(877.19)</b>	<b>81,890.92</b>	<b>58,877.64</b>
<b>Intangible Assets</b>											
Goodwill (arising on consolidation)	63.14	-	-	-	63.14	-	-	-	-	-	63.14
Patent (Note 12.6 below)	6.72	-	0.78	-	7.50	6.72	-	-	(0.78)	7.50	-
Trademark (Note 12.6 below)	33.65	-	3.92	-	37.57	33.65	-	-	(3.92)	37.57	-
Computer Software (Note 12.6 below)	714.51	37.51	18.43	-	770.45	489.96	-	88.81	(13.18)	591.95	178.50
<b>Total</b>	<b>818.02</b>	<b>37.51</b>	<b>23.13</b>	<b>-</b>	<b>878.66</b>	<b>530.33</b>	<b>-</b>	<b>88.81</b>	<b>(17.88)</b>	<b>637.02</b>	<b>241.64</b>
<b>Grand Total</b>	<b>1,38,942.26</b>	<b>690.54</b>	<b>2,196.50</b>	<b>182.08</b>	<b>1,41,647.22</b>	<b>74,964.12</b>	<b>1,748.86</b>	<b>4,919.89</b>	<b>(895.07)</b>	<b>82,527.94</b>	<b>59,119.28</b>

(Rs. in Lakhs)											
Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2014	Additions during the Year	Adjustments during the Year [Refer Note 12.4 below]	Disposals during the Year	As at 31st March, 2015	Up to 31st March, 2014	Adjustments during the Year [Refer Note 12.2 below]	For the Year	On Disposals/ Adjustments [Refer Note 12.5 below]	Up to 31st March, 2015	As at 31st March, 2015
<b>Tangible Assets</b>											
Freehold Land	2,799.37	2.84	(89.90)	-	2,712.31	-	-	-	-	-	2,712.31
Leasehold Land	119.31	-	-	-	119.31	40.18	-	1.86	-	42.04	77.27
Buildings	27,689.07	83.75	44.41	4.98	27,812.25	7,594.65	339.26	962.32	52.28	8,843.95	18,968.30
Plant and Equipment	1,05,901.86	1,107.01	(1,864.94)	902.13	1,04,241.80	60,591.69	2,049.93	3,020.80	2,537.18	63,125.24	41,116.56
Furniture and Fixtures	659.33	138.25	-	10.09	787.49	506.98	41.56	34.62	10.17	572.99	214.50
Vehicles	998.44	33.35	(26.20)	135.97	869.62	501.06	14.09	106.43	92.95	528.63	340.99
Office Equipment	1,658.26	140.91	(177.20)	55.18	1,566.79	1,325.40	69.38	126.47	214.97	1,306.28	260.51
Machinery Spares	68.19	-	-	53.52	14.67	67.65	-	-	52.99	14.66	0.01
<b>Total</b>	<b>1,39,893.83</b>	<b>1,506.11</b>	<b>(2,113.83)</b>	<b>1,161.87</b>	<b>1,38,124.24</b>	<b>70,627.61</b>	<b>2,514.22</b>	<b>4,252.50</b>	<b>2,960.54</b>	<b>74,433.79</b>	<b>63,690.45</b>
<b>Intangible Assets</b>											
Goodwill (arising on consolidation)	63.14	-	-	-	63.14	-	-	-	-	-	63.14
Patent (Note 12.6 below)	8.25	-	(1.53)	-	6.72	8.25	-	-	1.53	6.72	-
Trademark (Note 12.6 below)	41.32	-	(7.67)	-	33.65	41.32	-	-	7.67	33.65	-
Computer Software (Note 12.6 below)	711.61	36.94	(34.04)	-	714.51	409.00	-	101.83	20.87	489.96	224.55
<b>Total</b>	<b>824.32</b>	<b>36.94</b>	<b>(43.24)</b>	<b>-</b>	<b>818.02</b>	<b>458.57</b>	<b>-</b>	<b>101.83</b>	<b>30.07</b>	<b>530.33</b>	<b>287.69</b>
<b>Grand Total</b>	<b>1,40,718.15</b>	<b>1,543.05</b>	<b>(2,157.07)</b>	<b>1,161.87</b>	<b>1,38,942.26</b>	<b>71,086.18</b>	<b>2,514.22</b>	<b>4,354.33</b>	<b>2,990.61</b>	<b>74,964.12</b>	<b>63,978.14</b>

**12.2** Represents adjustments due to revision in useful lives of certain fixed assets due to componentisation as per Schedule II to the Act (Refer Note 35).

**12.3** Represents adjustments due to revision in useful lives of fixed assets as per Schedule II to the Act.

**12.4** Includes exchange differences arising on long-term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets amounting to Rs. 794.68 Lakhs (Previous Year - Rs. 551.17 Lakhs) and foreign exchange adjustments on consolidation of foreign subsidiaries amounting to Rs. 1,378.69 Lakhs (Previous Year - net of Rs. 2,665.00 Lakhs) in respect of Tangible Assets and Rs. 23.13 Lakhs (Previous Year - net of Rs. 43.24 Lakhs) in respect of Intangible Assets.

**12.5** Net of Rs. 996.55 Lakhs (Previous Year - inclusive of Rs. 1,894.28 Lakhs) in respect of Tangible Assets and Rs. 17.88 Lakhs (Previous Year - inclusive of Rs. 30.07 Lakhs) in respect of Intangible Assets on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

**12.6** Represents acquired assets.



## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

13. Non-current Investments	Unit		As at		(Rs. in Lakhs)
	Face Value	Number	31st March, 2016	Number	As at
					31st March, 2015
<b>Long - term [Refer Note 1(F)]</b>					
<b>Trade Investments</b>					
<b>Unquoted</b>					
<b>Investments in Equity Instruments</b>					
<b>In Other Body Corporate</b>					
Fully Paid-up Equity Shares					
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)					
Class A Equity Shares	Rs.10	24,76,558	247.66	24,76,558	247.66
<b>Investments in Preference Shares</b>					
<b>In Other Body Corporate</b>					
Fully Paid-up Preference Shares					
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)					
0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	312.34	31,23,442	312.34
<b>Other Trade Investments</b>					
<b>Unquoted</b>					
<b>In Government Securities</b>					
6 Year National Savings Certificate (Deposited with Sales Tax Authority)			0.06		0.06
<b>Investments in Mutual Funds</b>					
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative	Rs.10	-	-	52,50,000.000	525.00
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan	Rs.10	-	-	50,00,000.000	500.00
HDFC FMP 370D March 2014 (1) Regular - Growth	Rs.10	80,00,000.000	800.00	80,00,000.000	800.00
HDFC FMP 370D August 2013 (2) Regular - Growth	Rs.10	-	-	50,00,000.000	500.00
Reliance Fixed Horizon Fund - XXIV - Series 15 - Growth Plan	Rs. 10	-	-	58,10,000.000	581.00
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth	Rs.10	-	-	1,26,83,215.429	1,268.32
ICICI Prudential FMP Series 73 - 366 Days Plan A Regular Plan - Cumulative	Rs.10	1,09,42,600.000	1,094.26	1,09,42,600.000	1,094.26
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth	Rs.10	-	-	65,57,940.000	655.79
ICICI Prudential FMP Series 73 - 366 Days Plan B Regular Plan - Cumulative	Rs.10	78,90,000.000	789.00	78,90,000.000	789.00
Reliance Short Term Fund Retail Plan Growth Option	Rs.10	7,01,998.677	195.33	39,92,825.090	1,040.00
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	Rs.10	-	-	7,00,483.055	138.60
Reliance Money Manager Fund-Growth Plan Growth Option	Rs. 1,000	471.785	9.00	471.785	9.00
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	Rs.10	-	-	31,44,588.164	750.00
Sundaram Ultra Short-Term Fund Direct Plan - Growth	Rs.10	-	-	2,72,699.507	50.00
Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	Rs.1,000	-	-	6,695.270	100.00
Kotak Treasury Advantage Fund - Growth - Regular Plan	Rs.10	-	-	22,54,852.442	500.00
Kotak Bond (Short Term) - Monthly Dividend - Regular Plan	Rs.10	-	-	21,76,213.981	220.00
Kotak Equity Arbitrage Fund- Monthly Dividend (Regular Plan)	Rs.10	46,40,309.602	500.00	46,40,309.602	500.00
SBI Savings Fund - Direct Plan - Growth	Rs.10	-	-	4,14,444.468	87.25
SBI Magnum Gilt Fund - Long Term-Direct Plan-Growth	Rs.10	3,29,135.755	100.00	3,29,135.755	100.00
Pramerica-Dynamic Bond Fund-Direct Plan - Growth Option	Rs. 1,000	9,217.459	123.90	1,645.600	21.90
Reliance Arbitrage Advantage Fund - Dividend Plan Dividend Payout	Rs.10	2,71,493.516	32.00	-	-
Kotak Bond (Short Term) - Growth (Regular Plan)	Rs.10	8,46,987.803	220.00	-	-
SBI Treasury Advantage Fund - Direct Plan - Growth	Rs. 1,000	6,035.006	100.00	-	-
			<b>4,523.55</b>		<b>10,790.18</b>
Less : Provision for Diminution in Value of Investments*			(560.00)		(560.00)
			<b>3,963.55</b>		<b>10,230.18</b>
<b>Aggregate Amount of Unquoted Investments</b>			<b>4,523.55</b>		<b>10,790.18</b>
<b>Net Asset Value of Units of Mutual Funds</b>			<b>4,536.85</b>		<b>11,134.58</b>

13.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 38.

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

14. Long - term Loans and Advances	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good :		
Capital Advances	1,305.79	1,602.74
Security Deposits	643.36	671.35
Other Loans and Advances		
Advance against Investments in Equity	12.00	-
Loans to Employees*	157.91	156.47
Prepaid Expenses	9.47	11.19
	<b>2,128.53</b>	<b>2,441.75</b>
* Includes amount due from an Officer of the Parent Company	<b>6.90</b>	-

## 15. Other Non-current Assets

Unsecured, Considered Good :		
Fixed Deposits with Banks (with Maturity of More than Twelve Months) (Lodged with Government Authority/Others)	5.87	9.59
Accrued Interest on Fixed Deposits	0.65	2.67
	<b>6.52</b>	<b>12.26</b>

## 16. Current Investments

	Unti Face		As at		(Rs. in Lakhs)	
	Value	Number	31st March, 2016	Number	31st March, 2015	As at
<b>Unquoted [Refer Note 1(F)]</b>						
<b>Investments in Mutual Funds</b>						
HDFC Monthly Income Plan - Long Term - Growth	Rs.10	45,28,407.250	1,360.00	45,28,407.250	1,360.00	1,360.00
HSEB Monthly Income Plan - Savings Plan - Growth	Rs.10	30,86,246.563	715.00	30,86,246.563	715.00	715.00
Reliance Monthly Income Plan - Growth Plan Growth Option	Rs.10	51,64,324.701	1,510.00	51,64,324.701	1,510.00	1,510.00
ICICI Prudential MIP - 25 - Regular Plan-Growth	Rs.10	38,96,517.600	960.00	38,96,517.600	960.00	960.00
HDFC Short Term Plan - Growth	Rs.10	41,06,621.271	998.15	41,06,621.271	998.15	998.15
Franklin India Short Term Income Plan - Growth	Rs.1,000	23,861.287	680.00	52,076.267	1,426.59	1,426.59
Reliance Short Term Fund - Growth Plan - Growth Option	Rs.10	70,92,615.918	1,718.16	70,92,615.918	1,718.16	1,718.16
Reliance Regular Savings Fund - Debt Plan - Inst Growth Plan	Rs.10	30,33,352.819	512.97	30,33,352.819	512.97	512.97
Franklin India Income Opportunities Fund-Growth	Rs.10	1,77,17,738.990	2,511.79	2,37,07,915.101	3,361.00	3,361.00
Franklin India Corporate Bond Opportunities Fund - Growth	Rs.10	1,12,57,877.382	1,500.00	1,12,57,877.382	1,500.00	1,500.00
Reliance Dynamic Bond Fund - Growth Plan - Growth Option	Rs.10	87,42,169.322	1,404.08	1,21,34,552.743	1,948.94	1,948.94
IDFC Yearly Series Interval Fund Regular Plan - Series III - Growth	Rs.10	-	-	60,00,000.000	600.00	600.00
IDFC Dynamic Bond Fund - Growth - Regular Plan	Rs.10	35,13,604.678	500.00	35,13,604.678	500.00	500.00
IDFC Super Saver Income Fund - Investment Plan - Growth - Regular Plan	Rs.10	21,26,773.202	611.19	21,26,773.202	611.19	611.19
DSP BlackRock Strategic Bond Fund - Institutional Plan - Growth	Rs.1,000	29,027.132	400.00	29,027.132	400.00	400.00
DSP BlackRock Short Term Fund - Regular Plan - Growth	Rs.10	32,15,415.059	710.73	32,15,415.059	710.73	710.73
UTI Bond Fund - Growth	Rs.10	13,95,946.172	500.00	13,95,946.172	500.00	500.00
DSP BlackRock MIP-Regular Plan-Growth	Rs.10	21,19,173.861	500.00	21,19,173.861	500.00	500.00
Reliance Yearly Interval Fund - Series 1 - Growth Plan	Rs.10	91,96,755.384	1,000.00	91,96,755.384	1,000.00	1,000.00
DSP BlackRock Dynamic Asset Allocation Fund - Reg - Growth	Rs.10	66,76,858.218	750.00	66,76,858.218	750.00	750.00
ICICI Prudential Long Term - Regular Plan-Growth	Rs.10	41,72,144.494	700.00	41,72,144.494	700.00	700.00
HDFC Corporate Debt Opportunities Fund - Regular - Growth	Rs.10	62,46,595.812	700.00	62,46,595.812	700.00	700.00
Birla Sun Life Short Term Fund - Growth - Regular Plan	Rs.10	9,64,048.696	500.00	9,64,048.696	500.00	500.00
Birla Sun Life Dynamic Bond Fund - Retail Growth - Regular Plan	Rs.10	20,59,834.060	500.00	20,59,834.060	500.00	500.00

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

16. Current Investments (contd.)	Unti Face		As at		(Rs. in Lakhs)
	Value	Number	31st March, 2016	Number	As at 31st March, 2015
	ICICI Prudential Short Term - Regular Plan - Growth Option	Rs.10	23,19,186.097	613.87	23,19,186.097
HDFC Floating Rate Income Fund - Short - Term Plan - Wholesale Option - Growth	Rs.10	44,69,153.900	1,000.00	44,69,153.900	1,000.00
SBI Magnum Income Fund - Regular - Growth	Rs.10	14,86,705.876	500.00	14,86,705.876	500.00
Reliance Medium Term Fund - Direct Plan - Growth Plan - Growth Option	Rs.10	1,29,15,808.673	4,079.66	-	-
Kotak Equity Savings Fund - Growth (Regular Plan)	Rs.10	61,47,634.995	670.00	-	-
<b>Investments in Commercial Papers</b>					
Piramal Enterprises Limited 179D CP 06 MAY16	Rs.5,00,000	1,000.000	4,892.66	-	-
<b>Current Portion of Long-term Investments</b>					
<b>Investments in Mutual Funds</b>					
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative	Rs.10	52,50,000.000	525.00	-	-
HDFC FMP 370D August 2013 (2) - Regular - Growth	Rs.10	50,00,000.000	500.00	-	-
HDFC-FMP-540D-December 2013 - I - Regular - Growth	Rs.10	60,39,628.000	603.96	60,39,628.000	603.96
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan	Rs.10	50,00,000.000	500.00	-	-
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth	Rs.10	1,26,83,215.429	1,268.32	-	-
Reliance Fixed Horizon Fund - XXIV - Series 15 - Growth Plan	Rs.10	58,10,000.000	581.00	-	-
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth	Rs.10	65,57,940.000	655.79	-	-
			<b>37,632.33</b>		<b>26,700.56</b>
<b>Aggregate Amount of Unquoted Investments</b>			<b>37,632.33</b>		<b>26,700.56</b>
<b>Net Asset Value of Units of Mutual Funds</b>			<b>38,083.95</b>		<b>29,860.01</b>

16.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 38.

17. Inventories	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
- At Lower of Cost and Net Realisable Value		
Raw Materials [Includes in transit - Rs. 894.35 Lakhs (Previous Year - Rs. 3,799.22 Lakhs)]	26,620.19	36,893.68
Work-in-progress [Includes in transit - Rs. 1,113.53 Lakhs (Previous Year - Rs. 1,985.13 Lakhs)]	34,706.12	42,847.57
Finished Goods [Includes in transit - Rs. 3,700.35 Lakhs (Previous Year - Rs. 2,684.58 Lakhs)]	11,605.53	17,309.11
Stores and Spares [Includes in transit - Rs. 43.38 Lakhs (Previous Year - Rs. 25.23 Lakhs)]	1,859.86	2,051.30
Loose tools	59.06	70.03
	<b>74,850.76</b>	<b>99,171.69</b>

**18. Trade Receivables**

Unsecured :		
Debts Outstanding for a Period exceeding Six Months from the Date they are Due for Payment -		
Considered Good	2,735.18	1,024.89
Considered Doubtful	750.13	428.36
	<b>3,485.31</b>	<b>1,453.25</b>
Less: Provision for Doubtful Debts	(750.13)	(428.36)
	<b>2,735.18</b>	<b>1,024.89</b>
Other Debts -		
Considered Good	45,745.54	42,236.07
	<b>45,745.54</b>	<b>42,236.07</b>
	<b>48,480.72</b>	<b>43,260.96</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016**19. Cash and Bank Balances**

	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	1,641.04	2,777.80
Unpaid Dividend Accounts @	431.95	332.29
Cheques, Drafts on hand	0.79	8.12
Cash on Hand	30.85	30.35
	<b>2,104.63</b>	<b>3,148.56</b>

@ Earmarked for payment of Unclaimed Dividend

**19.1** Fixed Deposits with Banks with Maturity of more than Twelve Months included in Note 15 **5.87** **9.59**

**20. Short - term Loans and Advances**

Unsecured, Considered Good :		
Loan to a Related Party {Refer Note 44(iii)}	2,500.00	-
Advance/Deposits with Government Authorities	4,930.35	5,594.29
Advance Income Tax (Net of Provision)	32.38	80.61
Advance to Suppliers/Service Providers	747.37	1,222.83
Prepaid/Advance for Expenses	351.85	670.95
Loans/Advances to Employees*	154.81	122.64
Claims Receivable/Charges Recoverable	273.43	407.56
Security and Other Deposits	109.31	93.93
	<b>9,099.50</b>	<b>8,192.81</b>
*Includes amount due from an Officer of the Parent Company	<b>4.56</b>	-

**21. Other Current Assets**

Unsecured, Considered Good :		
Accrued Interest on Deposits		
with Banks	4.45	1.57
with Others	101.02	37.49
Accrued Interest on Investments	64.65	-
Export Entitlement Receivable	1,529.50	1,370.23
	<b>1,699.62</b>	<b>1,409.29</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

22. Revenue from Operations (Gross)	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	1,29,019.48	1,40,112.42
Carbon Paste	1,592.18	2,693.70
Calcined Petroleum Coke	3,502.33	2,727.17
Electricity	150.23	172.76
Impervious Graphite Equipment and Spares	8,156.28	10,239.22
GRP/FRP Pipes and Tanks	4,826.94	8,553.16
High Speed Steel [Includes Sale of Traded Goods amounting to Rs. 89.69 Lakhs (Previous Year - Rs. Nil)]	6,914.05	8,380.56
Alloy Steel	367.85	584.13
Others	1,616.68	1,694.07
	<b>1,56,146.02</b>	<b>1,75,157.19</b>
Sale of Services		
Processing/Service Charges	893.58	920.82
Installation Charges	1,139.52	94.69
	<b>2,033.10</b>	<b>1,015.51</b>
Other Operating Revenues		
Export Entitlement	2,542.57	1,727.21
Others	315.59	579.72
	<b>2,858.16</b>	<b>2,306.93</b>
	<b>1,61,037.28</b>	<b>1,78,479.63</b>

**23. Other Income**

Interest Income		
On Current Investments	64.65	-
On Loans and Deposits	70.47	72.90
From Customers	227.08	324.32
From Income-tax/Other Government Authorities	21.61	239.66
Net Gain on Disposal of Long-term Investments	-	116.32
Net Gain on Disposal of Current Investments	984.67	1,410.46
Liabilities no Longer Required Written Back	396.50	383.97
Provision for Doubtful Debts Written Back	25.76	85.89
Provision for Mark - to - market Losses on Derivatives Written Back	-	38.26
Net Gain on Disposal of Tangible Fixed Assets [Net of Loss on Disposal of Tangible Fixed Assets Rs. 3.31 Lakhs (Previous Year - Rs. Nil)]	0.87	-
Net Gain on Foreign Currency Transactions and Translation	499.97	-
Other Non-operating Income	602.24	838.57
	<b>2,893.82</b>	<b>3,510.35</b>

**24. Cost of Materials Consumed**

Opening Inventory	36,893.68	41,729.05
Add : Purchases	40,403.81	71,243.12
	<b>77,297.49</b>	<b>1,12,972.17</b>
Less : Closing Inventory	26,620.19	36,893.68
Cost of Materials Consumed	<b>50,677.30</b>	<b>76,078.49</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

25. Purchases of Stock - in-trade	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
High Speed Steel	89.69	-
	<b>89.69</b>	-
<b>26. Changes in Inventories of Finished Goods and Work-in-progress</b>		
Finished Goods		
Closing Stock	11,605.53	17,309.11
Deduct: Opening Stock	17,309.11	13,924.16
	<b>5,703.58</b>	<b>(3,384.95)</b>
Work - in - progress		
Closing Stock	34,706.12	42,847.57
Deduct: Opening Stock	42,847.57	45,735.78
	<b>8,141.45</b>	<b>2,888.21</b>
	<b>13,845.03</b>	<b>(496.74)</b>
<b>27. Employee Benefits Expense</b>		
Salaries and Wages	17,230.42	17,734.58
Contribution to Provident and Other Funds (Refer Note 37)	2,126.24	2,268.43
Staff Welfare Expenses	817.91	801.07
	<b>20,174.57</b>	<b>20,804.08</b>
<b>28. Finance Costs</b>		
Interest Expense on		
Borrowings from Banks	595.91	1,180.53
Others	273.26	263.74
Other Borrowing Costs	34.69	138.44
	<b>903.86</b>	<b>1,582.71</b>
<b>29. Depreciation and Amortisation Expense</b>		
Depreciation on Tangible Assets (Refer Note 35)	4,829.22	4,250.64
Amortisation of Leasehold Land	1.86	1.86
Amortisation of Intangible Assets	88.81	101.83
	<b>4,919.89</b>	<b>4,354.33</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

30. Other Expenses	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of Stores and Spare Parts	11,374.61	14,227.76
Power and Fuel	21,882.83	25,833.74
Rent	334.88	395.65
Repairs to Buildings	377.43	424.33
Repairs to Machinery	2,415.82	2,332.63
Repairs to Others	314.85	326.01
Insurance	727.66	678.22
Rates and Taxes	959.22	902.39
Freight and Transport	5,498.02	6,016.83
Commission to Selling Agents	1,868.82	1,891.24
Travelling and Conveyance	644.25	679.92
Directors' Remuneration (Other than Executive Director)	141.25	149.05
Excise Duty on Stocks etc. (Refer Note 30.1)	(28.79)	77.34
Bad Debts/Advances Written off	40.93	152.41
Provision for Doubtful Debts	347.53	158.41
Processing Charges	231.05	277.17
Contractors' Labour Charges	4,047.03	2,856.31
Loss on Disposal of Tangible Fixed Assets [Net of Profit on Disposal of Tangible Fixed Assets Rs. Nil (Previous Year - Rs. 11.46 Lakhs)]	-	27.29
Net Loss on Foreign Currency Transactions and Translation	-	295.19
Expenditure towards Corporate Social Responsibility Activities (Refer Note 30.2 below)	107.52	-
Miscellaneous Expenditure	3,289.21	3,302.89
	<b>54,574.12</b>	<b>61,004.78</b>

**30.1** Represents the aggregate amount of excise duty borne by the Parent Company and difference between excise duty on opening and closing stock of finished goods.

**30.2** Corporate Social Responsibility Expenditure:

(a) Gross Amount required to be spent by the Parent Company and its subsidiary company incorporated in India during the year	411.94	510.74
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(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 5.72 Lakhs (Previous Year - Rs. Nil) and amount paid to B D Bangur Endowment towards construction/acquisition of assets and other purposes Rs. 80.03 Lakhs (Previous Year - Rs. Nil) and Rs. 21.77 Lakhs (Previous Year - Rs. Nil) respectively.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

31. Earnings per Equity Share	(Rs. in Lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of Each Equity Share (Rs.)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders of the Parent Company Profit for the Year	6,146.67	5,759.34
(vi) Basic Earnings per Equity Share (Rs.)(v)/(iii)]	3.15	2.95
(vii) Profit after Tax Available for Equity Shareholders of the Parent Company (Before Exceptional Item) (Refer Note 31.1 below)	6,146.67	6,319.34
(viii) Basic Earnings per Equity Share before Exceptional Item (Rs.) [(vii)/(iii)]	3.15	3.23
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	3.15	2.95
(iii) Diluted Earnings per Equity Share before Exceptional Item (Rs.) [Same as (A)(viii) above]	3.15	3.23
<b>31.1</b>		
Profit after Tax Available for Equity Shareholders of the Parent Company (Before Exceptional Item) :		
Profit for the Year	6,146.67	5,759.34
Add : Exceptional Item (Net of Tax - Rs. Nil) (Refer Note 39)	-	560.00
	<b>6,146.67</b>	<b>6,319.34</b>

### 32. (a) The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiary companies as detailed below:

Name of the Company	Country of Incorporation
<b>Domestic:</b>	
Carbon Finance Limited	India
<b>Overseas:</b>	
Graphite International B.V. (GIBV)	The Netherlands
Bavaria Electrodes GmbH ( @ )	Germany
Bavaria Carbon Holdings GmbH ( @ )	Germany
Bavaria Carbon Specialities GmbH ( @ )	Germany
Graphite Cova GmbH ( @ )	Germany

@ wholly owned subsidiaries of GIBV.

Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in profit or loss			
	As % of consolidated net assets		Amount (Rs. in Lakhs)		As % of consolidated profit or loss		Amount (Rs. in Lakhs)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Parent</b>								
Graphite India Limited	101.49%	100.41%	1,77,715.94	1,75,360.62	134.03%	142.71%	8,238.11	8,219.35
<b>Subsidiaries</b>								
<b>Indian</b>								
Carbon Finance Limited	3.07%	2.91%	5,380.67	5,087.96	4.76%	7.56%	292.71	435.33
<b>Foreign</b>								
Graphite International B.V. #	4.22%	5.61%	7,381.00	9,804.86	(42.82%)	(30.39%)	(2,631.75)	(1,750.05)
<b>Sub-total</b>			<b>1,90,477.61</b>	<b>1,90,253.44</b>			<b>5,899.07</b>	<b>6,904.63</b>
Elimination/Adjustments on Consolidation	(8.78%)	(8.93%)	(15,368.78)	(15,615.76)	4.03%	(19.88%)	247.60	(1,145.29)
<b>Grand Total</b>			<b>1,75,108.83</b>	<b>1,74,637.68</b>			<b>6,146.67</b>	<b>5,759.34</b>

# including its wholly owned subsidiaries.



**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

33. Commitments -	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes Rs. Nil (Previous Year - Rs. 21.53 Lakhs) relating to acquisition of intangible assets]	4,299.03	6,439.75

**34. Contingent Liabilities -**

(i) Claims not acknowledged as debts:		
(a) Disputed Excise Duty	1,134.38	1,023.12
(b) Disputed Customs Duty	1,181.29	1,163.01
(c) Disputed Service Tax	1,117.21	509.06
(d) Disputed Sales Tax/Value Added Tax	574.31	656.09
(e) Disputed Entry Tax	149.86	383.50
(f) Disputed Income Tax	1,250.23	120.90
(g) Labour Related Matters	751.39	585.63
(h) Other Matters (Property, Rental, etc.)	316.58	316.58
(ii) Potential Obligation under Public Law of Germany in respect of environment	1,762.63	1,591.85
(iii) In respect of Contingent Liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above Contingent Liabilities.		

35. The Parent Company had reviewed its tangible fixed assets as at 1st April, 2015 and identified certain significant components with different useful lives from the remaining parts of the asset in keeping with the provisions of Schedule II to the Companies Act, 2013. The depreciation has been computed for such components separately effective 1st April, 2015. As a result, the depreciation expense for the year ended 31st March, 2016 is higher and the profit before tax is lower by Rs. 648.71 Lakhs and the net book value aggregating Rs. 1,179.80 Lakhs (net of deferred tax Rs. 569.06 Lakhs) relating to assets, where the revised useful lives have expired by 31st March, 2015 has been adjusted against opening balance of retained earnings as on 1st April, 2015.

The aforesaid revision of the useful lives will result in the following changes in the depreciation expense as compared to the original useful life of the assets.

Particulars	(Rs. in Lakhs)	
	Year ending 31st March, 2017	After year ending 31st March, 2017
Increase/(Decrease) in depreciation expense	326.21	(2,723.78)

**36. Particulars relating to Construction Contracts -**

	(Rs. in Lakhs)	
	2015-16	2014-15
(a) Contract revenues recognised as revenue	1,444.55	3,491.05
(b) Other information relating to Contract Work - in - progress		
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	8,287.11	6,574.68
(ii) The amount of customer advances	0.09	9.42
(iii) The amount of retentions due from customers	886.60	674.05
(iv) Gross amount due from customers for contract work as an asset	377.96	86.00
(v) Gross amount due to customers for contract work as a liability	33.48	191.04

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### 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. As per the scheme, the Gratuity Fund Trusts, administered and managed by the Life Insurance Corporation of India (LIC), 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. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(N)(b) above, based upon which, the Parent Company makes contributions to the Employees' Gratuity Funds.

The following Table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Group for the year ended 31st March, 2016:

	(Rs. in Lakhs)					
	2015-16	2014-15				
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:						
Present Value of Obligation at the beginning of the year	2,730.20	2,506.36				
Current Service Cost	192.48	182.96				
Interest Cost	200.44	206.69				
Actuarial Losses	87.73	122.48				
Benefits Paid	(287.67)	(288.29)				
Present Value of Obligation at the end of the year	<b>2,923.18</b>	<b>2,730.20</b>				
(b) Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:						
Fair Value of Plan Assets at the beginning of the year	2,426.74	1,922.02				
Expected Return on Plan Assets	188.75	181.73				
Actuarial Gains	4.42	13.22				
Contributions	305.15	598.06				
Benefits Paid	(287.67)	(288.29)				
Fair Value of Plan Assets at the end of the year	<b>2,637.39</b>	<b>2,426.74</b>				
(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	2,923.18	2,730.20				
Fair Value of Plan Assets at the end of the year	2,637.39	2,426.74				
(Liabilities) recognised in the Balance Sheet	<b>(285.79)</b>	<b>(303.46)</b>				
(d) Expense recognised in the Statement of Profit and Loss:						
Current Service Cost	192.48	182.96				
Interest Cost	200.44	206.69				
Expected Return on Plan Assets	(188.75)	(181.73)				
Actuarial Losses (Net)	83.31	109.26				
Total Expense recognised @	<b>287.48</b>	<b>317.18</b>				
@ Recognised under 'Contribution to Provident and Other Funds' in Note 27						
(e) Category of Plan Assets:						
Fund with LIC	2,626.53	2,424.31				
Others (including bank balances)	10.86	2.43				
Total	<b>2,637.39</b>	<b>2,426.74</b>				
(f) Actual Return on Plan Assets	193.17	194.95				
(g) Principal Actuarial Assumptions:						
Discount Rate	7.75%	7.75%				
Salary Escalation	7.00%	7.00%				
Expected Return on Assets	7.75%	8.75%				
(h) Other Disclosures:	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	
Present Value of Obligation at the end of the year	2,923.18	2,730.20	2,506.36	1,963.64	1,621.75	
Fair Value of Plan Assets at the end of the year	2,637.39	2,426.74	1,922.02	1,659.21	1,429.51	
(Deficit) at the end of the year	(285.79)	(303.46)	(584.34)	(304.43)	(192.24)	
Experience Adjustments on Plan Assets [Gain/(Loss)]	4.42	13.22	2.98	20.55	1.56	
Experience Adjustments on Obligation [(Gain)/Loss]	87.73	125.69	226.65	236.64	203.06	

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### 37. Employee Benefits: (contd.)

Notes:

- (a) 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.
- (b) The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

#### (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 is 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 terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on 'Employee Benefits' issued by the Accounting Standard Board of The Institute of Chartered Accountants of India (ICAI), Provident Fund Trusts set up by the Parent Company are treated as defined benefit plans in view of the Parent Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 22.26 Lakhs (Previous Year - Rs. 21.70 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the Balance Sheet date. Further during the year, the Parent Company's contribution of Rs. 30.60 Lakhs (Previous year - Rs. 31.25 Lakhs) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 27. Disclosures given hereunder are restricted to the relevant information available as per the Actuary's report -

<b>Principal Actuarial Assumptions</b>	<b>2015-16</b>	<b>2014-15</b>
Discount Rate	7.17/7.40%	7.87/7.80%
Expected Return on Exempted Fund	8.49/8.44%	8.87/8.78%
Return on EPFO	8.80%	8.75%

#### (C) Pension

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 Group for the year ended 31st March, 2016:

	<b>2015-16</b>	<b>2014-15</b>
	<b>(Rs. in Lakhs)</b>	
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
Present Value of Obligation at the beginning of the year	315.20	298.24
Exchange Rate Adjustment	35.44	(66.23)
Current Service Cost	6.62	5.68
Interest Cost	4.76	8.31
Actuarial (Gains)/Losses	(23.93)	69.20
Benefits Paid	(22.54)	-
Present Value of Obligation at the end of the year	<b>315.55</b>	<b>315.20</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016**37. Employee Benefits:** (contd.)

	(Rs. in Lakhs)				
	2015-16	2014-15			
(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	315.55	315.20			
Fair Value of Plan Assets at the end of the year	-	-			
(Liabilities) recognised in the Balance Sheet	<b>(315.55)</b>	<b>(315.20)</b>			
(c) Expense recognised in the Statement of Profit and Loss:					
Current Service Cost	6.62	5.68			
Interest Cost	4.76	8.31			
Actuarial (Gains)/Losses	(23.93)	69.20			
Total Expense recognised @	<b>(12.55)</b>	<b>83.19</b>			
@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.					
(d) Principal Actuarial Assumptions:					
Discount Rate	1.60%	1.40%			
Salary/Pension Escalation	1.50%	1.50%			
(e) Other Disclosures:					
	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present Value of Obligation at the end of the year	315.55	315.20	298.24	241.96	184.78
(Deficit) at the end of the year	(315.55)	(315.20)	(298.24)	(241.96)	(184.78)
Experience Adjustments on Obligation [(Gain)/Loss]	11.53	7.02	9.96	(4.83)	(3.48)

Note:

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.

**(II) Post Employment Defined Contribution Plans**

During the year, an amount of Rs. 1,820.71 Lakhs (Previous Year - Rs. 1,836.81 Lakhs) has been recognised as expenditure towards defined contribution plans of the Group.

**38. The following table includes the classification of investments in accordance with AS 13: 'Accounting for Investments'**

	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Current Investments</b>		
In Units of Mutual Funds	28,105.60	26,096.60
In Commercial Papers	4,892.66	-
	<b>32,998.26</b>	<b>26,096.60</b>
<b>Long-term Investments</b>		
Fully Paid - up Equity Shares in Sai Wardha Power Limited	247.66	247.66
Fully Paid - up Redeemable Preference Shares in Sai Wardha Power Limited	312.34	312.34
In Government Securities	0.06	0.06
In Units of Mutual Funds	8,597.56	10,834.08
	<b>9,157.62</b>	<b>11,394.14</b>
Less: Provision for Diminution in Value of Investments	(560.00)	(560.00)
<b>Total Long-term Investments</b>	<b>8,597.62</b>	<b>10,834.14</b>
<b>Total Investments (Current and Long-term)</b>	<b>41,595.88</b>	<b>36,930.74</b>
<b>Disclosed Under:</b>		
Non-current Investments (Refer Note 13)	3,963.55	10,230.18
Current Investments (Refer Note 16)	37,632.33	26,700.56
<b>Total</b>	<b>41,595.88</b>	<b>36,930.74</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016

39. Exceptional Item in the previous year represents provision for diminution in value of long-term investments (Refer Note 13).

**40. Particulars of Operating Leases -****A. Cancellable**

The Group has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rentals for the year debited to Statement of Profit and Loss amount to Rs. 20.69 Lakhs (Previous Year - Rs. 17.91 Lakhs)

**B. Non - Cancellable**

(a) The Group has operating lease arrangements for certain vehicles and equipments. The future lease payments in respect of these are as follows: -

Minimum lease payments:	(Rs. in Lakhs)	
	2015-16	2014-15
i. Not later than one year	193.74	233.82
ii. Later than one year but not later than five years	213.20	340.28
iii. Later than five years	-	-
	<b>406.94</b>	<b>574.10</b>

(b) The lease expenses recognised during the year amount to Rs. 256.37 Lakhs (Previous Year - Rs. 305.16 Lakhs).

41. Depreciation and Amortisation for the year and year - end accumulated depreciation includes Rs. 461.45 Lakhs (Previous Year - Rs. 463.52 Lakhs) and Rs. 10,047.49 Lakhs (Previous Year - Rs. 8,576.24 Lakhs) respectively, computed by certain subsidiaries by applying different depreciation rates as indicated in Note 1(D) above.

42. Pending completion of the relevant formalities of transfer of certain assets and liabilities of Powmex Steels Undertaking of GKW Limited (GKW) acquired pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta vide Order of 22nd May, 2009, such assets and liabilities remain included in the books of the Parent Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).

## Notes to Consolidated Financial Statements for the year ended 31st March, 2016

### 43. Segment Information

#### A. Primary Segment Reporting (by Business Segments)

i) The composition of business segments is as under:

- Graphite and Carbon Segment, engaged in the production of Graphite Electrodes, Other Miscellaneous Carbon and Graphite Products including Captive Power Generating Units and Impervious Graphite Equipment division.
- Steel Segment engaged in production of High Speed Steel and Alloy Steel, and
- Others Segment engaged in manufacturing of Glass Reinforced Pipes, Power Generating Unit exclusively for outside sale and investing in shares and securities.

ii) Composition of Geographical Segments

The geographical segments considered for disclosure are as follows :

- Sales within India includes sales to customers located within India
- Sales outside India includes sales to customers located outside India
- The carrying amount of segment assets in India and outside India is based on geographical location of assets.

iii) Segment Revenues, Results and Other Information as at/for the year ended 31st March, 2016 -

	(Rs. in Lakhs)							
	Graphite and Carbon		Steel		Others		Total of Reportable Segments	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Gross)								
External Sales	1,44,777.60	1,58,387.32	7,281.90	8,964.69	6,119.62	8,820.69	1,58,179.12	1,76,172.70
Inter Segment Sales	16.07	33.45	-	-	5.55	5.02	21.62	38.47
Other Operating Revenues	2,539.60	1,716.17	0.88	7.50	317.68	583.26	2,858.16	2,306.93
<b>Segment Revenues</b>	<b>1,47,333.27</b>	<b>1,60,136.94</b>	<b>7,282.78</b>	<b>8,972.19</b>	<b>6,442.85</b>	<b>9,408.97</b>	<b>1,61,058.90</b>	<b>1,78,518.10</b>
Segment Results	12,462.23	11,918.01	249.74	654.72	879.06	1,160.41	13,591.03	13,733.14
Segment Assets	1,82,214.24	2,04,815.29	21,528.07	22,497.19	11,525.50	9,250.56	2,15,267.81	2,36,563.04
Segment Liabilities	24,944.19	27,041.15	1,115.69	2,004.46	1,888.23	1,270.85	27,948.11	30,316.46
Capital Expenditure	6,203.97	2,468.01	28.20	3.63	3.42	32.09	6,235.59	2,503.73
Depreciation and Amortisation	4,431.25	3,844.39	67.28	74.62	263.38	281.16	4,761.91	4,200.17
Non-cash Expenses other than Depreciation and Amortisation	383.32	229.49	8.36	11.51	0.05	103.43	391.73	344.43

Reconciliation of Reportable Segments with the Financial Statements -

	Revenues		Results/Net Profit		Assets		Liabilities *	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Total of Reportable Segments	1,61,058.90	1,78,518.10	13,591.03	13,733.14	2,15,267.81	2,36,563.04	27,948.11	30,316.46
Corporate - Unallocated / Others (Net)	-	-	(1,736.86)	(1,461.96)	30,366.90	22,941.76	42,577.77	54,550.66
Inter Segment Sales	(21.62)	(38.47)	-	-	-	-	-	-
Finance Costs	-	-	(903.86)	(1,582.71)	-	-	-	-
Tax Expense	-	-	(4,803.64)	(4,929.13)	-	-	-	-
	<b>1,61,037.28</b>	<b>1,78,479.63</b>	<b>6,146.67</b>	<b>5,759.34</b>	<b>2,45,634.71</b>	<b>2,59,504.80</b>	<b>70,525.88</b>	<b>84,867.12</b>

\* Excluding Shareholders' Funds

#### B. Secondary Segment (Geographical)

	India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Revenues (Gross)	75,609.72	81,614.34	85,427.56	96,865.29	1,61,037.28	1,78,479.63
Segment Assets	1,90,412.30	2,09,665.54	24,855.51	26,897.50	2,15,267.81	2,36,563.04
Capital Expenditure	5,956.41	2,165.53	279.18	338.20	6,235.59	2,503.73

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016**44. Related Party Disclosures:**

(In accordance with Accounting Standard - 8 specified under the Act)

(i) Related parties -

(a) Where control exists	
Emerald Company Limited (ECL)	Holding Company
(b) Others with whom transactions have taken place during the year:	
Carbo - Ceramics Limited	Fellow Subsidiary of the Parent Company (up to 11th March, 2015)
Shree Laxmi Agents Limited	Fellow Subsidiary of the Parent Company
Mr. K. K. Bangur	Individual owning an interest in the voting power of ECL that gives him control over the Group.
Mrs. Manjushree Bangur, Ms. Divya Bangur, Mrs. Aparna Daga and Mrs. Rukmani Devi Bangur	Relatives of the above individual
GKW Limited, Salasar Towers Private Limited, Matrix Commercial Private Limited and B.D.Bangur Endowment	Enterprises over which Mr. K. K. Bangur is able to exercise significant influence
Mr. M. B. Gadgil, Executive Director	Key Management Personnel

(ii) Particulars of transactions during the year ended 31st March, 2016 -

	2015-16	(Rs. in Lakhs) 2014-15
A. Holding Company		
Dividend paid		
Emerald Company Limited	4,547.38	3,963.97
B. Fellow Subsidiaries of the Parent Company		
Dividend Paid		
Carbo - Ceramics Limited	-	13.53
Shree Laxmi Agents Limited	35.36	30.94
C. Individual owning an interest in the voting power of ECL that gives him control over the Group		
Mr. K. K. Bangur		
(a) Sitting Fees	2.00	1.20
(b) Remuneration	100.00	103.00
(c) Dividend paid	20.38	17.83
D. Relatives of individual owning an interest in the voting power of ECL		
Dividend Paid		
Mrs. Manjushree Bangur	9.94	8.69
Ms. Divya Bangur	6.77	5.93
Mrs. Aparna Daga	7.45	6.52
Mrs. Rukmani Devi Bangur	2.21	1.94
E. Enterprises over which Mr. K. K. Bangur is able to exercise significant influence		
GKW Limited		
Dividend Paid	80.00	70.00
Salasar Towers Private Limited		
Rent Expenses	6.00	6.00
Matrix Commercial Private Limited		
Loan given	2,500.00	-
Interest Income	31.15	-
B.D.Bangur Endowment		
Contribution towards CSR activities	101.80	-
F. Key Management Personnel		
Mr. M. B. Gadgil		
(a) Remuneration	177.77	168.58
(b) Dividend paid	0.08	0.07

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2016**44. Related Party Disclosures:** (contd.)

(iii) Balance outstanding at the year end -

	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
A. Other Current Liabilities		
Mr. K. K. Bangur	100.00	103.00
Mr. M. B. Gadgil	70.89	81.43
B. Short - term Loans and Advances		
Matrix Commercial Private Limited	2,500.00	-
C. Other Current Assets		
Matrix Commercial Private Limited	28.03	-

**45. Derivative Instruments and Unhedged Foreign Currency Exposure****(a) Derivatives outstanding as at the reporting date**

Particulars		(in Million)	
		As at 31st March, 2016	As at 31st March, 2015
Forward Contracts for Foreign Currency Receivables	USD	7.00	-

**(b) Particulars of unhedged foreign currency exposures as at the reporting date**

Receivables	USD	5.24	17.41
	Euro	1.44	1.30
	CAD	0.26	0.97
Payables	USD	7.53	6.83
	Euro	0.16	0.11
	CAD	0.04	0.25
Loans	USD	2.74	24.38
	Euro	4.70	4.00

**46.** Research and Development Expenditure of revenue nature of Rs. 12.58 Lakhs (Previous Year - Rs. 12.95 Lakhs).

**47.** Previous Year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.

Signatures to Notes 1 to 47.

For PRICE WATERHOUSE  
Firm Registration Number - 301112E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner

Membership No. 57572  
Kolkata - 12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President - Finance

**B. Shiva**  
Company Secretary

**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman



**FORM AOC - 1**

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

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

**Part "A" : Subsidiaries**

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	Figures in Rs. Lakhs	
												Proposed Dividend	% of shareholding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Carbon Finance Limited, India	INR	530.00	4,850.67	4,100.74	0.30	1,280.23	424.42	376.01	83.30	292.71	-	100%
2	Graphite International B.V., The Netherlands	EURO	17,300.00	128.45	17,614.37	185.92	-	396.97	286.62	72.25	214.37	-	100%
		INR	12,992.30	96.46	13,228.39	139.63	-	298.12	215.25	54.26	160.99	-	
3	Graphite COVA GmbH, Germany	EURO	16,320.00	(12,881.29)	31,717.01	28,278.30	-	36,375.20	(5,453.73)	(105.49)	(5,348.24)	-	100%
		INR	12,256.32	(9,673.85)	23,819.47	21,237.00	-	27,317.77	(4,095.75)	(79.22)	(4,016.53)	-	
4	Bavaria Electrodes GmbH, Germany	EURO	100.00	2,548.53	5,016.87	2,368.34	-	7,528.16	246.62	108.56	138.06	-	100%
		INR	75.10	1,913.95	3,767.67	1,778.62	-	5,653.65	185.21	81.53	103.68	-	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	1,993.96	2,740.61	646.65	-	5,684.60	240.10	83.96	156.14	-	100%
		INR	75.10	1,497.46	2,058.20	485.64	-	4,269.13	180.31	63.05	117.26	-	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	408.44	1,200.96	517.52	-	513.84	(380.67)	-	(380.67)	-	100%
		INR	206.53	306.74	901.92	388.65	-	385.90	(285.88)	-	(285.88)	-	

**Note:**

- The reporting period of all the subsidiaries is the same as that of the Holding Company.
- Part B of the Statement AOC - 1 has not been produced because the Company did not have any associates/ joint ventures during the Financial Year.
- Exchange Rate as on the last date of the Financial Year, i.e. 31st March, 2016 has been taken @ 1 Eur = Rs. 75.10 .

Kolkata  
12th May, 2016

**S.W.Parnerkar**  
Sr. Vice President - Finance

**B. Shiva**  
Company Secretary

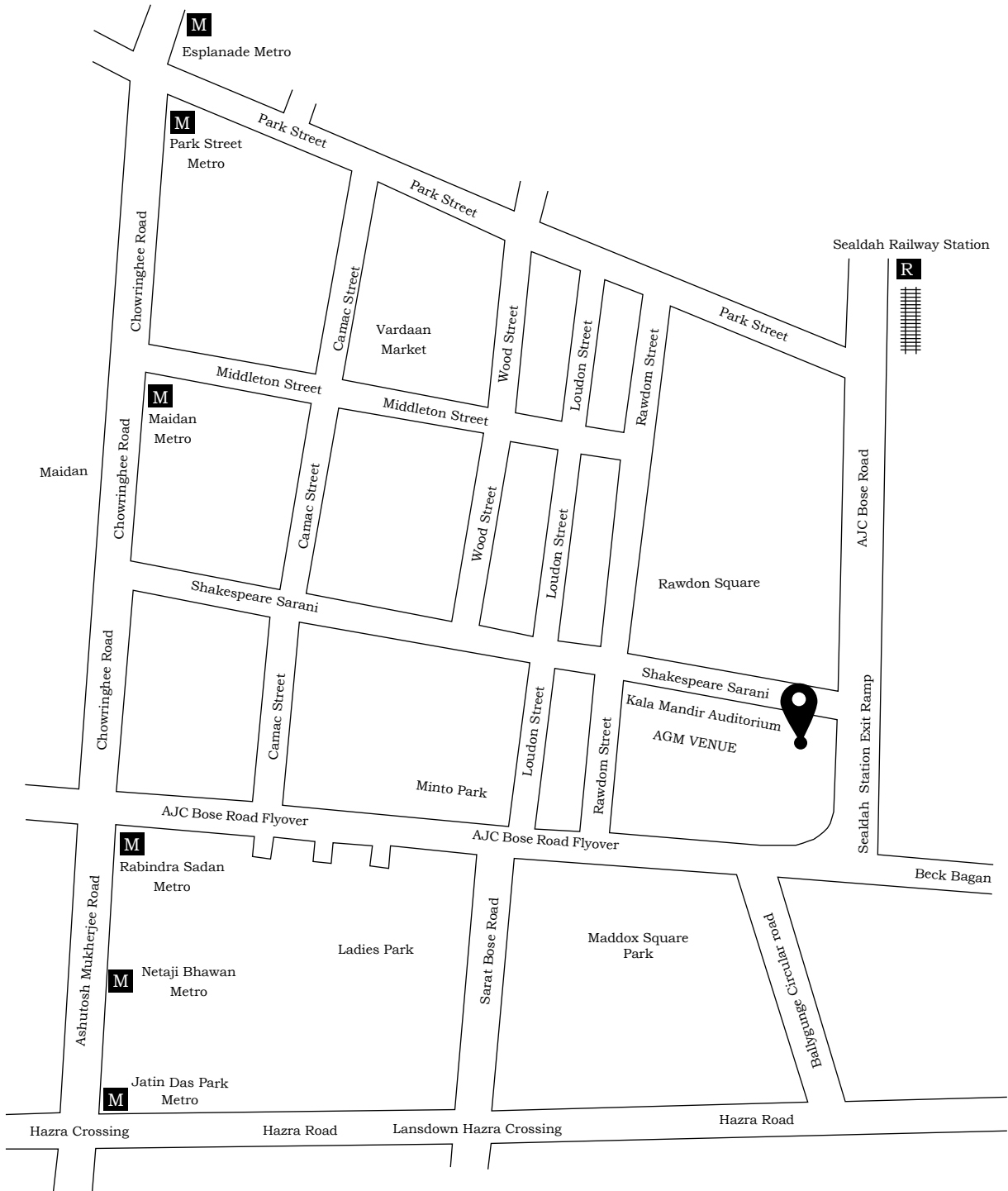
**M. B. Gadgil**  
Executive Director

**K. K. Bangur**  
Chairman





# Route map of AGM Venue (“Kala Mandir Auditorium”) of Graphite India Limited





**GRAPHITE INDIA LIMITED**

CIN: L10101WB1974PLC094602

Registered Office : 31, Chowringhee Road, Kolkata - 700 016

Tel: +91 33 4002 9600 Fax: +91 33 4002 9676

Website: www.graphiteindia.com Email: gilro@graphiteindia.com

**FORTY FIRST  
ANNUAL GENERAL  
MEETING**

Name and Address of Shareholder

Folio / DP ID and Client ID :	Shares :
-------------------------------	----------

**ATTENDANCE SLIP**

Attendance by  
(Please tick the appropriate box)

Member

Proxy

Authorised Representative

I hereby record my presence at the 41st Annual General Meeting of the Company being held on Wednesday, August 10, 2016 at 3.45 P.M. at Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017.

.....  
Name of Proxy (in BLOCK LETTERS)

.....  
Signature of Member/Proxy

EVSN (Electronic Voting Sequence Number)	Default PAN / *Sequence Number
<b>160629011</b>	

\*Only Members who have not updated their PAN with Company / Depository Participant shall use Sequence Number in the PAN field.

Note: Please read the instructions printed under the Note k (III) to the Notice of 41st Annual General Meeting dated May 12, 2016. The Voting period starts from 9.00 am on Sunday, August 7, 2016 and ends at 5.00 p.m. on Tuesday, August 9, 2016. The voting module shall be disabled by CDSL for voting thereafter.

**GRAPHITE INDIA LIMITED**

CIN: L10101WB1974PLC094602

Registered Office : 31, Chowringhee Road, Kolkata - 700 016

Tel: +91 33 4002 9600 Fax: +91 33 4002 9676

Website: www.graphiteindia.com Email: gilro@graphiteindia.com

**PROXY FORM**

Name of the member(s):		Email id:	
Registered Address:		Folio No/ Client Id: DP Id:	

I/We being the member(s) of .....shares of Graphite India Limited, hereby appoint

- Name..... Address.....  
E-mail Id..... Signature.....or failing him
- Name..... Address.....  
E-mail Id..... Signature.....or failing him
- Name..... Address.....  
E-mail Id..... Signature.....as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held on Wednesday, August 10, 2016 at 3.45 P.M. at Kala Mandir Auditorium (Sangit Kala Mandir Trust), 48, Shakespeare Sarani, Kolkata -700 017 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

(\*Optional)

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1.	Adoption of Audited financial statements for the year ended March 31, 2016		
2.	Declaration of interim dividend on equity shares as final dividend for the said year.		
3.	Re-appointment of Mr. K. K. Bangur, director retiring by rotation		
4.	Ratify appointment of Price Waterhouse, Chartered Accountants as Auditors and fixation of remuneration thereof.		
5.	Appointment of Mrs. Shalini Kamath as an Independent Director		
6.	Payment of remuneration to Cost Auditors		
7.	Issue of NCDs upto Rs. 500 crore on private placement basis		

Signed this ..... day of ..... 2016.

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of proxy holder(s)

Affix  
Re.1/-  
Revenue  
Stamp  
Here

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.