GRAPHITE INDIA LIMITED

REGD. & H.O. : 31, CHOWRINGHEE ROAD, KOLKATA - 700 016, W.B., INDIA
PHONE : 91 33 4002 9600, 2226 5755 / 4942 / 4943 / 5547 / 2334, 2217 1145 / 1146
FAX : 91 33 2249 6420, E-mail : gilro@graphiteindia.com
WEBSITE : www.graphiteindia.com, CIN : L10101WB1974PLC094602

GIL/SEC/SM/23-24/21

July 6, 2023

BSE Limited
The Corporate
Relationship Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai 400 001.
Scrip Code – 509488

The Manager
Listing Department,
National Stock Exchange
Exchange Plaza, 5th Floor,
Plot No –C/1,G Block,
Bandra-Kurla Complex,
Bandra (E) Mumbai 400 051
Symbol: GRAPHITE

Dear Sirs,

Sub: Annual Report and AGM Notice for 48th Annual General Meeting of the members of the Company to be held on 31.07.2023

Pursuant to Regulation 34(1) of SEBI (LODR) Regulation, 2015 enclosed please find herewith a copy of the Annual Report being sent to the shareholders through electronic mode along with the Notice of the Annual General Meeting containing the business to be transacted at the Meeting.

Please note that the Forty eighth Annual General Meeting of members of the Company will be held on Monday, the 31st day of July, 2023 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

As per Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting"). The instructions for e-voting are mentioned in the Notice attached.

Thanking You,

Yours faithfully,
For Graphite India Limited

SANJEEV MARDA Digitally signed by SANJEEV MARDA

S. Marda
Dy. Company Secretary
Encl. : As above.

GRAPHITE INDIA LIMITED

ANNUAL REPORT

2022-23

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr K K Bangur, Chairman

Mr P K Khaitan

Mr N S Damani

Mr A V Lodha

Mr N Venkataramani

Mr Gaurav Swarup

Mrs Sudha Krishnan

Mr. Sridhar Srinivasan

Mr A Dixit, Executive Director

COMPANY SECRETARY

Mr B Shiva

AUDITORS

S R Batliboi & Co. LLP

SOLICITORS

Khaitan & Co.

BANKERS

UCO Bank

Axis Bank Limited

Citibank N.A.

DBS Bank India Limited

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

REGISTERED OFFICE

31, Chowringhee Road, Kolkata 700 016

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

Fax No. (033) 22496420

CIN : L10101WB1974PLC094602

gilro@graphiteindia.com

www.graphiteindia.com

GRAPHITE INDIA LIMITED

Regd. Off: 31, Chowringhee Road, Kolkata 700 016

CIN: L10101WB1974PLC094602 Website: www.graphiteindia.com

NOTICE is hereby given that the Forty Eighth ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Monday, the 31st day of July, 2023 at 11:00 a.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

   a. the Audited Financial Statement of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon; and

   b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2023 and the Report of the Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March 2023.

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

SPECIAL BUSINESS

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

   RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions if any, of the Companies Act, 2013 ("the Act") or any modification or re-enactment thereof, the Company hereby authorizes, payment of remuneration by way of commission at the discretion of the Board of Directors of the Company ("the Board") to one or more or all the Directors who are neither Managing directors nor Whole-time Directors of the Company, for a period of five financial years commencing from 1st April, 2023.

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

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

5. To appoint Mr. Sridhar Srinivasan (DIN: 07240718) as a Director and an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   RESOLVED THAT Mr. Sridhar Srinivasan (DIN: 07240718), 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 with effect from 30th May, 2023 and in the 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.

   RESOLVED THAT pursuant to the provisions of Section 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, Mr. Sridhar Srinivasan (DIN: 07240718), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16 (1)(b) (ii) to (viii) 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 a term of 5 (five) consecutive years from 30.05.2023 up to 29.05.2028.

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, 2024 as approved by the Board of Directors of the Company, on the recommendation of the Audit Committee and as detailed hereunder be and is hereby ratified.

Name of Cost Auditors/ Firm Registration No.	Location	@Remuneration in Rs.
Shome & Banerjee Kolkata Reg. No. 000001	Durgapur Plant	2,75,000
	Captive power generation facility in Chunchunakatte, Mysore	30,000
Deodhar Joshi & Associates Reg. No. 002146	Satpur, Ambad, and Gonde Plants	2,00,000
B G Chowdhury & Co. Kolkata Reg. No. 000064	Barauni plant	57,500
N Radhakrishnan & Co. Kolkata Reg. No. 00056	Mini Steel Plant of Powmex Steels division	46,000

@ plus GST and reimbursement of out of pocket expenses.

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

RESOLVED THAT pursuant to Section 42 and 71 of the Companies Act, 2013 and Companies (Prospectus & Allotment of Securities Rules), 2014 and other applicable provisions/rules of the Companies Act, 2013 and subject to, wherever required, the guidelines and/or approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and subject to such other approvals and consents of the concerned authorities as required by law, and subject to such conditions, modifications and stipulations as may be imposed under the said approvals, permissions and consents and in terms of the Articles of Association of the Company, the Board of Directors of the Company (Board) be and is hereby authorised to issue and allot secured/unsecured, redeemable, cumulative/non-cumulative, non-convertible debentures/ Bonds up to Rs. 5,000 Crore or equivalent in one or more tranches/series, through private placement, in domestic and/ or in international markets i.e. in Indian rupees and/or in foreign currency for subscription for cash at par on terms and conditions based on evaluation by the Board of market conditions as may be prevalent from time to time as may be determined and considered proper and most beneficial to the Company including without limitation as to when the aforesaid securities are to be issued, consideration, mode of payment, coupon rate, redemption period, utilisation of the issue proceeds and all matters connected therewith or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

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

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

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

By Order of the Board
For Graphite India Limited

Kolkata — B. Shiva
May 30, 2023 — Company Secretary

NOTES :

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

b. The Company has fixed Thursday, 20th July, 2023 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2023, if approved at the AGM.

c. Dividend on Equity Shares (subject to deduction of tax at source) when sanctioned will be made payable to those shareholders whose names stand on the Company's Register of Members on Thursday, 20th July, 2023 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories for this purpose. Dividend on equity shares, if declared at the AGM will be paid/ despatched by 14th August, 2023.

Tax Deducted at source

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

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to our Registrar Link Intime India Pvt. Ltd. at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html by **11:59 p.m. IST on July 23, 2023**. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable. Further, the Government has made it mandatory for all taxpayers having a PAN to link it with their Aadhaar. Last date of linking Aadhaar with PAN is 30 June 2023. For shareholders who have not linked PAN and Aadhaar, the PAN will be considered as invalid and higher rate of taxes shall apply (applicable if dividend is declared, distributed or paid on or after July 1, 2023), subject to any further relaxation as may be provided by the Central Board of Direct Taxes (CBDT).

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. copy of PAN (if available), No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, electronically filed Form 10F, any other document which may be required to avail the tax treaty benefits. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only).

Further, the applicable TDS rates shall also depend on the category of Shareholder (e.g., Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund - Category I, II or III, etc.).

For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html. The aforesaid declarations and documents need to be submitted by the shareholders **by 11:59 p.m. IST on July 23, 2023.**

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

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

Unclaimed/unencashed Final dividend declared by the Company for the year ended 31st March, 2015 and Unclaimed/ unencashed Interim dividend declared by the Company for the year ended 31st March, 2016 have been transferred to the said fund.

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them immediately. Unclaimed/Unencashed dividend up to the years ended 31st March, 2015 have already been transferred to the IEPF.

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

e. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31.03.2022 on the website of the Company (www.graphiteindia.com) as also on the Ministry of Corporate Affairs website (www.mca.gov.in).

f. In accordance with Regulation 39(4) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the details of the equity shares in the said Graphite India Limited-Unclaimed Suspense Account for FY 2022-23 are as follows:

Particulars	**No. of Shareholders**	**No. of Equity Shares**
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year/during the year.	1,337	66,877
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year *	14	1903
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Number of shareholders whose shares were transferred to the demat account of Investors Education and Protection Fund (IEPF) Authority.	204	3,991
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1,133	62,886

*Transferred by 23.05.2023

The voting rights on the shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

g. (i) As per Regulations 39 and 40 of the Listing Regulations, as amended, listed companies can effect **issuance of duplicate securities certificate; renewal / exchange, endorsement, sub-division/ split, consolidation of securities certificate; transfer, transmission and transposition, as applicable in Dematerialised form only with effect from 24th January, 2022.**

Further, SEBI vide its circular dated 3rd November, 2021, read with clarification dated 14th December, 2021 and circular dated 16th March, 2023 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, **effective 1st January, 2022, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are updated. On or after 1st October, 2023, in case of any of the above cited documents/details are not available in the folios, RTA shall be constrained to freeze such folios.** The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form. The said form are available on our website at http://ir.graphiteindia.com/

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

(ii) Members are requested to notify change in their address, if any, immediately to the Company's Registrar, Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli (W), Mumbai 400 083 or to their Kolkata office at Room No. 502 and 503, 5th floor, Vaishno Chamber, 6, Brabourne Road, Kolkata – 700 001.

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

i. **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 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("e-voting") will be provided by Link Intime India Private Limited (LIIPL).

II In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 21/2021 dated December 14, 2021 2/2022 dated May 5, 2022, and 10/2022 dated 28th December 2022 (collectively referred to as "MCA Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

III The Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (LIIPL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by LIIPL.

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

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

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

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

The voting period begins on Friday, July 28, 2023 at 9.00 am (IST) and ends on Sunday, July 30, 2023 at 5 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date 24th July, 2023 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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

A. Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://evoting.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

B. Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

C. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

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

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

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
   - **A. User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
   - **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   - **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
   - **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

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

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

   - ➢ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - ➢ Click "confirm" (Your password is now generated).
3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

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

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate**

Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

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

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact Mr. Rajiv Ranjan Assistant Vice President – Evoting contact number 22 49186060

Helpdesk for Individual Shareholders holding securities in demat mode:

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. : 1800 22 5533.

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

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

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

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

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

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

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

➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

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

➤ Select the **"Company"** and **'Event Date'** and register with your following details:-

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

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

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

➤ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

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

1. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance at investorgrievance@graphiteindia.com between 24th July, 2023 (9.00 a.m. IST) to 26th July.2023 at (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number.

2. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

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

j. 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 (July 24, 2023) only shall be entitled to avail the facility of e-voting.

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

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

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

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

By Order of the Board
For Graphite India Limited

Kolkata
May 30, 2023

B. Shiva
Company Secretary

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

ITEM NO. 4

The members of the Company in the 43rd Annual General Meeting held on 06th August, 2018 had by way of a Special resolution approved and authorised the Board of Directors of the Company to pay commission exceeding one percent of the net profits of the Company as prescribed in Section 197 (1) of the Act in such proportion and to such one or more directors who are neither the managing director nor the whole-time director, as the Board may in its discretion decide for a period of five financial years commencing from 1st April 2018, but within the overall ceiling of eleven percent to all directors (including whole-time directors), subject to approvals wherever necessary. The said period of five financial years has ended on 31st March, 2023.

It is therefore proposed that the Board be authorised to pay commission exceeding one percent of the net profits of the Company as prescribed in Section 197 (1) of the Act but within the overall ceiling of 11% to all directors (including whole-time directors) in such proportion and to such one or more directors who are neither the managing director nor the whole-time director, as the Board may at its discretion decide, for a period of five financial years, commencing from 1st April 2023.

Approval from members is accordingly sought by way of Special Resolution as set out in item no. 4.

A copy of the Articles of Association of the Company is available for inspection at its Registered Office between 10.00 a.m. and 2.00 p.m. on any working day of the Company till the date of this Annual General Meeting.

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

ITEM No. 5

Pursuant to the recommendation by the Nomination and Remuneration Committee under Section 178(2) of the Companies Act, 2013 (The "Act") read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide resolution adopted on 30.05.2023, appointed , Mr. Sridhar Srinivasan (holding DIN: 07240718) as an Additional Director (Non-Executive Independent Director) of the Company pursuant to Sections 149, 161 read with Schedule IV and other applicable provisions of the Act with effect from 30.05.2023.

The proposed resolution seeks the approval of members for the appointment of Mr. Sridhar Srinivasan as a Non-Executive Independent Director for a term of 5 (five) consecutive years from 30.05.2023 up to 29.05.2028, not liable to retire by rotation.

The Company has received consent from Mr. Sridhar Srinivasan to act as a Director and declarations to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Section 164 of the Act that he is not disqualified to be a Director.

The Company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Sridhar Srinivasan for the office of Independent Director to be appointed under Section 149 of the Act.

Mr. Sridhar Srinivasan has been recommended for appointment as director (non-executive independent director) by the Nomination and Remuneration Committee of the Board of Directors in terms of Section 178(2) of the Act.

In the opinion of the Board of Directors, Mr. Sridhar Srinivasan fulfills the conditions specified in the Act and the Rules made there under. He is a person of integrity and independent of the management and possesses appropriate skills, experience and knowledge. His appointment as an Independent Director would be beneficial to the Company and will enable the Board to discharge its functions and duties effectively. He is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India order or any other such authority.

Mr. Sridhar Srinivasan would be entitled to sitting fees for attending meetings of the Board/ Committees and commission based on net profits, as approved by the Board of directors, subject to overall limits as approved by the members of the Company.

A copy of the letter of appointment of Mr. Sridhar Srinivasan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours. The letter is also posted on the website of the company under "Investor Relation" section.

The Board recommends the resolution set forth in the notice (Item No 5) for approval by the members by way of Special resolution.

Except Mr. Sridhar Srinivasan the appointee, none of the Directors / Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in the resolution.

ITEM No. 6

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

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

ITEM No. 7

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

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

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

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

1. **Mr. A V Lodha, (DIN: 00036158),** aged 57 years is a qualified Chartered Accountant and had served as the Country Managing Partner of Lodha & Co, one of India's leading Accounting and Advisory Firms. He has over 34 years of experience in providing advisory services to a diverse client base across a wide spectrum of industries. He has handled various consultancy assignments in fields of corporate restructuring, mergers & acquisitions, joint ventures, collaborations, business strategy etc. He has also assisted large Indian corporates to raise resources from the overseas capital markets. Mr Lodha served as the President of the Indian Chamber of Commerce (ICC), Kolkata twice i.e. in 1998-99 and in 2001-02 in its 75th year (Platinum Jubilee Year) as well as the Chairman of its Banking and Finance Committee. He has also served as a Member of The National Council of CII (Confederation of Indian Industry) and was National Committee Chairman of its Accounting Standards & Corporate Disclosures and Tax Committees. He served as a member of the High Level Naresh Chandra Committee for corporate audit and governance, appointed by the Government of India, Governing Body of Indian Council of Arbitration, Governing Council of the Central Manufacturing Technology Institute, Bangalore, Peer Review Board of Institute of Chartered Accountants of India, Industrial Development Bank of India's Eastern Regional Advisory Board, State Advisory Board on Investment Promotion in Tripura and was the Honorary Secretary of the Alumnorum Societas, the old boys association of St. Xavier's Collegiate School, Kolkata. He does not hold any shares in the Company. He is a member of the Audit Committee and Investment Committee of the Company.

   He is Chairman of Alfred Herbert (India) Ltd. (listed company) and member of its Nomination and Remuneration Committee. He is also director of Newby S.E. Asia (P) Limited. He has not resigned from any listed entities in the past 3 years.

Mr. Sridhar Srinivasan (DIN: 07240718), aged 63 years, graduated from Delhi University and is a Chartered Accountant. Mr. Srinivasan is a financial services expert with nearly 33 years of experience at Citigroup across Asia, Africa and Europe. During this period he built, grew and transformed businesses, holding key country and regional executive positions including CEO for three countries, Corporate Bank Head for India, Transaction Services Head for Africa and Bank Services Group Head for Central, Eastern Europe, Middle East and Africa. After his time with Citi, he joined Oliver Wyman as Partner and India Head, and is currently a senior advisor in this global management consulting firm. With strong personal integrity, passion, and relationship skills, he has built several winning teams comprising people from diverse cultural and professional backgrounds. He is now an established non-executive board director/ advisor with companies ranging from start-ups to the large corporations. His deep experience and track record helps him to work with CEOs and boards in areas such as management strategy, business transformation, governance, shareholder interests, risk, and regulatory compliance. He is also an active angel investor and mentor for early stage start-ups. He has not resigned from any listed entities in the past 3 years.

Sr. No.	**Name of the Listed Entity**	**Nature of Directorship**	**Committee Position (Chairman/Member)**
1	Oracle Financial Services Software Limited	Non-Executive Independent Director	Risk Management Committee - Chairman Audit Committee - Member Stakeholders Relationship Committee - Member
2	Bank of Baroda	Non-Executive Independent Director	Risk Management Committee - Chairman IT Strategy - Member Nomination and Remuneration Committee - Member Management Committee of the Board - Member CSR and Sustainability Committee - Member Committee to consider appeals in respect of top management executives - Member
3	Nirlon Limited	Non-Executive Independent Director	Corporate Social Responsibility Committee - Chairman Audit Committee - Member Stakeholders Relationship Committee - Member Nomination and Remuneration Committee - Member

DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty Eighth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2023.

Financial Results **Rs. in Crores**

Particulars	2022-23	2021-22	2022-23	2021-22
	Graphite India Limited		**Graphite India Limited Consolidated**	
Revenue from Operations (Gross)	2913	2799	3181	3026
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Exceptional Items, Tax and other Comprehensive Income	**531**	**803**	**445**	**769**
Finance Costs	9	4	13	5
Profit before Depreciation, Exceptional Items and Tax	**522**	**799**	**432**	**764**
Depreciation and Amortisation Expense	46	46	57	55
Profit before Share of Profit/(Loss) of Associate, Exceptional Items and Tax	**476**	**753**	**375**	**709**
Share of (Loss) of Associate	**-**	**-**	**-**	**(16)**
Profit before Exceptional Items and Tax	**476**	**753**	**375**	**693**
Exceptional Items	**-**	**-**	**53**	**-**
Profit before Tax	**476**	**753**	**322**	**693**
Tax Expense for the Current Year				
Current Tax	130	158	129	160
Deferred Tax	(4)	21	(6)	28
Profit for the Year	**350**	**574**	**199**	**505**
Other Comprehensive Income (net of tax)	*	3	14	(2)
Total Comprehensive Income for the year	**350**	**577**	**213**	**503**
Statement of Retained Earnings				
Retained Earnings at the beginning of the year	**2904**	**2425**	**3309**	**2906**
Add Profit for the year	350	574	199	505
Add Comprehensive Income/(Loss)	*	3	1	3
Less Final Dividend on Equity Shares	195	98	195	98
Less Transfer to Reserve Fund	-	-	-	7
Less Dividend Accrued – Non-Controlling Interest and Changes in Equity	-	-	*	-
Retained Earnings at the end of the year	**3059**	**2904**	**3314**	**3309**

REVIEW OF THE ECONOMY

The global economy experienced a widespread slowdown in 2022 due to geopolitical turmoil, sharp decline in China's manufacturing activity and periodic recurrence of pandemic. Supply chain disruptions and poor demand in developed countries further weakened global trade, disrupting exports from emerging markets and developing economies. As a result of supply chain constraints and an increase in commodity prices, many economies suffered high levels of inflation. In response, central banks implemented policy correction measures to mitigate and contain inflationary pressures. The consequent rise in interest rates and the slowdown in economic activity have caused bank specific risks and financial destabilisation concerns. In April 2023, International Monetary Fund (IMF) reported that the global output growth rate for 2022 was 3.4%. However, this low growth rate is expected to further decline to 2.8% in 2023 followed by a small rise to 3% in 2024. Growth in advanced economies are projected to decline steeply from 2.7% in 2022 to 1.3% in 2023, with a slight small increase to 1.4% in 2024. Average growth in emerging markets and developing economies are projected to decline from 4% in 2022 to 3.9% in 2023 and is forecasted to rise to 4.2% in 2024. Given the huge risks in the economic, financial, geopolitical and environmental domains, the cumulative near-term economic outlook continues to be depressive and volatile.

The US, European Union, and other developed economies have undergone a weak growth, which has adversely impacted the global economy. The USA' GDP growth is projected to decline to 1.6% in 2023 due to higher interest rates, lower incomes, and reduced consumer spending. Similarly, the European Union's growth is expected to be 1% and 1.9% in 2023 and 2024, respectively. This is because COVID-19 restrictions were being eased and the boost from pent-up demand that drove economic activity in the previous year is expected to diminish. Chinese economy had a less than anticipated performance in 2022 due to the pandemic related lockdowns and decline in the real estate market. However, the Chinese government has implemented several monetary and fiscal policies, and removed the zero-COVID-19 policy, leading to an expectation of a moderate improvement in 2023 with a projected expansion to 5.2%. However, the growth is unlikely to reach pre-pandemic level in the foreseeable future.

On the sectoral front, the global steel industry saw a decline in demand in 2022 due to monetary tightening and high energy costs. The World Steel Association (WSA) forecasts a 2.3% increase in demand for the steel industry in 2023, resulting in a total demand of 1,822.3 million metric tones (MMT). Additionally, WSA projects a 1.7% growth in steel demand in 2024, reaching a total of 1,854 MMT. The recovery is expected to be driven by the manufacturing industry, although the high interest rates may still have a dampening effect on overall steel demand.

In 2022, the Indian economy experienced a robust recovery driven by private consumption and government spending, resulting in a GDP growth of 6.8%, despite few signals of moderation and grey zones. The capital goods sector is expected to benefit from the growth momentum in infrastructure and investments made towards renewable energy. The Indian economy is predicted to maintain its strong growth trajectory in FY 2023, fueled by consistent government spending on infrastructure and affordable housing projects further augmenting private investment. The country's impressive performance in the global steel industry is expected to continue due to the anticipated growth in the residential sector, supported by affordable housing projects and urban demand, thereby maintaining the good demand for steel products, especially through the "Electric Arc Furnace" route (environmental concerns) and correspondingly the demand for graphite electrodes.

As per IMF growth projections, the Indian economy is expected to maintain its robust growth following an impressive growth rate of 6.8% in 2022, with a GDP growth rate of 5.9% in 2023 and 6.3% in 2024. Despite global uncertainty and challenges, the Indian economy is expected to remain a top performer and continue to be one of the world's fastest-growing countries.

GRAPHITE INDIA

The Company's performance for FY 2022-23 was subdued compared to FY 2021-22. While revenue from operations increased by 4% to Rs. 2,913 crore for FY 2022-23 as against Rs. 2,799 crore in the previous year, PBT decreased to Rs. 476 crore as against Rs. 753 crore of previous year. This includes investment income of Rs. 97 crore as against Rs. 241 crore in the last year. The performance of the Company was adversely impacted mainly due to lower volume and higher costs despite higher realisations as compared to last year. The global demand for graphite electrodes had majorly declined during the financial year owing to – (1) Slowdown in steel industry due to high energy cost in Europe and other regions, post Russia's invasion of Ukraine; (2) Continual lockdown in China after re-emergence of COVID; and (3) High inflation and increase in interest rates in all major economies. This combined with the effect of stock adjustments led to worse than expected contraction in steel demand and as a corollary the demand for electrodes was also negatively impacted.

The Company's Graphite and Carbon Segment continues to be the primary source of revenue and profit, accounting for about 92% of the total revenue.

OVERSEAS SUBSIDIARIES

Weak European economy fueled by the Russia Ukraine conflict has led to an unprecedented increase in energy and gas costs rendering German electrode operations unviable. The Group decided to shut down its German graphite electrode production, while restructuring speciality and coating operations as they are not so energy intensive and initiated closure of operations of one step down subsidiary the Bavaria Electrodes GmbH - in liquidation w.e.f. 1st October, 2022.

DIVIDEND

Dividend @ Rs. 8.50 per share on 19,53,75,594 equity shares of Rs. 2/- each for the financial year ended 31st March 2023 has been recommended by the Board of Directors.

MANAGEMENT DISCUSSION AND ANALYSIS

(i) Industry's structure and developments

A. Graphite and Carbon Segment

Graphite Electrodes

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

Graphite Electrode demand is primarily linked to the global production of steel in electric arc furnaces which is one of the three basic methods for steel production i.e. – [1] Bessimer Oxygen Furnace (BOF); [2] Electric Arc Furnace (EAF); and [3] Induction Steel Furnaces (ISF). According to the World Steel Association ("WSA"), global (excluding China) EAF steel production grew at a 4% compounded annual growth rate from 2015 to 2021, the most recent year for which WSA has published such figures. This compares to a 2% compounded annual growth rate for overall global (excluding China) steel production during this same period. As a result, the EAF method of steelmaking accounted for 49% of the global (excluding China) steel production in 2021, compared to 44% in 2015, with increasing share of growth in nearly every region.

EAF steelmaking is more energy efficient and is beneficial in terms of its low carbon footprint, compared to steel produced through the blast oxygen furnace ("BOF") steelmaking model. According to the Steel Manufacturers Association ("SMA"), EAF steelmaking produces 75% fewer carbon dioxide emissions compared to BOF steelmaking. Further, SMA notes that the EAF process is a sustainable model for recycling scrap-based raw materials into new steel, which is 100% (and infinitely) recyclable at the end of its useful life. In addition to these advantages, EAF steel producers benefit from their flexibility in sourcing iron units, being able to make steel from either scrap or alternative sources of iron, such as Direct Reduced Iron (DRI) and Hot Briquetted Iron (HBI), both made directly from iron ore. China's share in EAF production, which was only 6% of global steel making till 2014 through EAF, had increased to 10% up to 2021 and is estimated to become higher going forward as per S&P Platts report.

Reflecting on these positives and other strategic advantages, the EAF based steel production is expected to grow at a faster rate than BOF steel production. Based on industry announcements on proposed additional EAF steel capacities, this could result in global (excluding China) EAF production capacity increasing at approximately 3% compounded annual growth rate from 2022 to 2030. This should translate into similar increase in demand for UHP graphite electrodes over this same period to support EAF capacity expansion, besides further potential graphite electrode demand from production increases at existing EAF steel plants to support overall expected growth in steel demand.

Calcined Petroleum Coke and Paste

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

This division's performance has been satisfactory this year which can be attributed to improved market conditions for the product from its user industries namely steel, aluminium and graphite electrodes.

Impervious Graphite Equipment (IGE)

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

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

The Company has built the product line into a reliable brand with a reputation for prompt service, good quality and consistent performance by investing in strengthening its core competencies. This division is capable of meeting any country specific design and has obtained many certifications relevant to the product profile. Order booking both in domestic and export market has been good. Both order booking and sales in FY 2022-23 have been all time high.

B. Other Segments

Glass Reinforced Plastic Pipes (GRP)

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

Steel

Powmex Steels Division (PSD) is engaged in the business of manufacturing high speed steel and alloy steel having its plant at Titilagarh in the State of Orissa. PSD is the single largest manufacturer of High Speed Steel (HSS) in the country. HSS is used in the manufacture of cutting tools such as drills, taps, milling cutters, reamers, hobs and broaches. HSS cutting tools are essentially used in – (a) automotive; (b) machine tools; (c) aviation; and (d) retail market. The industry is characterized by a single good quality manufacturer of HSS i.e. PSD which faces competition from small domestic producers and cheap imports from overseas manufacturers.

The performance of the division has been quite satisfactory during FY 2022-23 with increased level of sales and productivity. The division has been able to restart export of HSS during this year.

18 MW Hydel Power

The Company has an installed capacity of 18 MW of power generation through Hydel route. The renewal of Wheeling & Banking agreement which was pending with Government authorities has now been cleared by Karnataka Electricity Regulatory Commission, permitting third party sale of unutilized banked energy. This has enabled the division to sell higher units during the current financial year.

Capex on Hybrid Renewable Power Plant

Work on proposed 35 MW Hybrid (Wind and Solar) renewable power plant is on. Required land has been acquired for Phase-I (wind power) of the project. Major orders for equipment and services has been placed. Foundation work is under progress and is satisfactory. Almost all major approvals have been obtained. The Company is hopeful that Phase-I of the project can commence operations during 2023-24 which is expected to result in significant savings in power cost to the Company, apart from achieving carbon emission reduction with clean energy.

(ii) **Opportunities and threats**

Opportunities in the near term include: (a) domestic steel demand is expected to remain robust despite challenging macro environment, largely driven by government's focused initiatives on infrastructure development; (b) under the Government's National Steel Policy 2017, per capita steel consumption is expected to increase to 160 kg by 2030-31; (c) Indian government has withdrawn the duty on import of scrap, which will benefit EAF steel manufacturers; (d) China's curb on steel production to maintain the output at levels of 2021 and further abolishing the rebate of 13% VAT on certain steel exports to reduce steel production and exports. The lower exports from China may lead to higher steel production in the other EAF steel producing nations; and (e) Countries around the world are moving towards their carbon neutrality goals and therefore corporates are becoming environment conscious and adopting environment friendly manufacturing processes. With this backdrop, steel manufacturers are steadily moving towards EAF process which is expected to create sustainable demand for graphite electrode in the medium to long term.

The steel industry in India contributes approximately 2% to the country's GDP, positioning the country as the second largest producer of steel in the world. During FY 2022-23, India's crude steel production increased to 124.45 MMT from 117.6 MMT in 2021-22. During the year, the domestic steel industry registered a growth of 6% despite decline by 4.2% in global steel production. Moreover, the domestic production growth has surpassed the growth levels achieved not only during the last two years but also during pre-COVID years. The steel demand and consumption were primarily propelled by the government's push for economic growth, driven by infrastructure development. According to the Ministry of Steel, during FY 2022-23, India's steel exports slumped to a five-year low of 6.7 MMT, a year-on-year decline of 50.2% due to slowing global demand and imposition of export duty on steel. Whereas the import of finished steel during the same period stood at 6.02 MMT marking a notable surge of 29% over FY 2021-22.

The Indian steel industry is supported by its strong manufacturing capabilities, robust domestic consumption by steel-consuming sectors and strong global demand for its steel products. Government's push for infrastructure development through the Gati-Shakti Master Plan, the Make-in-India initiative for the manufacturing sector, the Dedicated Freight Corridor and railway expansion plans would provide impetus for increased steel demand.

China, the largest steel producer in the world has projected a growth target of around 5% for 2023. China's crude steel output in 2022 fell by 2.1%, or 21.73 MMT, from 2021 to 1.013 billion MT, marking a second-successive annual decline. However, it is expected that its real estate industry will improve with the support of related policies leading to a narrowing decline in steel demand, backed by a stabilized property market and the rebound of other steel-consuming industries. China's steel industry will remain optimistic, driven by pent-up demand after the China's downgraded epidemic response and efforts to stabilize supplies and curb prices. The WSA has predicted that China alone will consume about half of the global steel production of 2023 of 1.814 billion tonnes.

The near-term opportunities includes: (a) the domestic steel industry is better placed than that of other countries and should witness strengthening of fundamentals, driven by better domestic demand and government's greater push on infrastructure development; (b) the budget for FY 2023-24 has given the much-needed impetus to the infrastructure, housing, and construction sector, backed by policy-level support from the government; (c) the launch of the National Infrastructure Pipeline (NIP) with a progressive outlook and projected infrastructure investment to the tune of Rs. 111 lakhs crores during FY 2020-25 is the key indicator of the push towards infrastructure projects across the country; (d) rebuilding of infrastructure in Turkey post earthquake and post Russia-Ukraine war.

The threats in the near term include: (a) slowdown in global economic activities, coupled with high inflation and the energy crisis; (b) fluctuations in raw material prices having a significant impact on the cost of production, margins, and profitability; (c) supply-chain disruptions affecting the availability and cost of raw materials; and (d) lower steel consumption due to stagnant demand in China resulting in higher exports of steel from China, which may impact steel production and prices in other steel producing nations.

Graphite India is one of the leading producers of graphite electrodes globally by capacity. The company has over 60 years of proven technical expertise in the industry and manufactures full range of graphite electrodes, with focus on the large-diameter, ultra-high power (UHP) electrodes preferred by the large steel manufacturers. It is therefore well positioned to meet the growing demand for electrodes from both domestic and international Electric Arc Furnace steel manufacturers.

(iii) **Segment-wise Performance**

Revenue of the Company

The revenue from operations amounted to Rs. 2913 crore as against Rs. 2,799 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 867 crore as against Rs. 1,034 crore in the previous year.

Graphite and Carbon Segment

The performance of the segment was sub-optimal in FY 2022-23 as compared to FY 2021-22 with subdued demand conditions in the global and domestic market.

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 63,709 MT as against 91,214 MT in the previous year.

Production of Calcined Petroleum Coke during the year was 46,870 MT as against 32,184 MT in the previous year.

Production of Carbon Paste during the year was 3,571 MT against 4,358 MT in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares during the year was 2,100 MT as against 1,802 MT in the previous year.

The segment revenue increased to Rs. 2,679 crore from Rs. 2,619 crore in the previous year with decrease in domestic and export sales both on volume and value terms. Segment recorded profit of Rs. 392 crore in FY 2022-23 compared to Rs. 526 crore in FY 2021-22.

Other Segments

GRP division produced 626 MT pipes as against 649 MT in the previous year.

Production of HSS and Alloy Steels was 2,701 MT during the year as against 2,712 MT in the previous year.

Power generated from Hydel Power Plant of 18 MW capacity amounted to 56.59 million units during the year as against 63.16 million units in the previous year. 105.68 million unit was sold during the year as against 65.54 million unit in 2021-22.

(iv) Outlook

The uptick in steel demand observed in 2021 was reversed amidst the challenges such as the pandemic shock, high inflation, increasing interest rates, the Russia–Ukraine conflict and lockdowns in China. As a result, steel using sectors' activity went down in the last quarter of 2022. This, combined with the effect of stock adjustments, led to worse than expected contraction in steel demand. According to the WSA, global crude steel production decreased by 4.2% to 1,878.5 MMT in 2022 compared to 1,960.4 MMT in 2021. The demand is projected to rebound 2.3% to reach 1,822.3 MMT and is forecast to grow by 1.7% in 2024 to reach 1,854 MMT. The manufacturing sector is expected to lead the recovery, although high interest rates may continue to impact steel demand as growth is expected to accelerate in most regions except China, where it is likely decelerate due to reduction in consumption owing to decline in its population. Investments in decarbonization in dynamic emerging economies will increasingly drive positive momentum for global steel demand, though China's contribution to global growth is likely to diminish.

Persistent inflation and high-interest rates in most economies will limit the recovery of steel demand in 2023, despite positive factors like China's reopening, Europe's resilience in the face of the energy crisis, and the easing of supply chain bottlenecks. In 2024, demand growth is likely to be driven by regions outside China but facing global deceleration due to China's anticipated 0% growth, overshadowing the improved environment. Sustained inflation remains a downside risk, potentially keeping interest rates high.

Chinese steel demand contracted in both 2021 and 2022 as its economy decelerated sharply due to unexpected lockdowns that extended across the country. The negative momentum in the construction sector seen in 2021 intensified further in 2022 and investment in real estate declined by 10%, the first year-on-year decline in 25 years. In 2023, the infrastructure sector may continue to benefit from the projects initiated at the end of 2022, although growth may weaken in 2024 if no large-scale projects begin in 2023. China's manufacturing sector performance in 2022 was weak, although exports performed relatively well. The manufacturing sector is expected to show only a moderate recovery in 2023-24, with slowing exports.

Steel demand in the developed economies suffered a sizable contraction in 2022 because of monetary tightening and high energy costs. After falling by 6.2% in 2022, it is expected to increase by 1.3% in 2023 and by 3.2% in 2024.

The EU economy turned out to be more resilient to the energy crisis caused by the Ukraine war than initially thought. While the EU economy grew by 3.5% in 2022, avoiding recession, industrial activities suffered significantly from high energy costs that led to a sizable contraction in steel demand in 2022. In 2023, the EU steel industry will continue to feel the impact of war, other supply chain-related issues, and continued monetary tightening. In 2024, demand is expected to see a visible rebound as the impact of the Ukraine war and supply chain disruptions are expected to dissipate. However, the outlook is subject to persisting uncertainty.

The strong post-pandemic rebound of the US economy has run its course with the Fed's steep interest rate hikes to tackle inflation. Growth in 2023-2024 is expected to be subdued by recessionary pressure. Furthermore, the spin off effect from the recent SVB bankruptcy needs to be watched.

Steel demand in Japan contracted in 2022 due to weak manufacturing and destocking. The weak global economic environment is expected to weigh on steel demand in 2023, but as Japan is a supply-constrained economy, the impact is not expected to be significant.

Meanwhile, the Indian economy has shown a strong and sustained economic expansion in 2022, with real GDP growth for FY 2022-23 estimated at 7% as per the Economic Survey 2022-23 despite the shocks of COVID-19 and the Russia–Ukraine conflict. Many reports worldwide continue to report India as the fastest-growing major economy at 6.5–7% in FY 2023. The uptick in private consumption, infrastructure development, the bid for developing more affordable housing and the Indian Railways capex are all demand drivers and have given a boost to production activity, resulting in increased capacity utilization across sectors, making India a leading global force in steel production and the second largest crude steel producer in the world. India's finished steel production has increased by over 6% to 124.45 MMT as compared to 118 MMT in 2021. According to ICRA's latest research note on the steel sector, domestic steel demand is expected to clock double-digit growth of around 11.3% in FY 2023, following the 11.5% hike recorded in FY 2022, supported by the government's push for infrastructure-led economic expansion. India is expected to remain a bright star in the global steel industry; its expected growth at 7.3% in 2023 and 6.2% in 2024 are backed by affordable housing projects and urban demand.

Investments in decarbonization and dynamic emerging economies will increasingly drive positive momentum for global steel demand, even as China's contribution to global growth diminishes. The steel industry is transitioning towards EAF manufacturing. This shift, driven by its lower carbon footprint compared to traditional blast furnace steelmaking, is expected to drive long-term demand growth for graphite electrodes.

(v) Risks and Concerns

Exports to specific regions may be severely impacted by protective trade barriers in the form of crippling import duties, anti-dumping duties, countervailing duties or sanctions as the case may be and our export volumes to specific markets could get majorly affected by such restrictive impositions. The ongoing crisis between Russia and Ukraine and other regional geo-political conflicts may also have crippling effect.

COVID-19 dealt the biggest blow to the Global Freight trade, which was almost flat for the last 10 years. A demand supply imbalance, shortage of containers and vessel schedules, congestion in major hubs / trading ports, has led to delay in transit times of inbound and outbound freight and pushed up ocean freight to an all-time high. The current geo-political tension caused by the Russia-Ukraine crisis has further aggravated the situation. Going forward, international trade may remain largely regional in a bid to contain freight costs. No miraculous recovery in freight cost is expected in 2023, at least in the first half of the FY 2023-24. Easing of the demand-supply gap by introduction of new containers, new vessels with higher TEU (Twenty feet Equivalent Units) handling capacity, diverting traffic to mid-size ports in the vicinity of the major (already congested) ports are expected to happen in the latter half of the year.

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

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

The Graphite business is majorly dependent on the global EAF steel industry, which is cyclical and is affected significantly by global economic conditions. The EAF steel industry majorly depends on demand from automotive, construction, machinery, equipment and transportation industries which can be significantly affected by macroeconomic reversals. Any instability or downturn in these industries could potentially impact the demand for graphite electrodes. Historically, the pricing of graphite electrode has been cyclical in nature, reflecting the demand trends of the global EAF steel making industry and the supply of graphite electrodes. The graphite electrode industry has experienced negative impacts on pricing due to overcapacity in the past. An increase in global graphite electrode production capacity that outpaces an increase in demand for graphite electrodes could adversely affect the price of graphite electrodes. Excess production capacity may lead manufacturers to produce and export electrodes at prices that are lower than prevailing domestic prices and at or below their cost of production. This could result in downward pressure on graphite electrode prices, negatively affecting sales, margins and profitability.

Petroleum needle coke is a key raw material used in the production of graphite electrodes. Therefore, the performance of the company is heavily dependent on the price and timely availability of superior grade petroleum needle coke. Any disruption in the supply could have a material adverse effect on the business. In addition, as petroleum needle coke reflects a significant percentage of the raw material cost of graphite electrodes, graphite electrodes have historically been priced at a spread / linked to the cost of petroleum needle coke, which in the past has increased in tight demand markets. Major steel producers, have in the past experienced and may again experience downturns or financial distress that could adversely impact our ability to collect our accounts receivable on a timely basis or at all.

The Company has optimum exposure to exports and imports. Volatility in foreign currency markets may directly impact the Company's prospects. Inherent natural hedge of various balancing exposures may mitigate the risk to an extent.

Competition in the graphite industry is based primarily on price, product differentiation by performance/quality, delivery reliability and customer service. Graphite electrodes, in particular, are subject to cut throat price competition.

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

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

Revenue from Operations recorded Rs. 2,913 crore as against Rs. 2,799 crore in the previous year.

Profit after tax was Rs. 350 crore as against Rs. 574 crore in the previous year. Profit before tax was lower at Rs. 476 crore as compared to Rs. 753 crore in the previous year.

Borrowing at Rs. 335 crore was lower than Rs. 344 crore as compared to previous year and the Finance Cost increased to Rs. 9 crore from Rs. 4 crore in the previous year.

Capital expenditure during the year amounted to Rs. 156 crore as against Rs. 78 crore in the previous year.

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

Details of contingent liabilities are given in **Note 34** to the Financial Statements.

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

The Company's HR policies and practices continue to focus on contemporary as well as pragmatic people centric initiatives.

While designing these policies, special attention is given to Company's vision as well as changing needs. Optimal utilisation of people and periodic review of the organogram is addressed continuously. The HR function has actively participated in formulation of ESG policy of the Company.

Training and development programs are specifically targeted to address Company's progressive needs with focus on behavioral aspects of training. Formulation of unit-wise training calendar, identifying training needs by in-house resources and imparting training on all functional aspects across the Company.

Safety plays a major role for the success of an organization and the Company recognizes the same. Hence, emphasis has been given for adopting and maintaining best safety practices across the units along with regular periodic audit of the same.

Multiskilling and multitasking of employees is achieved through suitably designed training modules as well as rotation through different job profiles. This ensures a laudable mix of learning, innovation and excellence leading to continual employee skills and enhancement of growth and progress of the employees.

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

Specific initiatives are being taken to develop successors to key/critical roles. Emphasis is given to improve the foundational understanding of the fundamentals of leadership competencies of Team Building, Lateral Thinking, Influencing Outcomes and Problem Solving.

The total number of permanent employees in the Company is 1,695 as on 31st March, 2023.

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

(ix) Occupational Health and Safety

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

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

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Environmental, Social and Governance (ESG)

ESG performance of a business is its corner stone in creating long term value. It can represent risks and opportunities that will impact Company's ability to create value. This includes environmental issues like climate change and scarcity of natural resources. It covers social issues like human capital practices, diversity, health and safety, community relationship and value chain engagement. It involves governance matters that includes performance of the board, ethical practices, disclosures and transparency.

While the Company has been informally practicing the principles of ESG since several years, it has now embarked on a structured journey of ESG to emerge as a company that is committed to growth through ESG.

The Company has carried out an assessment to find out current maturity level on the ESG aspects and identified some material aspects to be addressed on priority. ESG report for the year 2021-22 has been disclosed on Company's website (https://graphiteindia.com/investors/documents/63b4ff705aaeaESG%20Report%20FY%202021-22%20Final.pdf). The year 2021-22 has been considered as a base year in this journey of ESG and significant progress has been made in working on some of the select priority aspects during the year 2022-23. Major focus areas during the year are:

(a) Greenhouse Gas (GHG) emission (scope 1 and 2) accounting and developing a low carbon pathway. Company has planned a 12% reduction in GHG intensity of main product, Graphite Electrodes in two years with respect to base year 2021-22;

(b) Water accounting and developing a water security plan;

(c) Waste accounting and developing initiatives to reduce wastage;

(d) CDP had sought response from the Company on the impact of its business on climate change and have responded to CDP during July, 2022. This is an annual disclosure and we plan to continue to respond to CDP every year going forward.

Plan for the year 2023-24 includes the following, among others:

(a) Development of report based on recommendations of TCFD (Task Force for Climate Related Financial Disclosure). This will entail identification of climate change related risks and opportunities for our business, developing metrices and targets to manage the risks and exploit opportunities, developing a strategy around this and setting up a governance structure;

(b) Greenhouse Gas (GHG) emission (scope 3) accounting for our main product, Graphite Electrodes. This will help us influence and reduce the GHG emissions of our supply chain;

(c) Conducting energy audit through globally recognised agencies to identify energy cost reduction as well as GHG emission reduction opportunities;

(d) Continue with low carbon pathway;

(e) Continue water conservation initiatives;

(f) Continue waste management initiatives;

(g) Getting health and safety management certificate ISO 45001 for all of our factories;

(h) Improve our policies, procedures and processes around human capital;

(i) Initiate development of sustainable supply chain.

(x) COVID-19 : Measures Undertaken

In view of the current improved situation, most of the protocols relating to COVID-19 have been withdrawn/reduced.

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

Sl. No.	Particulars	2022-23	2021-22	Improvement / (deterioration)
1	Interest Coverage Ratio - (PBIDT / Finance cost)%	46.47	183.90	(75%)
2	Operating Profit Margin - (PBDIT / Total Revenue)%	17.41	26.11	(33%)
3	Net Profit Margin - (PAT / Total Revenue)%	12.01	20.52	(41%)
4	Return on Net worth - (PAT / Net worth)%	7.54	12.86	(41%)

Explanations :-

The Company's performance deteriorated during FY 2022-23 principally due to lower volume owing to subdued demand for Graphite Electrodes and increased cost. This has led to fall in margin and return indicators, as above. Increased working capital requirements have also led to a higher debts resulting in higher interest costs.

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

Emerald Company Private Limited (ECPL) (An entity of the promoter Group holding 61.33% of the share capital).

	2022-23 (Rs. Cr.)	**2021-22 (Rs. Cr.)**
Dividend Paid	119.82	59.91

Research and Development

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

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

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

Subsidiary Companies

Carbon Finance Limited is a wholly owned Indian subsidiary. Graphite International B.V. (GIBV) in The Netherlands is a wholly owned overseas subsidiary Company which is the holding company of four step down subsidiaries in Germany (viz) Graphite Cova GmbH, Bavaria Electrodes GmbH-in-liquidation, Bavaria Carbon Specialities GmbH, Bavaria Carbon Holdings GmbH and the General Graphene Corporation, USA, is an American subsidiary of GIBV, Netherlands.

Due to weak European economy fueled by the Russia Ukraine conflict has led to an unprecedented increase in energy and gas costs rendering German electrode operations unviable. The Group has decided to shut down its German graphite electrode production as of now while restructuring speciality and coating operations as they are not so energy intensive and initiated liquidation of one step down subsidiary, Bavaria Electrodes GmbH- in liquidation, with effect from 1st October, 2022.

The overseas subsidiaries recorded a turnover of Euro 37.95 million (Mn) as compared to Euro 43.28 Mn in the previous year. The subsidiaries have continued their dismal performance. However, during the current year, loss of Euro 18.11 Mn was higher against loss of Euro 10.08 Mn in the previous year.

The Company, by way of Royalty, earned Rs. 3.21 crore during the year, as against Rs. 4.01 crore in the previous year, from overseas subsidiary.

GIBV has made further investment of USD 2.5 Mn in General Graphene Corporation (GGC) and total investments stood at USD 18.60 Mn as on 31.03.2023 which constitute 55.315% of capital. The investments in GGC is accounted for using the equity method as per IndAS 28 till 31st January, 2022 and as a subsidiary as per IndAS 110 for the remaining two months, for FY 2021-22 and for FY 2022-23.

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

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

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

Information pursuant to Section 134 of the Companies Act, 2013

a. Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March 2023 is available on the Company's website on http://ir.graphiteindia.com/

b. Four meetings of the Board of Directors of the Company were held during the year on 23rd May 2022, 5th August 2022, 11th November 2022, 8th February 2023.

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

d. Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed - **Annexure 2**

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

f. Particulars of loans, guarantees or investments under Section 186 of Companies Act, 2013 is enclosed - **Annexure 3**

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

h. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed – **Annexure 5**

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

j. **Corporate Social Responsibility (CSR)**

   As part of its CSR activities, the Company has initiated several projects aimed at promoting education, employment enhancing vocational/employability skills, livelihood enhancement projects, healthcare initiatives, rural development projects etc. as detailed in the CSR annual report for the year ended 31st March, 2023 which forms part of this report – **Annexure 6**. The CSR policy has been displayed on Company website www.graphiteindia.com and can be viewed under the head CSR.

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

l. The Company has adopted a Vigil Mechanism which has been posted on the Company's website www.graphiteindia.com and can be viewed under the head Corporate Governance.

m. The Company does not accept deposits from public.

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

Disclosures pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are contained in **Annexures 7 and 8**.

o. Dividend Distribution Policy has been posted on the Company's website www.graphiteindia.com and can be viewed under the head Corporate Governance.

DIRECTORS

Mr. Sridhar Srinivasan was appointed as an additional Director by the Board of Directors of the Company at its meeting held on 30th May 2023. He holds office up to the date of the ensuing AGM. The Board also appointed him as an Independent Director of the Company for a period of five years from 30th May 2023, subject to approval of the members of the Company. Members approval is being sought in the forthcoming AGM.

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

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

Recognition/Award and Certificates

The Company continues to enjoy the status of a Four Star Export House. This year the Company has received the following awards from EEPC for export performance:

- Special trophy for Excellence in Exports of High Technology Products for 2017-18;
- Top Exporter-Gold-Large Enterprise for 2018-19.

The Company has also received award from Syama Prasad Mookerjee Port, Kolkata, for being the 2nd highest performing Container Importer of the year through Kolkata Dock System.

The Company has acquired certification with the standards ISO 9001:14001. TUV Nord has recently completed ISO 9001:2015 audit and renewed certificate is expected in next couple of months.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

Corporate Governance Report

A Report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this Report - **Annexure 9**

Business Responsibility and Sustainability Report (BRSR) forms part of our Annual Report. Annexure 10

Auditors

S. R. Batliboi & Co. LLP, Chartered Accountants, was re-appointed as Auditors of the Company for a second term of five (5) years at the 47th AGM held on 5th August, 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Cost Auditors

The Company had appointed following Cost Auditors for FY 2022-23 who will conduct cost audit in respect of accounts and records made and maintained by the Company as required u/s 148(1) of Companies Act, 2013 as detailed below -

Shome & Banerjee	Electrode plant at Durgapur and Power generation facilities at Chunchanakatte.
Deodhar-Joshi & Associates	Electrode, IGE and GRP plants at Nashik
B G Chowdhury & Co.	Coke division at Barauni
N Radhakrishnan & Co.	Powmex Steels division at Titilagarh

Consolidated Cost Audit Report for FY 2021-22 was filed with the Ministry of Corporate Affairs, Government of India, on 26th August, 2022.

The above Cost Auditors have been appointed to conduct cost audit for the same divisions as mentioned above for FY 2023-24.

Secretarial Audit/Compliance Report

Secretarial Audit Report and Secretarial Compliance Report for FY 2022-23 received from M/s. Bajaj Todi & Associates, Practicing Company Secretaries are annexed herewith - **Annexure 11 and 12**

Secretarial Standards

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

Prevention of Sexual Harassment of Women at Workplace

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

Acknowledgement

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

On behalf of the Board

K. K. Bangur
Chairman

May 30, 2023

DIN : 00029427

Annexure 1

Part - "A"

Form AOC - 1

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

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

Figures in Eur'000
Figures in Usd'000
Figures in Rs. Crores

Sl. No.	Name of the Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation/ (Write back)	Profit after Taxation	Proposed Dividend	% of share-holding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Carbon Finance Limited, India	**INR**	**5.30**	**115.89**	**13.49**	**7.68**	**115.38**	**1.82**	**(1.18)**	**0.04**	**(1.22)**	**–**	**100%**
2	Graphite International B.V., The Netherlands	EURO	17,300.00	61,317.13	66,457.45	612.69	12,772.37	1,442.91	205.15	(62.58)	267.73	–	**100%**
		INR	**154.71**	**548.36**	**594.33**	**5.48**	**114.22**	**12.90**	**1.83**	**(0.56)**	**2.39**	**–**	
3	Graphite COVA GmbH, Germany	EURO	16,320.00	(36,340.86)	24,917.92	44,938.78	–	39,121.34	(11,421.49)	–	(11,421.49)	–	**100%**
		INR	**145.95**	**(325.00)**	**222.84**	**401.89**	**–**	**349.86**	**(102.14)**	**–**	**(102.14)**	**–**	
4	Bavaria Electrodes GmbH, Germany	EURO	1,100.00	(2,101.62)	2,456.51	3,458.13	–	14,255.91	(2,887.99)	(117.62)	(2,770.37)	–	**100%**
		INR	**9.84**	**(18.79)**	**21.97**	**30.92**	**–**	**127.49**	**(25.83)**	**(1.06)**	**(24.77)**	**–**	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	340.08	2,034.35	1,594.27	–	8,143.40	(388.41)	(49.28)	(339.13)	–	**100%**
		INR	**0.89**	**3.04**	**18.19**	**14.26**	**–**	**72.83**	**(3.48)**	**(0.44)**	**(3.04)**	**–**	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	996.71	2,812.74	1,541.03	–	686.13	141.27	22.38	118.89	–	**100%**
		INR	**2.46**	**8.91**	**25.15**	**13.78**	**–**	**6.14**	**1.26**	**0.20**	**1.06**	**–**	
7	General Graphene Corporation, USA *	USD	23,755.52	(23,309.39)	3,465.25	3,019.12	–	76.48	(4,098.55)	–	(4,098.55)	–	**55.32%**
		INR	**195.20**	**(191.53)**	**28.47**	**24.80**	**–**	**0.63**	**(33.68)**	**–**	**(33.68)**	**–**	

Note :

1. The reporting period of all the subsidiaries is the same as that of the Holding Company
2. Exchange Rate as on the last date of the Financial Year, i.e. 31st March,2023 has been taken @ 1 Eur= Rs.89.43 & @ 1 USD= Rs.82.17

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

	M. K. Chhajer	**B. Shiva**	**A. Dixit**	**K. K. Bangur**
Kolkata	Chief Financial Officer	Company Secretary	Executive Director	Chairman
30th May, 2023			DIN : 06678944	DIN : 00029427

Annexure 2

NOMINATION AND REMUNERATION POLICY

The objectives of this Policy include the following:

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

DEFINITIONS

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

"Key Managerial Personnel" or "KMP" means -

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

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary; and

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

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

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

Independent Directors :

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

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 of Directors :

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

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

Evaluation of SMP and KMP

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

Criteria for evaluating performance of Other Employees

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

REMUNERATION OF DIRECTORS AND KMP

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

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

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

Sitting Fees :

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

Remuneration to Other Employees :

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

BOARD DIVERSITY

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

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

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

Annexure 3

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

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

Annexure 4

FORM AOC - 2

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

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

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

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

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Graphite Cova GmbH, Wholly-owned Subsidiary	Sale of Goods	Ongoing	Rs.44.56 Crores	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs.4.41 Crores	10th November, 2014	Nil
3	Graphite Cova GmbH, Wholly-owned Subsidiary	Royalty Income	Ongoing	Rs. 3.21 Crores, Certain Percentage of sales of graphite electrodes including coated graphite electrodes.	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee	Valid upto 4th April 2024	Rs 1.20 Crores, certain percentage of Corporate guarantee utilised during the year.	10th November, 2014	Nil
5	Graphite Cova GmbH, Wholly-owned Subsidiary	Payment of Claims	Ongoing	Rs. 0.05 Crores	10th November, 2014	Nil
6	Graphite Cova GmbH, Wholly-owned Subsidiary	Corporate Guarantee	Ongoing	Rs. 196.75 Crores	14th February, 2022	Nil

On behalf of the Board

K. K. Bangur
Chairman
DIN : 00029427

Kolkata
May 30, 2023

Annexure 5

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

(A) Conservation of energy -

a) Energy conservation measures taken 2022-2023

- At GE Div Durgapur, Nipple processing through LWG#3 instead of Acheson furnace resulting in reduction of Specific Energy Consumption.
- At GE Div Satpur, Reduction in specific energy consumption in LWG through optimization of firing rate of furnaces and loaded wt.
- At GE Division, Durgapur, replacement of LWG#3 Furnaces Concrete blocks with MS tub & use of LAMC as packing media in place of CPC completed in February 23.
- At GE Div Satpur, replaced old and obsolete Oil gear pump with high efficiency series pumps in extrusion press
- At GE Div Satpur, shifted power source close to plant to reduce power losses due to breakdowns.
- At GE Division, Durgapur after modification of flue ducts only 1 fan is required as against 2 nos 15 KW fans
- At Powmex, by changing breakers in capacitor bank power factor improved from 0.96 to 0.99
- At Powmex, installed automatic switch on and off system for street lights.
- At GRP division, Gonde, disposal of distillate started by natural evaporation
- At GRP division, Gonde, internal path via conveyor system installed for transportation of liner resulted in reduction in use of forklift for inter plant transfer.
- At IGE Division, Ambad provision made for selective use of different KW rating dust collectors as per load requirement.
- At IGE Division, Ambad air cooled thermic fluid pump installed avoiding power consumption of cooling tower.
- At Coke division, Barauni, for reducing voltage losses power cables of existing motors are being replaced with right specification and diameter cables in phased manner
- At Coke division, Barauni staggered startup times for equipments with large starting currents implemented to minimize load peaking.
- Phase wise replacement of existing low efficiency Conventional lamps with LED lamps
- Replacement of old pumps with high efficiency pumps
- Use of variable Frequency Drives
- Replacement of old compressors with high efficiency air compressors in phased manner.

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

- Installation of RE wind power has been started in Maharashtra and is expected to be commissioned by September 23.
- At GE Division Satpur, Commissioning and usage of Piped natural Gas (PNG) usage against fossil fuel has been started. 85% of the plant is running on PNG.
- At IGE Division Ambad, a new paint booth installed with heating oven fueled by CNG instead of conventional electrical power.
- At IGE Division Ambad, initiated the process of converting HSD based thermic fluid heaters & Steam boilers to CNG fuel.
- At IGE Division Ambad, installed Solar operated water heater for utility requirements.
- At GRP Division, Gonde, electrical heaters are being used for manufacturing PF resin instead of LDO.
- At Powmex Division, installation of 5 MW solar power plant initiated.

c) Additional investment proposal on energy conservation-2023-2024

- At GE Division Durgapur, incorporation of 120KA booster Rectifier for LWG#4&#5 for power optimization.
- At GE Division Durgapur, roof top solar panel as alternate source of Energy.
- At GE Division Durgapur, In pitch Impregnation Section #2 & #3 compressed air to be replaced by liquid Nitrogen.
- At GE Division Satpur, replacement of conventional Vacuum pumps with High efficiency low energy consuming pump in extrusion.
- At IGE Division Ambad, revamping of autoclave insulation old units to reduce heat losses.
- At Powmex division, replacement of LDO with PNG in annealing furnaces.

- At Coke Division, replacement of old HSD fired Burner with efficient Burner for reducing the wastage of fuel and electrical energy.
- Phase wise replacement of existing low efficiency Conventional lamps with LED lamps.
- Replacement of old compressors with high efficiency air compressors in phased manner.
- Replacement of old pumps with high efficiency pumps.
- Use of variable frequency drives.

(B) Technology absorption –

i) The efforts made towards technology absorption

- At GE Division, Satpur :
  - ➢ Development of Carbon bricks using available facilities
  - ➢ Enhancement in Carbon Brake Disc production capacity from 18 to 24 sets/year
  - ➢ Positive validation of space application components with repeat order
  - ➢ Development of Carbon Brake pads for LCA and other than LCA
  - ➢ Development of CFC plates made out of Carbon fibre
- At GE Division, Durgapur
  - ➢ New wastewater Re-cycling & filtering system installed for reusing the water where applicable.
- At IGE Division, Ambad
  - ➢ Installation of new CNC-Deep Hole drilling machine, CNC-Turning m/c, SPM Slotting machine & NC engraving m/c, Automatic operated Paint booth station. New CNC machines equipped with IoT features.
  - ➢ Inhouse provision made for 'Automatic dozing station for chemicals to steam boilers.
  - ➢ New high bay lamps in assembly & low bay light fixtures in tube shop are provided with motion sensors & auto-light-dimming facility.
- At Coke Division, Barauni
  - ➢ Control of excess air in kiln by monitoring gases generated in kiln.

ii) The benefits derived as result of above efforts

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

iii) No technology was imported during last three years.

iv) Expenditure incurred on R&D : Rs 0.12 Crore

(C) Environment : Towards a better environment, an amount of around Rs. 167.10 crore was spent during FY 2022-2023 in the operational areas.

(D) Foreign Exchange earnings : Rs 794.04 Crores

Foreign Exchange outgo : Rs 995.36 Crores

Annexure 6

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

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

1. **Brief outline on CSR Policy of the Company:**

   CSR projects / activities are carried out in the following broad areas:

   (a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, and making available safe drinking water;

   (b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, the elderly and the differently abled and engaging in livelihood enhancement projects;

   (c) Engaging in rural development projects; and,

   (d) Engaging in any other activities as permitted under Schedule VII of the Companies Act, 2013 ("Companies Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules").

2. **Composition of CSR Committee:**

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

3. **Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:** https://graphiteindia.com/investors/

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable for the financial year under review

5.	(a)	Average net profit of the company as per sub-section (5) of section 135.	:	Rs. 3,06,72,34,050.76
	(b)	Two percent of average net profit of the company as per sub-section (5) of section 135.	:	Rs. 6,13,44,681.02
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	:	Nil
	(d)	Amount required to be set-off for the financial year, if any.	:	Nil
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	:	Rs. 6,13,44,681.02

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	:	Rs. 59,91,766.00
	(b)	) Amount spent in Administrative Overheads.	:	Rs. 23,14,850.77
	(c)	Amount spent on Impact Assessment, if applicable.	:	Nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	:	Rs. 83,06,616.77

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub- Section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount. (in Rs.)	Date of transfer	Name of the Fund	Amount	Date of transfer
83,06,616.77	5,30,38,064.25	28.04.2023	-	-	-

(f)	Excess amount for set-off, if any	Nil

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	Date of Transfer		
1	**2021-22**	24,98,55,682	24,98,55,682	10,24,467	-	-	24,88,31,215	-
2	**2020-21**	70,05,98,989	65,77,97,963	39,96,03,112	-	-	25,81,94,851	-
3	**2019-20**	-	-	-	-	-	-	-
	Total	95,04,54,671	90,76,53,645	40,06,27,579	-	-	50,70,26,066	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

☐ **Yes** ☑ **No**

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pin code of the property or asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity/ Authority/ beneficiary of the registered owner**		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	**Name**	**Registered address**

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135:** Company Projects are mostly long term and ongoing which take time for execution.

A Dixit
Executive Director
DIN : 06678944

K K Bangur
Chairman, CSR Committee
DIN : 00029427

Date: 30 May, 2023

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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sl. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2022-23	Remuneration of Director / KMP for FY 2021-22	% increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/ to median remuneration of employees
		Rs. Crores	Rs. Crores		
1	Krishna Kumar Bangur (Non-Executive Chairman)	0.02	0.04	-50.00%	0.21
2	Pradip Kumar Khaitan (Non-Executive Director)	0.11	0.13	-19.23%	1.08
3	Nandan Surajratan Damani (Non-Executive Director)	0.09	0.11	-22.73%	0.87
4	Aditya Vikram Lodha (Non-Executive Director)	0.12	0.14	-12.50%	1.26
5	Nayankankuppam Venkataramani (Non-Executive Director)	0.18	0.20	-8.75%	1.88
6	Gaurav Swarup (Non-Executive Director)	0.12	0.15	-21.67%	1.21
7	Jemi Dorabji Curravala (Non-Executive Director)	-	0.01	-100.00%	0.00
8	Shalini Kamath (Non-Executive Director)	-	0.01	-100.00%	0.00
9	Sudha Krishnan (Non-Executive Director)	0.12	0.03	291.67%	1.21
10	Ashutosh Dixit (Whole-time Director)	1.84	1.80	2.06%	18.88
11	Sanjay Wamanrao Parnerkar (Chief Financial Officer) *	0.24	0.49	-53.14%	Not Applicable
12	Mahendra Kumar Chhajer (Chief Financial Officer) ^	0.34	-	100.00%	Not Applicable
13	Shiva Balan (Company Secretary)	0.62	0.55	12.68%	Not Applicable

* Sanjay Wamanrao Parnerkar ceased to be Chief Financial Officer w.e.f. 30.06.2022

^ Mahendra Kumar Chhajer, appointed as Chief Financial Officer w.e.f. 01.07.2022

(ii) During the financial year, the median remuneration of employees increased by 8.64%.

(iii) There were 1,695 permanent employees on the rolls of Company as on March 31, 2023.

(iv) Average percentage increase/(decrease) made in the salaries of employees other than managerial personnel in the last financial year i.e. 2022-23 was 4.15% whereas the increase/(decrease) in the managerial remuneration for the same financial year was (0.96%).

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

Annexure 8

STAEMENT PURSUENT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MENAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023.

(Rs. in Crores)

Sl. No.	Name	Remuneration	Designation	Nature of Employment	Qualification & Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
1	Mr. A. Dixit	1.84	Executive Director	Permanent	B. Tech(Mech), MBA - 31 Years	13.11.2017	52	President - Usha Martin Limited
2	Mr. B. Shiva	0.62	Sr. Vice President (Legal & Secretarial) & Company Secretary	Permanent	B.Com., L.L.B., F.C.S. - 44 Years	26.07.1993	64	Joint Secretary - Shree Digivijay Cement Company Ltd.
3	Mr. N. S. Deshpande	0.56	Sr. Vice President - Operations	Permanent	D.M.E., A.M.I.E.(Section B) - 36 Years	10.10.1997	55	Assistant Manager(Mechanical Maintenance) - LML Ltd.
4	Mr. S. G. Khune	0.54	Sr. Vice President - GE Operations Head	Permanent	M. Chem. Engg, I.C.W.A.(Intermediate), Total Quality Management (6 months course) - 32 Years	19.03.1990	54	Not Applicable
5	Mr. B. K. P. Saha	0.50	Executive Vice President - Corporate Marketing	Permanent	B.E. (Mechanical), Diploma in Management - 35 Years	01.10.2003	57	Business Development Manager - TLT Engineering India Private Limited
6	Mr. S. P. Kshatriya	0.49	Executive Vice President - I.G.E. Divn.	Permanent	B. Chem.(Engg.) - 36 Years	24.02.1985	62	Management Trainee - Carbon Corporation Ltd.
7	Mr. M. K. Chhajer	0.46	Executive Vice President - Finance	Permanent	B.Com (Honrs). F.C.M.A - 33 Years	01.10.1996	57	Sr. Manager (Accounts) - Computech International Ltd.
8	Mr. R. Chakraborty	0.44	Vice President - Operations & Maintenance	Permanent	B.E.(Electricals & Electronics) - 31 Years	04.01.2021	53	Vice President - HEG Limited
9	Mr. M. B. Gote	0.42	Executive Vice President - Satpur Plant & Power Division	Permanent	D.M.E., B.E.(Mechanical) - 27 Years	25.11.1996	49	Production Planning Engineer - Sipra Engineering Pvt Ltd
10	Mr. S. Bhowmik	0.40	Vice President - HR & IR	Permanent	M.A. (HRM) - 28 Years	03.03.2022	52	Director - Creative Milege Solutions Pvt Ltd.

Notes :

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

2. There was no employee who was employed for a part of the financial year who was in receipt of remuneration at a rate which, in the aggregate, was not less then Rs 0.09 Crore per month.

3. No employee drew remuneration at a rate in excess of that drawn by the WTD.

Annexure 9

REPORT ON CORPORATE GOVERNANCE

I Corporate Governance Philosophy

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

II Board of Directors

Composition, category, other directorships, other Committee Positions held as on 31st March, 2023.

The strength of the Board of Directors as on 31st March, 2023 was eight comprising the non-executive Chairman (promoter director), one Executive Director, six non-executive directors of whom five are independent. None of the directors are related inter-se.

Name	Category	Directorships in other Public Limited Companies incorporated in India	Other# Committee ^ positions held	
			As Chairman	As Member (Including Chairmanship)
K K Bangur	Promoter-Chairman Non-Executive	2	–	–
P. K. Khaitan	INED	6	2	4
N S Damani	INED	5	1	4
A V Lodha	Non-Executive	1	–	–
Gaurav Swarup	INED	7	–	4
N Venkataramani	INED	1	1	1
Sudha Krishnan (Mrs.)	INED	3	2	3
A. Dixit	Executive Director	–	–	–

INED – Independent Non-Executive Director

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

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

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

List of Core Skills/Expertise/Competencies of directors

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

(1)	Industry	(a) Experience in and knowledge of the industry in which the Company operates (b) Experience and knowledge of broader industry environment and business planning	Mr. K K Bangur, Mr. G Swarup, Mr. N S Damani, Mr. N Venkataramani, Mr. A. Dixit
(2)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Marketing, etc.	Mr. P K Khaitan ,Mr. A V Lodha, Mrs Sudha Krishnan
(3)	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.	All non executive directors being director in other companies have requisite experience. Executive director though not a director in other company has adequate knowledge of governance requirements
(4)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.	All directors

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

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

Four meetings of the Board of Directors were held during the year on 23rd May, 2022, 5th August,2022, 11th November 2022 and 8th February 2023. The requisite information as per Part A to Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations, 2015") has been made available to the Board. The Board periodically has reviewed compliance reports of all laws applicable to the Company, and appropriate steps taken by the Company, where applicable.

Attendance Record

Names of Directors	Number of Board Meetings during April 2022 to March 2023		Attended last Annual General Meeting (AGM) held on 5th August, 2022
	Held	Attended	
K K Bangur	4	4	Yes
P. K. Khaitan	4	4	Yes
N S Damani	4	3	Yes
A V Lodha	4	4	Yes
Gaurav Swarup	4	4	Yes
N Venkataramani	4	4	Yes
A Dixit	4	4	Yes
Sudha Krishnan (Mrs.)	4	4	Yes

Code of Conduct

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

III Audit Committee

Composition and Terms of Reference

The Audit Committee of the Company comprise Mr. N Venkataramani as its Chairman with Mr. A V Lodha, Mr. Gaurav Swarup, and Mrs Sudha Krishnan as its members. All members of the Audit Committee are non-executive. Mr. N Venkataramani, Mr. Gaurav Swarup and Mrs Sudha Krishnan are independent directors.

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

Committee Meetings held and attendance during the year

Four meetings of the Audit Committee were held during the year on 23rd May, 2022, 4th August, 2022,11th November 2022 and 8th February 2023.

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

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

The Executive Director and CFO 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 23rd May, 2022 to review and approve the draft annual accounts of financial year 2021- 2022 for recommendation to the Board. The Audit Committee had also reviewed the unaudited quarterly results during the year before recommending the same to the Board of Directors for adoption and required publication.

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

The Chairman of Audit Committee, Mr. N Venkataramani attended the last Annual General Meeting (AGM) held on 5th August, 2022.

IV Nomination and Remuneration Committee

The "Nomination & Remuneration Committee" (NRC) comprise Mr. P. K. Khaitan as its Chairman with Mr. K. K. Bangur and Mr. N. Venkataramani as its members. Two meetings were held on 11th May, 2022 and 28th July 2022. The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013.

Name	Position in NRC	Meeting	
		Held	Attended
P K Khaitan	Chairman	2	2
K. K. Bangur	Member	2	2
N. Venkataramani	Member	2	2

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

Remuneration Policy

Remuneration to non-executive directors is decided by the Board as authorised by the Articles of Association of the Company. The members of the Company have in their meeting held on 06th August, 2018 authorised the Board of Directors of the Company to pay commission to non-executive directors exceeding 1% of net profits of the Company but within the ceiling of 11% to all directors (including whole time director) for a period of five financial years w.e.f. 1st April, 2018.

Fees to non-executive directors for attending Board Meetings (being the fixed component) are within limits prescribed by the Central Government. Presently, Rs. 50,000/- per meeting is being paid as fees for attending Board / Committee meetings. Fees are not paid to members of the Corporate Social Responsibility Committee for attending meetings of the Committee. Performance linked remuneration in the form of commission is paid to directors, taking into account the performance of each director on the basis of time and effort devoted by a director in the business affairs of the Company. Performance evaluation of the Independent directors is done by all members of the Board, excluding the director being evaluated. Evaluation of non-executive directors and Chairperson is done in separate meeting of Independent Directors. No Stock Options have been granted to any non-executive director.

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

Name	Salary	Contribution to Provident and Other Funds	Other Benefits	Ex-gratia	Commission	Sitting Fees *	No. of Shares held as on 31.03.2023 *
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	–	–	–	–	-	2,00,000	@ 2,61,005
N S Damani	–	–	–	–	6,50,000	2,00,000	–
A V Lodha	–	–	–	–	8,25,000	4,00,000	–
P K Khaitan	–	–	–	–	6,50,000	4,00,000	–
N Venkataramani	–	–	–	–	10,75,000	6,50,000	7000
Gaurav Swarup	–	–	–	–	8,25,000	4,50,000	–
Sudha Krishnan (Mrs.)	–	–	–	–	8,25,000	4,50,000	–
A. Dixit	54,60,000	17,36,700	58,36,934	11,37,500	42,00,000	-	–

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

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

Contract period of Mr. A. Dixit, Executive Director Five years from 1st April 2020, with a notice period of three months from either side. Severance Fees - Three months salary in lieu of notice. Stock Option -No stock option has been given.

V Stakeholders' Relationship Committee

The role of Stakeholders' Relationship Committee is as specified in Part D of the Schedule II of Listing Regulations, 2015. The Committee comprise - Mr. K. K. Bangur as its Chairman with Mr. P K Khaitan and Mr. A Dixit as its members. Mr B Shiva, the Company Secretary is the Compliance Officer. The details of shareholders grievances are placed before the Committee Number of shareholders complaints received: 28, Number of complaints not solved to the satisfactions of shareholders:0, Number of pending complaints: 0. Two meetings of the Committee were held during the year on 3rd June 2022 and 2nd December 2022.

Name	Position in Stakeholders Relationship Committee	Meeting	
		Held	Attended
K K Bangur	Chairman	2	2
P K Khaitan	Member	2	1
A Dixit	Member	2	2

To speed up issue of duplicate / replacement of share certificates, the Board has authorized severally, Mr. K K Bangur and Mr. A. Dixit to approve requests for issue of duplicate shares.

VI Risk Management Committee

Terms of reference

The Committee comprise Mr N Venkataramani (Independent director) as it Chairman, with Mr A Dixit –Executive director and Mr. N.S Deshpande Sr V P (Technical) (w.e.f.11.11.2022) as its members. Mr. A K Dutta ceased to be member w.e.f 31.10.2022. Two meetings of the Committee were held on 18th July 2022 and 11th January 2023. All the members attended both the meetings.

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

VII General Body Meetings

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

AGM	Year	Venue	Date	Time
47th	2021-2022	Through other video audio means	05.08.2022	10.30 a.m.
46th	2020-2021	Through other video audio means	20.08.2021	11.00 a.m.
45th	2019-2020	Through other video audio means	28.07.2020	11.00 a.m.

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
47th	Yes	(i) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds up to Rs. 5000 crore for cash at par on private placement basis.
46th	Yes	(i) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds up to Rs. 5000 crore for cash at par on private placement basis.
45th	Yes	(i) Re-appointment of Mr. Gaurav Swarup (DIN: 00374298) as a Non-Executive Independent Director for a second term of five (5) consecutive years i.e. from 11th August 2020 up to 10th August 2025.
		(ii) Consent U/s 42 & 71 of Companies Act 2013 to issue of Non-convertible Debentures/bonds up to Rs. 5000 crore for cash at par on private placement basis.
		(iii) Consent U/s 180 (1) (a) of Companies Act 2013 for creation of security of up to Rs. 6000 crores
		(iv) Consent U/s 180 (1)(c) of Companies Act 2013 for borrowings up to Rs. 6000 crores

No postal ballot was conducted during the Financial Year 2022-23.

In the forthcoming AGM, there is no special resolution on the agenda that needs approval through postal ballot. Resume and other information regarding the director seeking reappointment as required under Regulation 36 (3) of Listing Regulations, 2015 has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

VIII Disclosure

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

The related party relationships and transactions as required under Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures specified under the Companies Act, 2013 disclosed in Note No. 38 of the Standalone Financial Statements for the year ended 31st March, 2023 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 **www.graphiteindia.com** under the head "Corporate Governance".

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

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

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

E. Familiarisation programme for independent directors and policy for determining 'material' subsidiaries can be viewed on **www.graphiteindia.com** under the head "Corporate Governance".

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

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

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

I. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part , amounts to Rs. 92,67,526/-

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

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

L. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of Subsidiary	Date of Incorporation	Date of Appointment of Statutory Auditors	Name of Auditors
Graphite International B.V.	27.11.2003	20.06.2022	RSM Netherlands Accountants N.V.
Graphite COVA GmbH	21.01.2004	20.06.2022	Intaria Partners GmbH
Bavaria Electrodes GmbH	21.04.2004	20.06.2022	Intaria Partners GmbH

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

(ii) Non-Mandatory requirements

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

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

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

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

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

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

IX Means of Communication

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

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

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

X General Shareholder Information

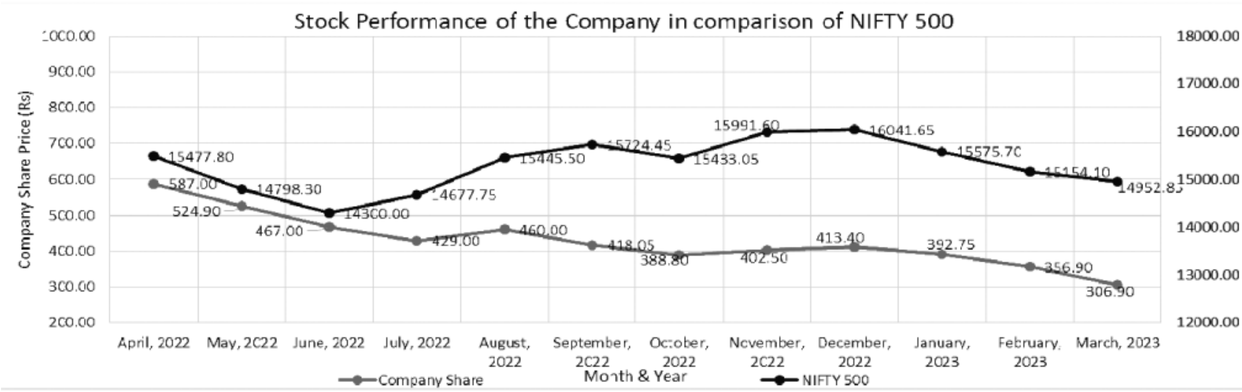
AGM Date, Time and Venue	31st day of July 2023 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Financial Year	1st April to 31st March
Record Date	Thursday, 20th July , 2023
Dividend Payment Date	By 14th August, 2023
Listing on Stock Exchanges	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, 5th Floor Bandra-Kurla Complex Bandra (E), Mumbai 400 051 The Company has paid the listing fees for FY 2023-2024 to BSE & NSE.
Stock Code	509488 on BSE : GRAPHITE on NSE
Demat ISIN Number for NSDL and CDSL	INE 371A01025

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

Period	High (Rs.)	Low (Rs.)	Period	High (Rs.)	Low (Rs.)
April, 2022	587.00	502.15	October, 2022	388.80	351.70
May, 2022	524.90	420.35	November, 2022	402.50	351.25
June, 2022	467.00	350.00	December, 2022	413.40	350.05
July, 2022	429.00	383.20	January, 2023	392.75	340.00
August, 2022	460.00	390.00	February, 2023	356.90	287.05
September, 2022	418.05	348.25	March, 2023	306.90	251.70

NIFTY 500

Period	High (Rs.)	Period	High (Rs.)
April, 2022	15477.80	October, 2022	15433.05
May, 2022	14798.30	November, 2022	15991.60
June, 2022	14300.00	December, 2022	16041.65
July, 2022	14677.75	January, 2023	15575.70
August, 2022	15445.50	February, 2023	15154.10
September, 2022	15724.45	March, 2023	14952.85



Registrar and Share Transfer Agents (For both Demat and Physical modes)	Link Intime India Pvt. Ltd. C101, 247 Park LBS Marg, Vikhroli (W), Mumbai 400 083 Phone: 8108116767, Fax : 022- 49186060 E-mail: rnt.helpdesk@linkintime.co.in Link Intime India Pvt. Ltd., Room No. 502 and 503, 5th floor, Vaishno Chamber 6, Brabourne Road, Kolkata – 700 001 Phone : 033-4004 9728/ 033-4073 1698 Fax. : 033 40731698 Email : kolkata@linkintime.co.in
Share Transfer System	In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Board has delegated the power of share transfers (due to transmission and deletion of name case) individually to the Company Secretary, Mr. B Shiva, and to the Dy. Company Secretary, Mr. S. Marda.

Distribution of Shareholding as on 31st March, 2023

Slab	No. of Shareholders		No. of Equity Shares	
	Total	**%**	**Total**	**%**
1 – 500	245035	95.1459	16789868	8.5936
501 – 1000	7066	2.7437	5392563	2.7601
1001-2000	3155	1.2251	4605699	2.3574
2001 – 3000	935	0.3631	2348839	1.2022
3001 – 4000	395	0.1534	1398326	0.7157
4001 – 5000	270	0.1048	1253242	0.6415
5001 – 10000	362	0.1406	2583619	1.3224
10001 – 20000	160	0.0621	2207529	1.1299
20001 – 30000	47	0.0182	1157062	0.5922
30001 – 40000	26	0.0101	901012	0.4612
40001 – 50000	10	0.0039	466464	0.2388
50001 – 100000	24	0.0093	1698483	0.8693
100001 and above	51	0.0198	154572888	79.1158
Total	**257536**	**100**	**195375594**	**100**
No. of shareholders in Physical mode	18940	7.3543	1050723	0.5378
Electronic Mode	238596	92.6457	194324871	99.4622
Total	**257536**	**100.00**	**195375594**	**100**

Shareholding Pattern as on 31st March, 2023

Category	No. of Sharers	%
Promoters Holding		
Promoters		
Indian Promoters	126065543	64.52
Foreign Promoters	1594102	0.82
Persons acting in concert	-	-
Sub-Total	**127659645**	**65.34**
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	11993681	6.14
Banks, Financial Institutions, Insurance Companies (Central/State Government/	4834677	2.47
Institutions/Non-Government Institutions)	7855436	4.02
Sub-Total	**24683794**	**12.63**
Others		
Private Corporate Bodies	2505822	1.28
Indian Public	35583846	18.22
NRI / OCBs	2530250	1.30
Any Other	2412237	1.23
Sub-Total	**43032155**	**22.03**
Grand Total	**195375594**	**100**
Total Foreign Shareholding		
Foreign Promoters	1594102	0.82
Foreign Portfolio Investor	7855436	4.02
NRIs / OCBs	2530250	1.29
Total	**11979788**	**6.13**

Dematerialisation of shares and liquidity

As on 31st March 2023 194324871 shares of the Company representing 99.46% of the total shares are in dematerialised form.

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

Outstanding GDRs / ADRs/ Warrants/ Convertible Instruments

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

Commodity price risk or foreign exchange risk and hedging activities

The risk management policy of the company includes risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The Company has identified Calcined Petroleum Needle coke (key input) and graphite electrode (key output) as commodities and the risk in respect there of as "commodity risk" and import and export respectively of both as regards "foreign exchange risk".

The functional heads / location heads are responsible for managing risks on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis after it is discussed by the Risk Management Committee.

There is no hedging mechanism for Needle coke and electrodes in terms of price. The suppliers of Calcined Petroleum Needle coke usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. The pricing of electrodes is usually fixed at the time of procuring order and do not vary in normal circumstances. Normally ,the prices of needle coke moves in tandem with electrode prices with some time lag, hence the risk is not material It is not practically possible to provide data as per SEBI's format in this regard. Company usually has foreign exchange exposure in the form of receivables for export mainly of electrodes and payables for import mainly for needle coke, foreign currency loans and certain expenditure. The foreign currency exposures usually get balanced and the resultant net asset / liability is not material.

Credit Ratings

ICRA Ltd. has vide its letter dated 10th January, 2023 (a) Reaffirmed the long term rating on credit limit of 1,400 Crore for working capital facilities of the Company at [ICRA] AA+ (pronounced ICRA double A plus). The Outlook on the long term rating has been retained as Stable (b) Reaffirmed short term rating at [ICRA] A1+ (pronounced ICRA A one plus) for Rs 300 Crore Commercial Paper programme of the Company.

Plant Locations

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

Address for Correspondence

Graphite India Limited Bakhtawar
2nd Floor, Nariman Point
Mumbai 400 021
Phone: (022) 22886418-21
Fax: (022) 22028833
E-Mail ID: gilbakt@graphiteindia.com

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

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg, Vikroli (W)
Mumbai - 400 083
Phone: 022-49186270
Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in

Link Intime India Pvt. Ltd.
Vaishno Chamber, 5th Floor, Flat Nos-502 & 503
6, Brabourne Road, Kolkata - 700 001
Phone: +91-033 4004 9728 / 033 4073 1698
Fax: +91-033 - 4073 1698
E-mail: kolkata@linkintime.co.in

On behalf of the Board

K. K. Bangur
Chairman
DIN : 00029427

30 May, 2023

Declaration

All the Board Members and the concerned Management Personnel have as on 31.03.2023 affirmed their compliance of the "Code of Conduct for Directors and Management Personnel dated 06.02.2019".

A. Dixit
Executive Director
DIN : 06678944

Kolkata
30 May, 2023

Enclosure - 1

Directors List for CG Report 2022-23

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

Enclosure - 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that **none of the Directors** on the Board of the Company for the Financial Year ending on **31st March, 2023**, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bajaj Todi & Associates

Sd/- Swati Bajaj

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

UDIN: A013216E000256679

Place : Kolkata
Date : 05/05/2023

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

The Members of Graphite India Limited

1. The Corporate Governance Report prepared by Graphite India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

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

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

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

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report.

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period.

    iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year.

    iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 1, 2022 to March 31, 2023:

        (a) Board of Directors;

        (b) Audit Committee;

        (c) Annual General Meeting (AGM);

        (d) Nomination and Remuneration Committee;

        (e) Stakeholders Relationship Committee;

        (f) Risk Management Committee

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

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

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

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

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 23060352BGWRFU6294

Place of Signature: Kolkata
Date : May 30, 2023

Annexure 10

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L10101WB1974PLC094602**
2. Name of the Listed Entity: **GRAPHITE INDIA LIMITED**
3. Year of incorporation: **1974**
4. Registered office address: 31, Chowringhee Road, Kolkata - 700 016
5. Corporate address: 31, Chowringhee Road, Kolkata - 700 016
6. E-mail: **gilro@graphiteindia.com**
7. Telephone: **033-40029600**
8. Website: **www.graphiteindia.com**
9. Financial year for which reporting is being done: **2022-2023**
10. Name of the Stock Exchange(s) where shares are listed: **NSE and BSE**
11. Paid-up Capital: **Rs. 39.08 Crore**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: **B Shiva, Designation-Company Secretary, Telephone No. 022-22886418, Email Id: bshiva@graphiteindia.com**
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).: **Standalone**

II. Products/services

14. Details of business activities *(accounting for 90% of the turnover)* :

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing & Selling	Graphite Electrodes and Miscellaneous Graphite Products	70.85%
2	Manufacturing & Selling	Calcined Petroleum Coke	10.76%
3	Manufacturing & Selling	Impervious Graphite Equipment and Spares	7.88%
4	Manufacturing & Selling	High Speed Steel	6.03%
	Total		**95.52%**

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

Sl. No.	Product/Services	NIC Code	% of total Turnover Contributed
1	Graphite Electrodes, Miscellaneous Graphite Products, Impervious Graphite Equipment and Spares	23994	78.73%
2	Calcined Petroleum Coke	19209	10.76%
3	High Speed Steel	24105	6.03%
	Total		**95.52%**

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	7	3	10
International	2	1	3

17. **Markets served by the entity:**

a. Number of locations

Location	Number
National (No. of States)	22
International (No. of Countries)	27

b. What is the contribution of exports as a percentage of the total turnover of the entity: **29.19%**

c. A brief on types of customers :

Company is engaged in the business of manufacturing graphite electrodes and specialties, calcined petroleum coke, impervious graphite equipment, glass reinforced plastic pipes, steel and generation of renewable energy.

The Company caters to a wide range of customers, engaged in manufacturing steel, cutting tool industry, chemicals, fertilizers, polymers, drug intermediaries, metal pressing, effluent treatment, irrigation etc.

IV. Employees

18. Details as at the end of Financial Year: 31.03.2023

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	798	779	98%	19	2%
2.	Other than Permanent (E)	52	52	100%	0	0
3.	**Total employees (D + E)**	850	831	98%	19	2%
	WORKERS					
4.	Permanent (F)	922	919	100%	3	0
5.	Other than Permanent (G)	824	823	100%	1	0
6.	**Total workers (F + G)**	1746	1742	100%	4	0

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	1	1	100%	0	0
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	4	4	100%	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	4	4	100%	0	0

19. **Participation/Inclusion/Representation of women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0%

20. **Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	6.18	0.43	6.61	12.60	0.43	13.03	5.82	0.43	6.25
Permanent Workers	10.53	0	10.53	11.14	0	11.14	5.83	0	5.83

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Emerald Company Private Limited	Holding	N.A.	No
2	Carbon Finance Limited, India	Subsidiary	100	No
3	Graphite International BV (GIBV)	Subsidiary	100	No
4	Graphite Cova Gmbh	Subsidiary of GIBV	100	No
5	Bavaria Electrodes Gmbh	Subsidiary of GIBV	100	No
6	Bavaria Carbon Specialties Gmbh	Subsidiary of GIBV	100	No
7	Bavaria Carbon Holdings Gmbh	Subsidiary of GIBV	100	No
8	General Graphene Corporation	Subsidiary of GIBV	55.315	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.) : **29,13,47,71,988.30**

(iii) Net worth (in Rs.) : **46,42,85,81,746.38**

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
Communities	YES *	NIL	NIL		NIL	NIL	
Investors (other than shareholders)	YES	NIL	NIL		NIL	NIL	
Shareholders	YES $	28	NIL		25	NIL	

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
Employees and workers	YES	NIL	NIL		NIL	NIL	
Customers	YES #	23	2		23	NIL	
Value Chain Partners	YES	NIL	NIL		NIL	NIL	

*at Durgapur and Nashik.

$ Company has separate email id.

redressed subsequently in April 2023.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format : -

Sl.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Natural Resource availability	Risk and Opportunity	Natural resources are relevant part of our product manufacturing process. Minimizing use of natural resources to meet our business needs by developing sustainable products and processes	• Company is investing in wind power and solar power. Company is further investing in hydel power • Location wise water balance has been carried out. Maximum recycling is being carried out. Dirty water/ water from canteen/ washrooms is being recycled after treatment. Approach of Zero liquid discharge is being followed by all plants	Positive : Reduction in fresh water usage. Scope to increase usage of renewable energy. Negative : unavailability or shortage of natural resources can impact service to customer
2	GHG emission, Energy management, air quality	Risk	Operational sustainability may be hampered by negative impact created on environment. GHG emission reduction will reduce carbon foot print and improve air quality. Improving energy efficiency will reduce consumption of fuel as well electricity.	• Replacement of fossil fuel with CBM/ PNG • Monitoring GHG emission and taking corrective measure to reduce carbon foot print • Improving energy efficiency by replacing inefficient motor & pumps, using carriable frequency drives, optimizing energy usage by improving load factor and power factor	Positive : Reduction in carbon foot print and energy consumption. Improvement in air quality

Sl.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Environmental Risk	Risk	Changes in existing regulations/ emerging regulations	• The company continues to monitor all emerging regulations and plan for compliance • Proactively work on emerging regulations and implement ahead of statute	Negative : Increased expenses in transiting towards meeting new regulations
4	Handling hazardous wastes/ non hazardous wastes	Risk and opportunity	Handling hazardous and other wastes with care to avoid any threats posed to the health and well being of our employees and to our surrounding environment	• We continue to monitor quantity of different kind of wastes and implement waste management plan focusing on waste reduction, reuse and recycle • All hazardous wastes are handled as per the procedure set by the regulations and disposed off as per Hazardous Waste Management Rules-2016	Positive : Reduction in waste generation, reuse and recyclability of waste Negative: Impact on health of employees and community near by.
5	Health and Safety risk	Risk and opportunity	The manufacturing operations of the company requires employees to work with plant, machineries, material handling equipment, all of which carry risk of injury	• Adherence to safety standards, Company's Environment policy and Health and safety policy • Continuous training to employees • Hazard identification, risk assessment, incident investigation,. • Occupational health and safety management programs in all plants • All plants have initiated steps towards getting ISO 45001 certification during next financial year	Positive : Adoption of safety related protocols and measures to create a safe work environment. Negative : Impact on health and well being of employees
6	Labour unrest	Risk and opportunity	Disruption in manufacturing due to labour unrest	• Regular IR Management and contract labour management. • Create conducive environment by regularly interacting with labour and labour unions. • Training program on health and safety and general awareness.	Positive : Opportunity to develop stronger relationship and engagement with labour and labour unions. Negative : Unavailability of labour can impact manufacturing.

Sl.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Reputation	Risk and opportunity	Bad publicity arising out of any act/inaction by company on any platform. Customer complaints not resolved satisfactorily.	• Actively monitor voices on all platforms and address those positively and timely • Actively and satisfactorily resolving customer complaints • Ensuring product delivery in time • Strengthening corporate governance norms, including adherence to code of conduct by all • Timely compliance with all regulations.	Positive : Opportunity to improve brand presence and reputation. Negative : Negative effect on brand image and company reputation, loss of customers

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elementsof the NGRBCs. (Yes/No)	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
	b. Has the policy been approved by theBoard? (Yes/No)	**Principles 1 & 8 approved by Board / Rest by Management signed by Executive Director**								
	c. Web Link of the Policies, if available	**Code of Conduct and CSR are available on our website. www.graphiteindia.com as per law. The other Policies are made available to respective stakeholders.**								
2.	Whether the entity has translated thepolicy into procedures. (Yes / No)	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
3.	Do the enlisted policies extend to yourvalue chain partners? (Yes/No)	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**N**
4.	Name of the national and international codes/certifications/ labels/ standards (e.g.Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	**N**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	All plants are ISO 9001 certified. Both electrode plants are ISO 14001 certified. ISO 45001 (OHSAS) certification of all plants planned by end of June 2023. GE Div, Satpur has been already recommended for ISO 45001 certification by M/s TUV India								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		NA				NA			
	Governance, leadership and oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)*									

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	**Ashutosh Dixit** Executive Director
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	**Ashutosh Dixit** Executive Director
10.	Details of Review of NGRBCs by the Company:	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow up action	**Monitored by Executive Director every quarter and reported through Operations report on quarterly basis to Board.**																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	**Statutory compliance certificate on applicable laws is provided by Company Secretary (basis compliance certificates received from Plants/Functional heads) to the Board of Directors on quarterly basis.**																	

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: **N.A.**

Questions	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4 - As part of Board Meetings	During the year, the Board engaged in various updates pertaining to business, regulatory, safety, ESG matters, etc. These topics provided insights on the said Principles.	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	0	During the year, the KMP received updates pertaining to business, regulatory, safety, ESG matters and leadership training.	0%
Employees other than BoD and KMPs	161	Health, Safety, EMS, QMS, OS&H, LOTO, General Awareness, Effective Communication etc.	60%
Workers	170	Health, Safety, EMS, OS&H, Fire, LOTO, General Awareness, Discipline etc.	70%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as disclosed on the entity's website): **Nothing Material**

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine					
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment				
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed. **N.A.**

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   The Company has policies like Code of Conduct for Directors and Management Personnel, Vigil Mechanism and Whistle Blower Policy for all employees which are in conformity with the legal and statutory framework on anti-bribery and anti-corruption legislation prevalent in India. The Policies reflect the commitment of the Company and its management for maintaining highest ethical standards while undertaking open and fair business practices and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices. The policies are available on our website **www.graphiteindia.com**.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	**NIL**	**NIL**
KMPs	**NIL**	**NIL**
Employees	**NIL**	**NIL**
Workers	**NIL**	**NIL**

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints receivedin relation to issues of Conflict of Interestof the Directors	**NIL**	**N.A.**	**NIL**	**N.A.**
Number of complaints receivedin relation to issues of Conflict of Interestof the KMPs	**NIL**	**N.A.**	**NIL**	**N.A.**

7. Provide details of any corrective action taken or under way on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. N.A.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements inenvironmental and social impacts
R&D	1.28%	1.76 %	IGE Division : Upgradation of Dust collector panels, installation of energy efficient compressor.
Capex	31.57%	69.34%	GE Division Durgapur : installation of dust collection system, Pneumatic conveying system, Packed media suction system on 6 fce of LWG3, Effluent treatment plant, replacement of old conventional baking furnace with energy efficient furnace & control system, ESP to control dust emission. GE Division Satpur : Replacement of old conventional furnaces with environment friendly furnace, installation of dust collectors. Use of PNG in place of LSHS, wind barrier in north west corner, installation of dust and fume collection in graphite.

2. a. Does the entiy have procedures in place for sustainable sourcing? (Yes/No) **YES**

   b. If yes, what percentage of inputs was sourced sustainably?

   The Company has procedures in place for assessment of supplier and majority of our raw material supplies, supplementary material, packing material, transportation services and spares required are sourced from approved suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Whenever possible, products, treated water & waste are recycled back into the production line. Wherever required, we have ETP and STP for treatment and reuse. We dispose hazardous waste as per HWM Rules 2016.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). **No**

5. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. **N.A.**

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	783	728	93%	764	98%	0	0	0	0	0	0
Female	19	19	100%	19	100%	19	100%	0	0	0	0
Total	802	747	93%	783	98%	19	2%	0	0	0	0
Other than Permanent employees											
Male	44	44	100%	44	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	44	44	100%	44	100%	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	870	865	99%	867	100%	0	0	0	0	0	0
Female	2	2	100%	2	100%	2	100%	0	0	0	0
Total	872	867	99%	869	100%	2	0	0	0	0	0
Other than Permanent workers											
Male	1186	1072	90%	1156	97%	0	0	0	0	848	72%
Female	4	4	100%	4	100%	4	100%	0	0	4	100%
Total	1190	1076	90%	1160	97%	4	0%	0	0	852	72%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others – please Specify	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard: **No**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy: **No**

5. Return to work and Retention rates of permanent employees and workers that took parental leave. **Nil**

	Permanent employees		Permanent workers	
	Return to work rate	**Retention rate**	**Return to work rate**	**Retention rate**
Male	–	–	–	–
Female	–	–	–	–
Total	–	–	–	–

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No *(If Yes, then give details of the mechanism in brief) Yes*
Permanent Workers	**The HR department at the head office and the plants through standing orders attend to grievances of all employees and workers through regular meeting, suggestion box, joint committee, safety committee, notice board and email etc.**
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	**FY 2022-23 (Current Financial Year)**			**FY 2021-22 (Previous Financial Year)**		
	Total employees / workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	134	45	34%	150	61	41%
- Male	130	45	35%	146	61	42%
- Female	4	0	0	4	0	0
Total Permanent Workers	894	886	99%	904	904	100%
- Male	891	883	99%	901	901	100%
- Female	3	3	100%	3	3	100%

8. Details of training given to employees and workers:

Category	**FY 2022-23 (Current Financial Year)**					**FY 2021-22 (Previous Financial Year)**				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**% (B / A)**	**No. (C)**	**% (C / A)**		**No. (E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Male	645	600	93%	595	92%	363	318	88%	295	81%
Female	8	7	88%	7	88%	9	9	100%	8	89%
Total	653	607	93%	602	92%	372	327	88%	303	81%
Workers										
Male	1174	1115	95%	561	48%	1192	1124	94%	1169	98%
Female	2	2	100%	0	0	2	2	100%	2	100%
Total	1176	1117	95%	561	48%	1194	1126	94%	1171	98%

9. Details of performance and career development reviews of employees and worker:

All eligible employees are entitled to annual increments and promotions based on their performance review throughout the year. The superiors support their sub-ordinates with career development reviews.

Category	**FY 2022-23 (Current Financial Year)**			**FY 2021-22 (Previous Financial Year)**		
	Total (A)	**No. (B)**	**% (B / A)**	**Total (C)**	**No. (D)**	**% (D / C)**
Employees						
Male	298	298	100%	319	319	100%
Female	6	6	100%	7	7	100%
Total	304	304	100%	326	326	100%
Workers						
Male	515	515	100%	511	511	100%
Female	0	0	0	0	0	0
Total	515	515	100%	511	511	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes/ No).*** If yes, the coverage such system?

Yes, the occupational health and safety management system has been implemented in all our plants and offices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification and risk assessment (HIRA) is carried out on a regular basis.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) **Yes**

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)*** **Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	**Category**	**FY 2022-23 Current Financial Year**	**FY 2021-22 Previous Financial Year**
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1	0
	Workers	3	10
Total recordable work-related injuries	Employees	0	0
	Workers	9	9
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company ensures a safe and healthy work place as per the health and safety policy of the Company and in compliance of legal requirements.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	**Pending resolution at the endof year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	18	0	0	9	0	0
Health & Safety	4	0	0	10	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 %
Working Conditions	100 %

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

For safety related incidents, root cause analysis is done by a team which is monitored and reviewed by the safety committee. Corrective measures in various forms based on the root causes are taken (like elimination of man machine interaction, adequate guarding, providing safety tools and tackles, training etc.).

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders play an integral role in our journey and we recognise the need to partner with them and understand their concerns to deliver the targets which we have set for ourselves. Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analysing the impact of each stakeholder groups on our business and vice versa.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	**Whether identified as Vulnerable & Marginalized Group (Yes/No)**	**Channel of communication** (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meeting, Notice Board, Website), other	**Frequency of engagement (Annually/ Half yearly/ Quarterly/ others-please specify)**	**Purpose and scope of engagement including key topics and concern raised during such engagement**
Communities	Yes	Physical meeting with people	Regular	CSR activities
Shareholders	No	Website, General Meetings, email	Quarterly	Company performance
Employees and workers	No	Notice Boards and physical meetings	Regular	EHS, Quality, productivity matters.
Customers	No	Marketing visit, emails	Regular	Product performance, technical and commercial discussions.
Suppliers	No	Physical/Virtual meetings and emails.	Regular	Quality and timely delivery of material

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	182	140	77%	182	136	75%
Other than permanent	3	3	100%	3	3	100%
Total Employees	185	143	77%	185	139	75%
Workers						
Permanent	85	77	91%	82	74	90%
Other than permanent	379	244	64%	381	245	64%
Total Workers	464	321	69%	463	319	69%

2. Details of minimum wages paid to employees and workers, in the following format :

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	741	0	0	738	100%	739	0	0	739	100%
Female	8	0	0	8	100%	8	0	0	8	100%
Other than Permanent										
Male	45	0	0	45	100%	43	0	0	43	100%
Female	0	0	0	0	0	1	0	0	1	100%
Workers										
Permanent										
Male	909	0	0	909	100%	926	0	0	926	100%
Female	3	0	0	3	100%	3	0	0	3	100%
Other than Permanent										
Male	1444	394	27%	1050	73%	1459	390	27%	1069	73%
Female	1	0	0	1	100%	2	0	0	2	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	4,00,000	1	4,50,000
Key Managerial Personnel	2	53,90,335	0	0
Employees other than BoD and KMP	868	8,72,709	24	7,81,456
Workers	888	14,52,759	1	2,76,112

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No) – Yes**

5. Describe the internal mechanisms in place to redress grievances related to human rights issues: **Procedure to redress grievance pertaining to human rights are in place and are attended to by the Plant Heads/ Functional Heads/ Executive Director.**

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases: **Company has a Whistle Blower Policy**.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No): NO**

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. No significant risks / concerns arising from the assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**FY 2022-23 (Current Financial Year)**	**FY 2021-22 (Previous Financial Year)**
Total electricity consumption (A)	3705968498 MJ	3969459397 MJ
Total fuel consumption (B)	3431821298 MJ	3704587320 MJ
Energy consumption through other sources (C)	3157489 MJ	7713966 MJ
Total energy consumption (A+B+C)	7681760683 MJ	7140947285 MJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	2451002 MJ/ Cr Rs of turnover	2744534 MJ/ Cr Rs of turnover
Energy intensity (optional) – the relevant metric may be selected by the entity	52320 MJ/MT of Production	50216 MJ/MT of Production

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, M/s TUV India Pvt Ltd (Member of TUV Nord Group)**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **NO**

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	**271544 KL**	**294692 KL**
(ii) Groundwater	**73364 KL**	**73349 KL**
(iii) Third party water	**0 KL**	**0 KL**
(iv) Seawater / desalinated water	**0 KL**	**0 KL**
(v) Others	**0 KL**	**0 KL**
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**344908 KL**	**368041 KL**
Total volume of water consumption (in kilolitres)	**335795 KL**	**359297 KL**
Water intensity per rupee of turnover (Water consumed / turnover)	**115.3 KL/ Cr Rs of turnover**	**128.4 KL/ Cr Rs of turnover**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, M/s TUV India Pvt Ltd (Member of TUV Nord Group)**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Yes, all water is recycled and reused after treatment except for drinking water.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format :

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Kg/year	254940	369690
Sox	Kg/year	223090	229062
Particulate matter (PM)	Kg/year	445678	669611
Persistent organic pollutants (POP)	Kg/year	–	–
Volatile organic compounds (VOC)	Kg/year	–	–
Hazardous air pollutants (HAP)	Kg/year	41.3	36.5
Others – please specify	Kg/year	536.84 Hydrocarbon in Steel Division, Titlagarh	533.6 Hydrocarbon in Steel Division, Titlagarh

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, M/s TUV India Pvt Ltd (Member of TUV Nord Group)**

Testing agencies :

IGE Division Amabad : M/s Green Envirosafe, Pune
Coke Division Barauni : M/s. Shiva Test House, Patna
GE Division Durgapur : M/s Indicative Consultant, Durgapur
GRP Division Gonde : M/s Green Envirosafe, Pune
Steel Division Titlagarh : M/s Earth & Environment Lab, Bhuvaneshwar
GE Division Satpur : M/s Accurate Analyser, Nasik

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	110968 tCO2	131105 tCO2
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	309494 tCO2	345451 t CO2
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2/ Cr Rs of turnover	144.3 tCO2/ Cr Rs of turnover	170.27 tCO2/ Cr Rs of turnover

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO_2/MT of Production	2.96 tCO_2/MT of Production	3.25 tCO_2/MT of Production

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. : **Yes, M/s TUV India Pvt Ltd (Member of TUV Nord Group)**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **Yes.**

   GIL has taken up multiple projects at all locations to reduce greenhouse gas emissions. Some of the major projects are listed below :

- Heating with electricity or CNG instead of Diesel
- Installation of scrubbing systems for exhaust gases
- Graphitisation of nipples through LWG instead of Acheson to save electricity
- Modification of LWG furnaces to reduce electricity as well as work zone dust emission by modifying furnaces and installing packed media suction system.
- Closing down of old conventional RC furnace and replacing those with energy efficient furnaces along with electrostatic precipitators to clean exhaust gases
- Replacement of fossil fuel with PNG
- Installation of VFD's as replacing old lighting with LED lights
- Replacement of grid power with renewable energy

8. Provide details related to waste management by the entity, in the following format:

Parameter	***FY 2022-23 (Current Financial Year)***	***FY 2021-22 (Previous Financial Year)***
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	340.6 MT	338.9 MT
E-waste (B)	3.03 MT	3.1 MT
Bio-medical waste ***(C)***	0.05004 MT	0.00991 MT
Construction and demolition waste ***(D)***	3.7 MT	8.2 MT
Battery waste (E)	131 Nos	288 Nos
Radioactive waste ***(F)***	Nil	Nil
Other Hazardous waste. Please specify, if any. ***(G)***	723.6 MT (Used or waste oil, ESP tar, ETP sludge, Paint sludge, broken asbestos etc)	748.2 MT (Used or waste oil, ESP tar, ETP sludge, Paint sludge, broken asbestos etc)
Other Non-hazardous waste generated ***(H)***. *Please specify, if any.* (Break-up by composition i.e. by materials relevant to the sector)	45853 Mainly Carbonaceous material, Graphite powder & broken pcs, Scrap Wood, Steel scrap etc)	51617 MT (Mainly Carbonaceous material, Graphite powder & broken pcs, Scrap Wood, Steel scrap etc)
Total (A+B + C + D + E + F + G + H)	46924.8 MT	52715.9 MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4645.4 MT	4309 MT
(ii) Re-used	7.9 MT	4.3 MT
(iii) Other recovery operations	-	-
Total	4653.3	4313.3 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	4.17 MT	43.6 MT
(ii) Landfilling	34.63 MT	39.01 MT
(iii) Other disposal operations	46273MT	51844 MT
Total	46311 MT	51927 MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. : **Yes, M/s TUV India Pvt Ltd (Member of TUV Nord Group)**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. **Hazardous and non hazardous wastes are segregated and kept at designated place/bins. Hazardous wastes are sent Pollution control board Authorised Hazardous waste handling agency for further disposal and non hazardous waste is sold.**

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format: **None of the operations/offices are in/around ecologically sensitive areas.**

Sl. No.	**Location of operations/ offices**	**Type of operations**	**Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)** **If no, the reasons thereof and corrective action taken, if any.**
	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	**EIA Notification No.**	**Date**	**Whether conducted by independent external agency (Yes / No)**	**Results communicated in public domain (Yes / No)**	**Relevant Web link**
	Nil		Nil	Nil	

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No.	**Specify the law / regulation / guidelines which was not complied with**	**Provide details of the non-compliance**	**Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts**	**Corrective action taken, if any**
1	Environment Protection Act 1986 u/s 15 & 16	Construction of New Expansion project initiated without Environmental clearance in Durgapur	Rs. 6 lacs fine imposed by Court, paid to WBPCB.	Further construction was done after receipt of clearance.
2	Environment Protection Act 1986 u/s 15 & 19	Construction of New Expansion project initiated without Environmental clearance in Durgapur	1. For remediation plan, natural and community resource augmentation plan at 2% of the total project cost (i.e.) Rs. 2,20,19,213.02 paid to WBPCB 2. Penalty of 1% of the total project cost attributable to the violation portion i.e. Rs.110,09,606.51 paid to WBPCB.	Further Construction was done after receipt of clearance.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 9

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1.	CAPEXIL	National
2.	EEPC India	National
3.	Indian Chamber of Commerce	National
4.	FICCI	National
5.	Indo German Chamber of Commerce	National
6.	Indian Carbon Society	National
7.	Bombay Chamber of Commerce	State
8.	FIEO	National
9.	Delhi Chamber of Commerce	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities : **N.A.**

Name of authority	Name of authority	Name of authority

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. – **Social Impact Assessment of CSR projects are done internally. When required to be done under CSR Rules, the assessments would be done through external agencies.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NIL	NIL	NIL	NIL	NIL	NIL	NIL

3. Describe the mechanisms to receive and redress grievances of the community : Through meetings

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	16.18%	15.80%
Sourced directly from within the district and neighbouring districts	14.40%	7.77%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Complaints are handled by customer service department. Once an email or phone call is received from a customer about any complaint, customer service engineer gets in touch with customer to get more information. Complaint is investigated either by site visit or collection of data from the site and equipment are set right at customer's site or brought back to our works for rectification depending on the quantum of work involved. Action may also include call-back of the product already shipped / free replacement and/or monetary compensation as the case may demand. Corrective actions are taken to prevent the recurrence of the problem in future. Feedback received from the Customer is discussed internally and translated into action wherever necessary. Customer satisfaction survey is carried out on an annual basis.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Negligible
Safe and responsible usage	100%
Recycling and/or safe disposal	The Company educates its customers on evironmental parameters and for safe and responsible usage of its products.

3. Number of consumer complaints in respect of the following: **NIL**

	FY 2022-23 (Current Financial Year)		**Remarks**	**FY 2021-22 (Previous Financial Year)**		**Remarks**
	Received during the year	**Pending resolution at end of year**		**Received during the year**	**Pending resolution at end of year**	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	**Reasons for recall**
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy. **YES. www.graphiteindia.com**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **N.A.**

Annexure 11

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2023]

[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 2023, 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, 2023, according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
     - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
     - d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) were not applicable to the Company under the financial year under report:
   - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   - b. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   - c. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
   - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;and
   - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The Company is engaged in the business of manufacturing Graphite electrodes, graphite equipment, steel, GRP pipes and tanks and generation of hydel power. No Act specifically for the aforesaid businesses is/are applicable to the Company:

4. We have also examined compliance with the applicable clauses of the following:
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas Direct Investment by Residents in Joint venture/Wholly Owned Subsidiary abroad received, during the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. We further report that:
   (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.
   (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.
11. We further report that during the audit period there has been changes in the Key Managerial Personnel (KMP) of the Company:

- Mr. S.W.Parnerkar, Chief Financial Officer & Key Managerial Personnel has retired on 30-June-2022.
- Mr. M.K.Chhajer has been appointed as Chief Financial Officer & Key Managerial Personnel w.e.f 01-July-2022.

For Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216 — Place : Kolkata
UDIN: A013216E000263785 — Date : 06/05/2023

Annexure A

To,
The Members
Graphite India Limited

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

DISCLAIMER

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

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

For Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN: A013216E000263785

Place : Kolkata
Date : 06/05/2023

Annexure 12

SECRETARIAL COMPLIANCE REPORT

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

Secretarial Compliance Report of **Graphite India Limited**
for the financial year ended 31st March 2023

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

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

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

(c) website of the listed entity,

(d) other document(s)/ filing(s), as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of:

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

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

A. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, (wherever applicable), have been examined, include:-

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

and circulars/ guidelines issued thereunder;

B. I/We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**<u>Secretarial Standard</u>** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorilyapplicable.	Yes	

Sr. No.	Particulars	Compliance status (Yes/No/ NA)	Observations/ Remarks by PCS*
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI	Yes	
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website	Yes	
4.	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes N.A.	 No such transaction took place
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NA	No action takenby SEBI or Stock Exchange(s)
12.	**Additional Non-compliances, if any:** No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	NA	No any additional non-compliance observed

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

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action taken by	Type of action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

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

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action taken by	Type of action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
N.A.										

D. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Not Applicable

During the period under review there was no resignation of auditors in the Company and/or their material subsidiary(ies).

For Bajaj Todi & Associates

Sd/- Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN: A013216E000256690

Place : Kolkata
Date : 05/05/2023

FINANCIAL PERFORMANCE FOR 10 YEARS - STANDALONE

(Rs. in Crores)

	IND AS								IGAAP	
Statement of Profit and Loss	**2022-23**	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16#	**2014-15***	**2013-14***
Revenue from Operations (Net of Excise Duty)	**2,913.48**	2,798.93	1,838.64	2,875.37	6,737.30	2,958.20	1,305.77	1,346.68	1,497.22	1,768.08
Other Income	**133.09**	279.27	305.94	156.91	196.35	88.89	83.89	46.50	30.74	40.21
Profit before Interest, Depreciation and Tax (PBIDT)	**530.57**	802.54	321.96	62.54	4,402.39	1,441.43	159.49	196.76	186.02	324.48
Depreciation	**45.63**	45.63	44.59	44.20	56.01	46.43	41.56	44.42	38.75	53.60
Profit before Interest and Tax (PBIT)	**484.94**	756.91	277.37	18.34	4,346.38	1,395.00	117.93	152.34	147.27	270.88
Finance Cost	**8.88**	3.56	5.93	17.12	10.89	6.18	6.50	7.84	12.23	16.96
Profit before Exceptional Item and Tax	**476.06**	753.35	271.44	1.22	4,335.49	1,388.82	111.43	144.50	135.04	253.92
Exceptional Item (Gain) / Loss	**-**	-	-	-	54.86	-	-	-	5.60	-
Profit before Tax (PBT)	**476.06**	753.35	271.44	1.22	4,280.63	1,388.82	111.43	144.50	129.44	253.92
Provision for Taxation	**126.05**	179.14	72.12	(30.10)	1,474.88	475.19	(0.85)	39.86	47.25	83.00
Profit after Tax (PAT)	**350.01**	574.21	199.32	31.32	2,805.75	913.63	112.28	104.64	82.19	170.92
EPS - Basic (Rs.)	**17.91**	29.39	10.20	1.60	143.61	46.76	5.75	5.36	4.21	8.75
Balance Sheet										
Fixed Assets	**785.45**	676.15	647.19	611.95	624.08	651.40	648.67	606.37	600.40	641.47
Investments	**2,167.54**	2,315.35	2,514.27	1,998.74	2,566.37	1,241.10	663.92	537.35	480.07	500.22
Other Assets (Current and Non-current)	**3,077.59**	2,676.83	1,630.88	2,031.58	2,752.75	1,603.46	1,070.37	1,167.85	1,367.03	1,477.95
Total Assets	**6,030.58**	5,668.33	4,792.34	4,642.27	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64
Share Capital	**39.08**	39.08	39.08	39.08	39.08	39.08	39.08	39.08	39.08	39.08
Reserves and Surplus	**4,602.88**	4,447.86	3,968.77	3,771.29	4,614.34	2,562.71	1,812.78	1,702.25	1,714.53	1,696.83
Borrowings	**335.23**	343.74	223.40	415.61	359.59	155.29	126.82	179.92	185.71	301.02
Deferred Tax Liabilities (Net)	**106.23**	110.07	89.07	81.09	113.59	94.50	84.03	88.16	82.11	89.67
Other Liabilities (Current and Non-current)	**947.16**	727.58	472.02	335.21	816.60	644.38	320.25	302.16	426.07	493.04
Total Liabilities	**6,030.58**	5,668.33	4,792.34	4,642.28	5,943.20	3,495.96	2,382.96	2,311.57	2,447.50	2,619.64
***Based on Revised Schedule VI/Schedule III, #Figures are restated as per IND AS.**										
Key Ratio										
PBIDT / Total Revenue - %	**17.42**	26.07	15.01	2.06	63.49	47.31	11.48	14.12	12.17	17.94
Net Profit (PAT) / Total Revenue - %	**11.49**	18.65	9.29	1.03	40.47	29.98	8.08	7.51	5.38	9.45
Finance Cost Cover - Times	**59.75**	225.43	54.29	3.65	404.26	233.24	24.54	25.10	15.21	19.13
ROCE (PBIT / Capital Employed) - %	**9.56**	15.32	6.42	0.43	86.70	50.60	5.96	7.93	7.36	13.04
RONW (PAT / Net worth) - %	**7.54**	12.80	4.97	0.82	60.29	35.12	6.06	6.01	4.69	9.85
Debt Equity Ratio	**0.07:1**	0.07:1	0.05:1	0.11:1	0.08:1	0.06:1	0.07:1	0.10:1	0.14:1	0.20:1
Equity Dividend per Share (Rs.)	**10.00**	5.00	2.00	2.00	55.00	17.00	2.00	2.00	2.00	3.50
Book Value per Share (Rs.)	**237.59**	229.66	205.14	195.03	238.18	133.17	94.78	89.13	89.76	88.85

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Graphite India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2(b) and 21 of the standalone financial statements)*	
The Company recognises revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. During the year ended March 31, 2023, the Company has recognised revenue amounting to Rs. 2,046.85 crores and Rs. 843.68 crores from domestic and export sales respectively. The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgment in determining timing of revenue recognition. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115. Accordingly, due to the risk associated with timing of revenue recognition, it was determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • Evaluated that the Company's revenue recognition policy is in compliance with terms of Ind AS 115 'Revenue from contracts with customers'. • Evaluated the design and implementation of key controls operating around revenue recognition. • Performed test of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples selected, checked that the revenue has been recognized as per the incoterms and when the conditions for revenue recognitions are satisfied. • Selected samples of sales transactions made pre and post year end, checked the period of revenue recognition with the underlying documents. • Assessed the adequacy of relevant disclosures made in the standalone financial statements.

Other Information

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

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

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

Responsibilities of Management for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;

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

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 48 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 48 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 41 (b) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 23060352BGWRFS4240

Place of Signature: Kolkata
Date: May 30, 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

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

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

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

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

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

Description of Property	Gross Carrying value (Rs. in crores)	Net Carrying value (Rs. in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Four Freehold Land at Titilagarh	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in court of Tehsildar, Titilagarh
Two Leasehold Land at Titilagarh #	0.22	0.14	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process
Six Freehold land at Titilagarh	0.07	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited
Two Freehold land at Titilagarh	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Original Title deed has been misplaced and is not available with the Company. The Company has initiated necessary action in this regard.
One Freehold Land at Nashik-Ambad	0.07	0.07	Graphite Vicarb India Limited	No	01.01.1994	Transfer of ownership is under process

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

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2023.

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

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification of inventories.

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

Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company.

The Company does not have sanctioned working capital limits in excess of Rs. Five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year, the Company has provided loans and has stood guarantees to a company or other parties as follows:

	Guarantees (Rs. in crores)	Loan to employees (Rs. in crores)
Aggregate amount granted/ provided during the year		
- Step down Subsidiary	–	–
- Other parties	–	0.99
Balance outstanding as at Balance Sheet date in respect of above case		
- Step down Subsidiary	196.75	–
- Other parties	–	1.83

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

(b) During the year, the investments made and the terms and conditions of the grant of loans are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to other parties which are overdue for more than ninety days.

(e) There were no loans granted to other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

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

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

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

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

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

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

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	0.23	2008-09,2010-11 & 2011-12	Commissioner (Appeals)
		17.62 #	2018-19	Principal Commissioner
		0.05	1999-00 and 2015-16	Assistant Commissioner/Deputy Commissioner of Central Excise
		3.73	1999-00 to 2012-13	CESTAT
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.003	2005-06 & 2009-10	Assistant Commissioner/Deputy Commissioner of Central Excise
		0.23	2006-07 to 2007-08	Commissioner (Appeals)
		1.92	2002-03 to 2008-09	Sales Tax Tribunal
Customs Act, 1962	Custom Duty, Interest and Penalty	0.04	1988-89	Chief Metropolitan Magistrate
		0.04	2011-12	Assistant Commissioner Central Excise
		6.32	2005-06 to 2007-08 & 2014 - 15	Commissioner (Appeals)
		1.68	1991-92, 2007-08, 2008-09 & 2019-20	CESTAT
Finance Act, 1994	Service Tax, Interest and Penalty	21.22	2010-11 to 2016-17	Commissioner (Appeals)
		5.32	2004-05 to 2011-12	CESTAT
		0.05	2012-13 to 2016-17	Assistant Commissioner Central Excise
		0.51	2004-05 to 2006-07 & 2015-16	The Superintendent, Range D and Superintendent, Appeals
		0.13	2014-15 & 2015-16	Joint Commissioner
		0.05	2014-15 & 2015-16	Additional Commissioner
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.01	2008-09	Commercial Tax Officer
Goods and Services Tax Act, 2017	Goods and Services Tax	4.52 #	2022-23	Joint Commissioner
		0.63 #	2022-23	Assistant Commissioner
Karnataka Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	0.19	2008-09	Assistant Commissioner, Commercial taxes
		0.07	2006-07	Karnataka High Court
Income-tax Act, 1961	Income Tax Demand and Interest	2.60	2012-15, 2016-18 & 2019-20	Commissioner of Income Tax (Appeals)
		55.38	2007-08, 2009-10 to 2013-14	Income Tax Appellate Tribunal
		8.73	1992-93 to 1994-95, 1999-00 to 2006-07	Hon'ble Calcutta High Court

* Net of amounts deposited on account of dispute.

Represents show cause cum demand notice.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

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

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

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

(xix) On the basis of the financial ratios disclosed in Note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

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

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

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 23060352BGWRFS4240

Place of Signature: Kolkata
Date: May 30, 2023

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

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

We have audited the internal financial controls with reference to standalone financial statements of Graphite India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN: 23060352BGWRFS4240

Place of Signature: Kolkata
Date: May 30, 2023

STANDALONE BALANCE SHEET as at 31st March, 2023

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2023	As at 31st March, 2022
Non-current Assets			
Property, Plant and Equipment	4.1	657.50	533.15
Capital Work-in-progress	4.2	126.28	142.00
Intangible Assets	5.1	0.21	0.37
Right-of-use Assets	5.4	0.61	0.63
Intangible Assets under Development	5.3	0.85	-
Financial Assets			
Investments	6	902.25	812.00
Loans	10	0.99	1.07
Other Financial Assets	11	2.71	2.46
Non-current Tax Assets (Net)	20.1	42.53	128.33
Other Non-current Assets	13	26.85	15.80
Total Non-current Assets		**1,760.78**	**1,635.81**
Current Assets			
Inventories	12	2,189.91	1,470.60
Financial Assets			
Investments	6	1,265.29	1,503.35
Trade Receivables	7	522.80	537.67
Cash and Cash Equivalents	8	3.32	28.77
Other Bank Balances	9	67.65	75.21
Loans	10	0.84	0.82
Other Financial Assets	11	34.51	289.78
Other Current Assets	13	185.48	126.32
Total Current Assets		**4,269.80**	**4,032.52**
TOTAL ASSETS		**6,030.58**	**5,668.33**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14.1	39.08	39.08
Other Equity	14.2	4,602.88	4,447.86
TOTAL EQUITY		**4,641.96**	**4,486.94**
LIABILITIES			
Non-current Liabilities			
Deferred Tax Liabilities (Net)	20	106.23	110.07
Total Non-current Liabilities		**106.23**	**110.07**
Current Liabilities			
Financial Liabilities			
Borrowings	15	335.23	343.74
Trade Payables	16		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		36.09	28.87
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		253.97	388.93
Other Financial Liabilities	17	114.13	133.79
Other Current Liabilities	18	29.94	39.19
Provisions	19	36.25	34.86
Current Tax Liabilities (Net)	20.2	476.78	101.94
Total Current Liabilities		**1,282.39**	**1,071.32**
TOTAL LIABILITIES		**1,388.62**	**1,181.39**
TOTAL EQUITY AND LIABILITIES		**6,030.58**	**5,668.33**

Summary of Significant Accounting Policies 2

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

As per our report of even date

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

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

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2023

(Rs. in Crores)

	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from Operations	21	2,913.48	2,798.93
Other Income	22	133.09	279.27
Total Income		**3,046.57**	**3,078.20**
Expenses			
Cost of Materials Consumed	23(a)	1,787.18	1,381.06
Purchases of Stock-in-trade	23(b)	17.36	-
Changes in Inventories of Finished Goods and Work-in-progress	24	(580.92)	(245.78)
Employee Benefits Expense	25	226.31	222.62
Finance Costs	26	8.88	3.56
Depreciation and Amortisation Expense	27	45.63	45.63
Other Expenses	28	1,066.07	917.76
Total Expenses		**2,570.51**	**2,324.85**
Profit before Tax		**476.06**	**753.35**
Tax Expense	29		
Current Tax (Net of adjustments of Tax relating to earlier years)		129.89	158.14
Deferred Tax (Credit)/Charge		(3.84)	21.00
Profit for the year		**350.01**	**574.21**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement Gains on Defined Benefit Plans	36	0.52	3.43
- Income Tax effect	29	(0.13)	(0.86)
Total Other Comprehensive Income for the year, Net of Tax		**0.39**	**2.57**
Total Comprehensive Income for the year		**350.40**	**576.78**
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	30		
Basic and Diluted (Rs.)		17.91	29.39

Summary of Significant Accounting Policies 2

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As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
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For and on behalf of the Board of Directors of Graphite India Limited

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
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STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2023

a) Equity Share Capital (Refer Note 14.1)

Equity Shares of Rs. 2/- each issued, subscribed and fully paid	Number of Shares	(Rs. in Crores)
At 1st April, 2021	19,53,75,594	39.08
At 31st March, 2022	19,53,75,594	39.08
At 31st March, 2023	19,53,75,594	39.08

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

	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total
As at 1st April, 2021	**0.46**	**5.75**	**200.97**	**1,336.50**	**2,425.09**	**3,968.77**
Profit for the Year	-	-	-	-	574.21	574.21
Other Comprehensive Income for the year, Net of Tax						
-Remeasurement Gains on Defined Benefit Plans	-	-	-	-	2.57	2.57
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**576.78**	**576.78**
Transactions with Owners in their Capacity as Owners:						
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 41(b)]	-	-	-	-	(97.69)	(97.69)
As at 31st March, 2022	**0.46**	**5.75**	**200.97**	**1,336.50**	**2,904.18**	**4,447.86**
Profit for the Year	-	-	-	-	350.01	350.01
Other Comprehensive Income for the year, Net of Tax						
-Remeasurement Gains on Defined Benefit Plans	-	-	-	-	0.39	0.39
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**350.40**	**350.40**
Transactions with Owners in their Capacity as Owners:						
Final Dividend on Equity Shares for the Financial Year 2021-22 [Refer Note 41(b)]	-	-	-	-	(195.38)	(195.38)
As at 31st March, 2023	**0.46**	**5.75**	**200.97**	**1,336.50**	**3,059.20**	**4,602.88**

Summary of Significant Accounting Policies Note 2

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

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**
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For and on behalf of the Board of Directors of Graphite India Limited

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

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STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2023

(Rs. in Crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash Flows from Operating Activities:		
Profit before Tax	476.06	753.35
Adjustments for:		
Depreciation and Amortisation Expense	45.63	45.63
Finance Costs	8.88	3.56
Bad Debts/Advances Written Off (Net of Provisions)	0.05	0.05
Provision for Doubtful Debts	1.08	-
Fair Value Loss on Derivatives not Designated as Hedges	1.19	-
Liability towards Unspent Corporate Social Responsibility	5.30	24.99
Interest Income classified as Investing Activities	(66.28)	(79.20)
Dividend Income	(1.99)	(1.20)
Net Gain on Investments Carried at Fair Value through Profit or Loss	(35.53)	(171.56)
Liabilities no Longer Required Written Back	(3.65)	(4.80)
Provision for Doubtful Debts Written Back	-	*
Loss/(Gain) on Disposal of Property, Plant and Equipment (Net)	0.68	(0.45)
Unrealised Foreign Exchange Differences (Net)	-	(0.29)
Operating Profit before changes in Operating Assets and Liabilities	**431.42**	**570.08**
Changes in Operating Assets and Liabilities:		
(Decrease)/Increase in Trade Payables	(127.14)	201.73
(Decrease) in Other Financial Liabilities	(21.40)	(60.88)
(Decrease)/Increase in Provisions	1.90	(1.03)
(Decrease)/Increase in Other Current Liabilities	(9.02)	9.31
(Increase) in Inventories	(719.30)	(647.19)
Decrease/(Increase) in Trade Receivables	13.74	(176.15)
Decrease/(Increase) in Loans	0.06	(0.01)
Decrease in Other Financial Assets	45.35	9.71
Decrease/(Increase) in Other Non-current Assets	*	(0.02)
Decrease/(Increase) in Other Current Assets	(59.16)	19.92
Cash Used in Operations	**(443.55)**	**(74.53)**
Income Taxes Refund/(Paid) (Net of Taxes Paid/Refunds)(Refer Note 44)	330.61	(118.58)
Net Cash Used in Operating Activities	**(112.94)**	**(193.11)**
B. Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment and Intangible Assets (including Capital Work-in-progress and Intangible Assets under Development)	(159.16)	(86.23)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	0.41	4.23
Payments for Purchase of Investments	(3,011.20)	(2,502.08)
Proceeds from Sale/Redemption of Investments	3,406.08	2,686.87
Interest Received	64.39	61.34
Dividend Received	1.99	1.20
Investment in Fixed Deposits with Banks	(2.39)	(0.38)
Net Cash From Investing Activities	**300.12**	**164.95**

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

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2023

(Rs. in Crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
C. Cash Flows from Financing Activities:		
Dividend Paid	(195.38)	(97.69)
Finance Costs Paid	(8.74)	(3.13)
Short-term Borrowings - Receipts/(Payments) (Net) @	(8.51)	120.63
Net Cash From/(Used in) Financing Activities	**(212.63)**	**19.81**
D. Exchange Differences on Translation of Foreign Currency:		
Cash and Cash Equivalents	-	*
Net Cash Outflow (A+B+C+D)	**(25.45)**	**(8.35)**
Cash and Cash Equivalents - At the beginning of the year (Refer Note 8)	28.77	37.12
Cash and Cash Equivalents - At the end of the year (Refer Note 8)	3.32	28.77
	(25.45)	**(8.35)**

@ Refer Note 15.2 for Changes in Liabilities from Financing Activities.
* Amount is below the rounding off norm adopted by the Company.

Summary of Significant Accounting Policies Note 2
The accompanying Notes form an integral part of these standalone financial statements
As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

1 Corporate Information

Graphite India Limited (the 'Company') is a public company limited by shares domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is mainly engaged in the business of manufacturing and selling of graphite & carbon and other products as detailed under segment information in Note 37. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Company is located at 31, Chowringhee Road, Kolkata - 700016, West Bengal, India.

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 30th May, 2023.

2 Significant Accounting Policies

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

(a) Basis of Preparation

(i) Compliance with Ind AS

These standalone financial statements comply in all material respect with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

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

(ii) Basis of Measurement

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

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

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

(iii) Current and Non-current Classification

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

An asset is classified as current when it is:

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

b) held primarily for the purpose of trading,

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

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

(iv) Rounding off of Amounts

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

(v) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(a) Amendments to Ind AS 37 : Onerous Contracts - Costs of Fulfilling a Contract

An onerous contract is a contract under which the

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Company assessed whether certain other directly related costs are required to be included by the Company in determining the costs of fulfilling the contracts. These amendments had no impact on the standalone financial statements of the Company as there were no onerous contracts within the scope of these amendments that arose during the period.

(b) Amendments to Ind AS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(c) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

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

(b) Revenue from Contract with Customer

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, excluding amounts collected on behalf of third parties.

<u>Sale of Products</u>

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and the amount of revenue can be measured reliably and recovery of the consideration is probable. The normal credit term is 0 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions, if any. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

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

<u>Sale of Services</u>

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

<u>Other Operating Revenues</u>

Export entitlements [arising out of Duty Drawback, Merchandise Export from India/Remission of Duties

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

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

(c) Property, Plant and Equipment

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

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

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

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

<u>Estimated useful lives of the assets are as follows :</u>

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

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The Company also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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

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

(d) Intangible Assets

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Computer Software

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

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

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

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

(e) Impairment of Non-financial Assets

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

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

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

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs etc. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts, as applicable.

(f) Leases

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

Company as a Lessee

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

Right-of-use Assets

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

Lease Liabilities

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

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

Short-term Leases and Leases of Low-value Assets

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

Company as a Lessor

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

(g) Inventories

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

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

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

Stock-in-trade - cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

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

(h) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment, if any. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

Debt Instruments

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

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. This assessment is referred to as the Solely Payments of Principal and Interest (SPPI) test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income'.

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest Income on financial assets are measured at amortised cost and fair value through profit or loss and is included in 'Other Income' in the Statement of Profit and Loss.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably, which is generally when shareholders approve the dividend.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, underlying asset analysis, comparable companies multiple method, comparable transaction method and available quoted market prices.

(j) Derivative Instruments

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

(k) Offsetting Financial Instruments

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

(l) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Trade Payables

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

Loans and Borrowings

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

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

Financial Guarantee Contracts

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

Derecognition

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

(n) Borrowing Costs

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

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

(o) Forward Currency Contracts

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

Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

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

(p) Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Financial Liabilities' in the Balance Sheet.

(ii) Post-employment Benefits

I. Defined Benefit Plans

a) Gratuity

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

b) Provident Fund

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

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

II. Defined Contribution Plans

a) Superannuation

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

b) Provident Fund

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

(iii) Other Long-term Employee Benefits

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

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

(q) Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The current income tax charge is calculated on the basis of the tax laws and tax rates enacted or substantively enacted at the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company shall reflect

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission etc. as applicable in respective scenarios.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(r) Government Grants

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

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

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

(s) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

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

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

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

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Dividend Distribution to Equity-holders

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

Earnings per Share

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

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

(t) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

(u) Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Executive Director of the Company. Refer Note 37 for segment information presented.

(v) Use of Estimates

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

(w) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS which are effective from 1st April, 2023.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the standalone financial statements.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently analysing their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1st April, 2023.

The Company is currently assessing the impact of the amendments.

3 Critical Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

- Employee Benefits (Estimation of Defined Benefit Obligations) - Notes 2(p) and 36

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

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

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

- Contingencies - Notes 2(t) and 34

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

- Valuation of Deferred Tax Assets - Notes 2(q) and 20

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

- Fair Value Measurements - Notes 2(i)(vi) and 39

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

- Net Realisable Value of Inventories - Notes 2(g)

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

4 Property, Plant and Equipment ^

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

(Rs. in Crores)

	Freehold Land	Buildings @	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at and for the year ended 31st March, 2022							
Gross Carrying Amount							
Opening Balance	22.40	216.55	575.38	3.09	7.22	4.53	829.17
Additions	-	4.08	10.38	0.26	0.77	0.34	15.83
Disposals	-	(1.16)	(5.34)	(0.01)	(0.96)	(0.28)	(7.75)
Closing Balance	**22.40**	**219.47**	**580.42**	**3.34**	**7.03**	**4.59**	**837.25**
Accumulated Depreciation							
Opening Balance	-	53.36	200.90	1.75	3.68	3.03	262.72
For the Year	-	8.88	35.00	0.26	0.68	0.55	45.37
On Disposals	-	(0.43)	(2.36)	(0.01)	(0.91)	(0.28)	(3.99)
Closing Balance	**-**	**61.81**	**233.54**	**2.00**	**3.45**	**3.30**	**304.10**
Net Carrying Amount	**22.40**	**157.66**	**346.88**	**1.34**	**3.58**	**1.29**	**533.15**
As at and for the year ended 31st March, 2023							
Gross Carrying Amount							
Opening Balance	22.40	219.47	580.42	3.34	7.03	4.59	837.25
Additions	1.86	26.83	139.74	0.71	0.97	0.72	170.83
Disposals	-	-	(2.68)	(0.04)	(0.37)	(0.47)	(3.56)
Closing Balance	**24.26**	**246.30**	**717.48**	**4.01**	**7.63**	**4.84**	**1,004.52**
Accumulated Depreciation							
Opening Balance	-	61.81	233.54	2.00	3.45	3.30	304.10
For the Year	-	9.13	34.52	0.30	0.79	0.65	45.39
On Disposals	-	-	(1.65)	(0.03)	(0.33)	(0.46)	(2.47)
Closing Balance	**-**	**70.94**	**266.41**	**2.27**	**3.91**	**3.49**	**347.02**
Net Carrying Amount	**24.26**	**175.36**	**451.07**	**1.74**	**3.72**	**1.35**	**657.50**

@ Includes Buildings constructed on Leasehold Land [included under Right-of-use Asset (Refer Note 5.4)] - Gross Carrying Amount Rs. 221.38 Crores (Net Carrying Amount - Rs.160.79 Crores) [Previous Year - Gross Carrying Amount Rs.194.59 Crores (Net Carrying Amount - Rs.142.02 Crores)].

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

(Rs. in Crores)

4.2 Capital Work-in-progress

	Year ended 31st March, 2023	Year ended 31st March, 2022
Carrying amount at the beginning of the year	142.00	79.51
Additions during the year	150.85	76.95
Capitalised during the year	(166.57)	(14.46)
Carrying amount at the end of the year	**126.28**	**142.00**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

4.3 Capital Work-in-progress Ageing Schedule @

As at 31st March, 2023 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	106.78	17.08	2.42	*	126.28

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

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

@ There are no projects as on March 31, 2023 and March 31, 2022 where activity has been suspended.

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

As at 31st March, 2023 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
NSK-GE-WBS-SAT-0014	4.11	-	-	-	4.11
NSK-GE-WBS-SAT-0010	72.68	-	-	-	72.68
DGP-0007	2.58	-	-	-	2.58
DGP-0012	0.54	-	-	-	0.54
DGP-0013	11.51	-	-	-	11.51
PSD-203346	0.86	-	-	-	0.86
Others	4.04	-	-	-	4.04
Total	**96.32**	**-**	**-**	**-**	**96.32**

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

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
PSD-203346	0.86	-	-	-	0.86
DGP-0009	78.65	-	-	-	78.65
DGP-0012	29.71	-	-	-	29.71
DGP-0007	0.85	-	-	-	0.85
DGP-0010	8.23	-	-	-	8.23
Others	3.85	-	-	-	3.85
Total	**122.15**	**-**	**-**	**-**	**122.15**

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

4.8 Title deeds of immovable properties set out in Note 4.1 and 5.4, where applicable, are in the name of the Company except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL). The immovable properties of GVIL/PSL, inter alia, got transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

Title deeds of following lands are not held in the name of Company as at 31st March, 2023 and 31st March, 2022 -

(Rs. in Crores)

Particulars	Description of Property	Gross Carrying Value	Net Carrying Value	Held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director # @	Property held since which date	Reasons for not being held in the name of the Company
Property, Plant and Equipment	Freehold Land at Nashik-Ambad (1 Title Deed)	0.07	0.07	Graphite Vicarb India Limited	No	01.01.1994	Transfer of ownership is under process.
Property, Plant and Equipment	Freehold Land at Titilagarh (4 Title Deeds)	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in Court of Tehsildar, Titilagarh (Refer Note 4.9 below).
Property, Plant and Equipment	Freehold Land at Titilagarh (6 Title Deeds)	0.07	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited.
Property, Plant and Equipment	Freehold Land at Titilagarh (2 Title Deeds)	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Original Title deeds have been misplaced and is not available with the Company. The Company has initiated necessary action in this respect.
Right-of-use Asset	Leasehold Land at Titilagarh (2 Title Deeds)	0.22	0.14	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process.

Promoter as defined in the Companies Act, 2013

@ Relative as defined in the Companies Act, 2013

4.9 A portion of the land at Titilagarh including Freehold Land mentioned in Note 4.8 above is under dispute on legal ownership - Rs. 2.67 Crores (Previous Year - Rs. 2.67 Crores) disclosed as contingent liability and included under 'Other Matters' in Note 34(i)(h).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

5.1 Intangible Assets ^

(Rs. in Crores)

	Computer Software - Acquired
As at and for the year ended 31st March, 2022	
Gross Carrying Amount	
Opening Balance	3.32
Additions	0.02
Disposals	*
Closing Balance	**3.34**
Accumulated Amortisation	
Opening Balance	2.73
For the Year	0.24
Disposals	*
Closing Balance	**2.97**
Net Carrying Amount	**0.37**
As at and for the year ended 31st March, 2023	
Gross Carrying Amount	
Opening Balance	3.34
Additions	0.06
Disposals	(0.01)
Closing Balance	**3.39**
Accumulated Amortisation	
Opening Balance	2.97
For the Year	0.22
Disposals	(0.01)
Closing Balance	**3.18**
Net Carrying Amount	**0.21**

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

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

(Rs. in Crores)

5.3 Intangible Assets under Development	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Carrying amount at the beginning of the year	-	-
Additions during the year	0.85	-
Capitalised during the year	-	-
Carrying amount at the end of the year	**0.85**	**-**

Intangible Assets under Development Ageing Schedule @

As at 31st March, 2023 - **(Rs. in Crores)**

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	0.85	-	-	-	0.85

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

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	-	-	-	-	-

@ There is no such project in intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March, 2023.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

5.4 Right-of-use Assets

	(Rs. in Crores)
	Leasehold Land
As at and for the year ended 31st March, 2022	
Gross Carrying Amount	
Opening Balance	0.77
Additions	-
Closing Balance	**0.77**
Accumulated Amortisation	
Opening Balance	0.12
For the Year	0.02
Closing Balance	**0.14**
Net Carrying Amount	**0.63**
As at and for the year ended 31st March, 2023	
Gross Carrying Amount	
Opening Balance	0.77
Additions	-
Closing Balance	**0.77**
Accumulated Amortisation	
Opening Balance	0.14
For the Year	0.02
Closing Balance	**0.16**
Net Carrying Amount	**0.61**

Refer Note 33 for related disclosures

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

6 Investments

(Rs. in Crores)

	Face Value	Number	As at 31st March, 2023	Number	As at 31st March, 2022
Non-current Investments					
Unquoted, Fully paid:					
Investments in Equity Instruments					
In Subsidiary Companies @**					
Graphite International B.V.	Euro 1	1,73,00,000	45.37	1,73,00,000	45.37
Carbon Finance Limited	Rs.10	53,00,000	30.04	53,00,000	30.04
In Other Body Corporate #					
Sai Wardha Power Limited - Class A Equity Shares $	Rs.10	24,76,558	-	24,76,558	-
National Stock Exchange of India Limited	Re.1	3,00,000	90.46	3,00,000	91.12
Investments in Preference Shares					
In Other Body Corporate ^ $					
Sai Wardha Power Limited					
- 0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	-	31,23,442	-
Investments in Bonds and Debentures ^			422.13		327.45
Investments in Venture Capital Funds #			105.02		85.19
Investments in Market Linked Debentures #			15.15		-
Investments in Perpetual Bonds #			171.40		220.79
Investments in Mutual Funds #			22.68		12.04
			902.25		**812.00**

** Refer Note 38

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

6 Investments	Face Value	Number	As at 31st March, 2023	Number	As at 31st March, 2022
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs.10	17,20,000	73.29	17,20,000	77.13
Computer Age Management Services Ltd	Rs.10	7,425	1.51	7,425	1.72
Brookfield India Real Estate Trust	Rs. 275	2,60,000	7.28	2,60,000	8.14
MTAR Technologies Limited	Rs.10	1,917	0.30	1,917	0.34
Shyam Metallics and Energy Limited	Rs.10	9,825	0.26	9,825	0.36
Powergrid Infrastructure Investment Trust	Rs. 100	10,81,300	13.25	10,81,300	14.48
Clean Science and Technology Limited	Re.1	5,529	0.70	5,529	1.10
Escorts Limited	Rs.10	3,96,844	75.04	3,96,844	67.10
Investments in Exchange Traded Funds #			7.00		35.28
Unquoted, Fully paid:					
Investments in Corporate Deposits ^			50.00		50.00
Investments in Bonds and Debentures ^			56.41		303.93
Investments in Market Linked Debentures #			-		24.57
Investments in Perpetual Bonds #			45.38		25.08
Investments in Mutual Funds #			934.87		894.12
			1,265.29		**1,503.35**
			2,167.54		**2,315.35**
Aggregate Amount of Quoted Investments			178.63		205.65
Aggregate Amount of Unquoted Investments			1,988.91		2,109.70
@ Investment in subsidiary companies is carried at cost			75.41		75.41
^ Investments carried at Amortised Cost			528.54		681.38
# Investments carried at Fair Value through Profit or Loss			1,563.59		1,558.56
$ Original Share Certificates with the Issuer Company					

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

(Rs. in Crores)

7 Trade Receivables ^^	As at 31st March, 2023	As at 31st March, 2022
Current		
Unsecured :		
Considered Good #	522.80	537.67
Credit Impaired	5.33	4.25
Less: Provision for Doubtful Debts	(5.33)	(4.25)
	522.80	**537.67**
# Includes dues from a Subsidiary (Refer Note 38)	18.13	67.57

^^ Financial assets carried at amortised cost (Refer Note 39)

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

7.1 Trade Receivables Ageing Schedule @

As at 31st March, 2023 - **(Rs. in Crores)**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	238.61	282.29	1.55	0.27	0.08	-	522.80
- Credit Impaired	-	-	-	-	-	4.90	4.90
Disputed -							
- Credit Impaired	-	-	-	-	-	0.43	0.43
Total	**238.61**	**282.29**	**1.55**	**0.27**	**0.08**	**5.33**	**528.13**

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

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

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

7.2 Refer Note 42 for receivables secured against borrowings and Note 40 for information about credit risk and market risk on receivables. For terms and conditions relating to related party receivables, refer Note 38.

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

(Rs. in Crores)

8 Cash and Cash Equivalents ^^	**As at 31st March, 2023**	**As at 31st March, 2022**
Balances with Banks - On Current Accounts*	3.27	28.71
Cash on Hand	0.05	0.06
	3.32	**28.77**

* Refer Note 42.

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

^^ Financial assets carried at amortised cost (Refer Note 39)

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		As at 31st March, 2023	As at 31st March, 2022
9	**Other Bank Balances ^^**		
	Unpaid Dividend Accounts @	6.37	6.24
	Unspent Corporate Social Responsibility Amount	50.70	60.78
	Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	10.58	8.19
		67.65	**75.21**
	@ Earmarked for payment of Unclaimed Dividend		
	^ Includes Fixed Deposits earmarked against Bank Guarantee.	10.58	8.19
	^^ Financial assets carried at amortised cost (Refer Note 39)		
10	**Loans ^^**		
	Non-current		
	Unsecured, Considered Good :		
	Loans to Employees $	0.99	1.07
		0.99	**1.07**
	Current		
	Unsecured, Considered Good :		
	Loans to Employees $	0.84	0.82
		0.84	**0.82**
		1.83	**1.89**
	$ Includes dues from an Officer of the Company (Refer Note 38)	0.03	-
	^^ Financial assets carried at amortised cost (Refer Note 39)		
11	**Other Financial Assets**		
	Financial Assets carried at Amortised Cost unless otherwise stated (Refer Note 39)		
	Non-current		
	Unsecured, Considered Good :		
	Security Deposits	2.69	2.44
	Fixed Deposits with Banks	0.02	0.02
	(with original maturity of more than twelve months)		
	(Lodged with Government Authority/Others)		
		2.71	**2.46**
	Current		
	Unsecured, Considered Good :		
	Receivables from a Subsidiary (Refer Note 38)	1.25	1.49
	Claims Receivable/Charges Recoverable	1.33	29.97
	Security and Other Deposits	0.98	0.95
	Derivative Instruments-Foreign Exchange Forward Contracts $	-	0.03
	Export Entitlements Receivable	1.42	4.93
	Accrued Interest on Investments^	10.66	15.87
	Accrued Interest on Deposits		
	with Banks	0.24	0.10
	with Others	1.84	1.76
	Others*	16.79	234.68
		34.51	**289.78**
		37.22	**292.24**
	$ Financial Assets carried at Fair Value through Profit or Loss		
	^ Includes Financial Assets carried at Fair Value through Profit or Loss	9.91	11.70
	* Includes receivable on account of sale of listed equity shares under Open Offer which was realised subsequently.	-	204.64

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

12	**Inventories**	**As at 31st March, 2023**	**As at 31st March, 2022**
	Current		
	- At Lower of Cost and Net Realisable Value		
	Raw Materials	695.10	544.27
	Work-in-progress	1,146.22	618.34
	Finished Goods	311.68	258.64
	Stores and Spares	35.79	48.28
	Loose Tools	1.12	1.07
		2,189.91	**1,470.60**

12.1	Above includes Inventories-in-transit :		
	Raw Materials	45.95	298.65
	Work-in-progress	-	5.50
	Finished Goods	109.79	134.81
	Stores and Spares	0.93	1.52

12.2 Refer Note 42 for Information on Inventories Pledged as Security

13	**Other Assets**		
	Non-current		
	Unsecured, Considered Good :		
	Capital Advances	21.60	10.55
	Balances with Government Authorities @	4.72	4.76
	Others		
	Prepaid Expenses	0.53	0.49
		26.85	**15.80**
	Current		
	Unsecured, Considered Good :		
	Balances with Government Authorities ^	158.38	76.83
	Advance to Suppliers/Service Providers (other than capital)	12.76	32.16
	Export Entitlements Receivable	7.70	11.17
	Advance towards Gratuity (Refer Note 36)	0.85	1.76
	Prepaid/Advance for Expenses	5.79	4.40
		185.48	**126.32**
		212.33	**142.12**

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

14.1 Equity Share Capital	**As at 31st March, 2023**	**As at 31st March, 2022**
Authorised		
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up @	40.00	40.00
Issued, Subscribed and Paid-up		
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up @	39.08	39.08
Add: Forfeited Shares	*	*
	39.08	**39.08**

@ There were no changes in number of shares during the years ended 31st March, 2023 and 31st March, 2022.

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

(b) Details of Equity Shares held by the Immediate and Ultimate Holding Company and by Subsidiary/Associate of the Immediate and Ultimate Holding Company :

	Number of Shares	**Number of Shares**
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,98,23,336	11,98,23,336
Shree Laxmi Agents Private Limited; a Subsidiary of ECPL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECPL	3,86,645	3,86,645

(c) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company :

	Number of Shares	**Number of Shares**
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,98,23,336	11,98,23,336
Percentage holding	(61.33%)	(61.33%)

(d) Details of Shares held by Promoters @

As at 31st March, 2023 -

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

As at 31st March, 2022 -

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

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

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

(Rs. in Crores)

14.2 Other Equity	**As at 31st March, 2023**	**As at 31st March, 2022**
Reserves and Surplus		
Capital Reserve	0.46	0.46
Capital Redemption Reserve	5.75	5.75
Securities Premium	200.97	200.97
General Reserve	1,336.50	1,336.50
Retained Earnings [Refer (i) below]	3,059.20	2,904.18
	4,602.88	**4,447.86**

14.2 (i) Retained Earnings - Movement during the year

Opening Balance	2,904.18	2,425.09
Profit for the Year	350.01	574.21
Items of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurement Gains on Defined Benefit Plans (Net of Tax)	0.39	2.57
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 41(b)]	-	(97.69)
Final Dividend on Equity Shares for the Financial Year 2021-22 [Refer Note 41(b)]	(195.38)	-
Closing Balance	**3,059.20**	**2,904.18**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

Nature and Purpose of each Reserve

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years. The same can be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

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

Securities Premium

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

General Reserve

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

Retained Earnings

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

(Rs. in Crores)

15 Borrowings ^^	**As at 31st March, 2023**	**As at 31st March, 2022**
Current		
Secured*		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	48.09	83.59
Unsecured		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	287.14	196.36
Buyer's Credit	-	63.79
	335.23	**343.74**
Aggregate Secured Loans	48.09	83.59
Aggregate Unsecured Loans	287.14	260.15

^^ Carried at Amortised Cost (Refer Note 39)

*Secured -

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

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

Refer Note 42 for Information on Assets Pledged as Security.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

15.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

Particulars	April 1, 2022	Cash Flows	Exchange Differences	March 31, 2023
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	83.59	(35.50)	-	48.09
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	196.36	90.78	-	287.14
Buyer's Credit	63.79	(63.79)	-	-
Total Liabilities from Financing Activities	**343.74**	**(8.51)**	**-**	**335.23**

(Rs. in Crores)

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

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

The Company has obtained secured and unsecured short-term loans from banks on the basis of security of inventories and trade receivables wherein the quarterly returns as filed with banks are in agreement with unaudited books for financial year ended 31st March, 2023. The discrepancies in respect of financial year ended 31st March, 2022 are as follows -

(Rs. in Crores)

Year Ended 31st March, 2022			
Quarter Ending	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of differences**
Inventories^^$ -			
Jun-21	952.02	805.99	146.03
Sep-21	1,038.12	870.81	167.31
Dec-21	1,158.58	908.26	250.32
Trade Receivables $ -			
Jun-21	400.69	403.68	(2.99)
Sep-21	429.98	431.83	(1.85)
Dec-21	537.61	535.86	1.75

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

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

Working capital facilities were availed by the Company during Financial Years 2022-23 and 2021-22 from UCO Bank, Kotak Mahindra Bank Limited, CITI Bank N.A., ICICI Bank Limited, Axis Bank Limited, Canara Bank, HDFC Bank Limited, DBS Bank India Limited, Yes Bank, RBL Bank and CTBC Bank.

Refer Note 42 for Information on Assets Pledged as Security.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

16 Trade Payables^^	As at 31st March, 2023	As at 31st March, 2022
Current		
Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 31)	36.09	28.87
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises @ $	253.97	388.93
	290.06	**417.80**
@ Includes dues to a Subsidiary (Refer Note 38)	4.46	-

$ Refer Note 38 for dues to Other Related Parties

^^ Carried at Amortised Cost (Refer Note 39)

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

16.2 Trade Payables Ageing Schedule

As at 31st March, 2023 - **(Rs. in Crores)**

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of micro enterprises and small enterprises	1.78	34.31	-	-	-	-	36.09
- dues of creditors other than micro enterprises and small enterprises	91.58	131.97	28.88	0.19	0.06	1.29	253.97
Total	**93.36**	**166.28**	**28.88**	**0.19**	**0.06**	**1.29**	**290.06**

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

17 Other Financial Liabilities

	As at 31st March, 2023	As at 31st March, 2022
Financial Liabilities carried at Amortised Cost, unless otherwise stated (Refer Note 39)		
Current		
Employee Benefits Payable (Refer Note 38)	27.00	20.85
Interest Accrued but not due	0.67	0.53
Unpaid Dividends @	6.37	6.24
Liability towards Corporate Social Responsibility (Refer Note 28.2)	56.00	90.77
Capital Liabilities	18.48	10.58
Claims/Charges Payable	3.60	3.95
Security Deposits	0.36	0.36
Derivative Instruments - Foreign Exchange Forward Contracts $	1.16	-
Remuneration Payable to Non-executive Directors (Refer Note 38)	0.49	0.51
	114.13	**133.79**

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

$ Financial Liability carried at Fair Value through Profit or Loss (Refer Note 39)

18 Other Current Liabilities

Current		
Dues Payable to Government Authorities @	5.72	8.57
Advances from Customers	24.22	30.62
	29.94	**39.19**

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

19 Provisions

Current		
Provision for Employee Benefits (Refer Note 36 & 38)	26.08	24.76
Provision for Litigations/Claims	10.17	10.10
	36.25	**34.86**

Movement in Provision for Litigation/Claims

Opening Balance	10.10	10.50
Additions	0.07	-
Utilisation/Reversal	-	(0.40)
Closing Balance	**10.17**	**10.10**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

20 Deferred Tax Liabilities (Net)

Significant Components and Movement in Deferred Tax Assets and Liabilities during the Year -

(Rs. in Crores)

	As at 1st April, 2022	Recognised in the Statement of Profit and Loss	As at 31st March, 2023
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	71.11	(1.40)	69.71
Financial Assets at Fair Value through Profit or Loss - Investments	49.05	(3.49)	45.56
Total Deferred Tax Liabilities	**120.16**	**(4.89)**	**115.27**
Deferred Tax Assets			
Provision for Employee Benefits	4.51	0.36	4.87
Employee Benefits Payable	0.18	-	0.18
Dues Payable to Government Authorities	0.97	-	0.97
Trade Receivables	1.07	0.27	1.34
Provision towards Voluntary Retirement Scheme	3.36	(1.68)	1.68
Total Deferred Tax Assets	**10.09**	**(1.05)**	**9.04**
Deferred Tax Liabilities (Net)	**110.07**	**(3.84)**	**106.23**

(Rs. in Crores)

	As at 1st April, 2021	Recognised in the Statement of Profit and Loss	As at 31st March, 2022
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	73.38	(2.27)	71.11
Financial Assets at Fair Value through Profit or Loss - Investments	28.75	20.30	49.05
Total Deferred Tax Liabilities	**102.13**	**18.03**	**120.16**
Deferred Tax Assets			
Provision for Employee Benefits	5.77	(1.26)	4.51
Employee Benefits Payable	0.19	(0.01)	0.18
Dues Payable to Government Authorities	0.97	-	0.97
Trade Receivables	1.09	(0.02)	1.07
Provision towards Voluntary Retirement Scheme	5.04	(1.68)	3.36
Total Deferred Tax Assets	**13.06**	**(2.97)**	**10.09**
Deferred Tax Liabilities (Net)	**89.07**	**21.00**	**110.07**

(Rs. in Crores)

	As at 31st March, 2023	As at 31st March, 2022
20.1 Non-current Tax Assets (Net)		
Advance Tax and Tax Deducted at Source [Net of Provision for Tax Rs. 821.48 Crores (Previous Year - Rs. 691.60 Crores)]	42.53	128.33
20.2 Current Tax Liabilities (Net)		
Current Tax Liabilities [Net of Advance Tax Rs. 1,722.51 Crores (Previous Year - Rs. 2,097.20 Crores)] (Refer Note 44)	476.78	101.94

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

21 Revenue from Operations	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products [Includes Sale to a Subsidiary (Refer Note 38)]	2,048.00	2,195.44
Carbon Paste	18.54	17.01
Calcined Petroleum Coke	311.08	151.58
Impervious Graphite Equipment and Spares	227.82	191.19
GRP/FRP Pipes and Tanks	6.24	5.72
High Speed Steel	174.34	140.67
Alloy Steel	7.69	6.31
Electricity	46.26	27.69
Others	49.53	33.40
Sale of Services (Processing/Service Charges)	1.03	0.90
Other Operating Revenues		
Export Entitlements	19.74	25.01
Royalty (Refer Note 38)	3.21	4.01
	2,913.48	**2,798.93**

Timing of Revenue Recognition		
Goods transferred at a point in time	2,889.50	2,769.01
Services transferred over time	1.03	0.90
	2,890.53	**2,769.91**

Refer Note 37(c) for details of Revenue disaggregated on the basis of geography.

Contract Balances		
Trade Receivables	522.80	537.67
Less - Contract Liabilities		
Advance from Customers	24.22	30.62
Net Contract Balances	**498.58**	**507.05**

The Company has recognised a revenue of Rs. 30.62 Crores (Previous Year - Rs. 16.26 Crores) from the amount included under advance from customers at the beginning of the year.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

22 Other Income

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Income		
From Financial Assets carried at Amortised Cost		
- Investments	36.29	44.06
- Loans and Deposits	4.55	9.47
- Trade Receivables	3.93	0.57
From Financial Assets carried at Fair Value through Profit or Loss		
- Investments	25.44	25.67
From Income-tax/Other Government Authorities	-	10.52
	70.21	**90.29**
Dividend Income	**1.99**	**1.20**
Others		
Net Gain on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arisen during the year of Rs. 26.92 Crores (Previous Year - Rs. 138.48 Crores)] @	35.53	171.56
Fair Value Gains on Derivatives not Designated as Hedges	-	0.03
Guarantee Fee (Refer Note 38)	1.20	0.41
Liabilities no longer required Written Back	3.65	4.80
Provision for Doubtful Debts Written Back	-	*
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. Nil (Previous Year - Rs. 0.99 Crores)]	-	0.45
Net Gain on Foreign Currency Transactions and Translation	12.03	3.68
Other Non-operating Income	8.48	6.85
	60.89	**187.78**
	133.09	**279.27**

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

23(a) Cost of Materials Consumed

Opening Inventory	544.27	167.70
Add : Purchases (Refer Note 38)	1,938.01	1,757.63
	2,482.28	**1,925.33**
Less : Closing Inventory	695.10	544.27
	1,787.18	**1,381.06**

23(b) Purchases of Stock-in-trade

Calcined Petroleum Coke	17.36	-
	17.36	**-**

24 Changes in Inventories of Finished Goods and Work-in-progress

Finished Goods		
Closing Stock	311.68	258.64
Deduct: Opening Stock	258.64	111.58
	(53.04)	**(147.06)**
Work-in-progress		
Closing Stock	1,146.22	618.34
Deduct: Opening Stock	618.34	519.62
	(527.88)	**(98.72)**
	(580.92)	**(245.78)**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
25	**Employee Benefits Expense (Refer Note 46)**		
	Salaries, Wages and Bonus (Refer Note 38)	203.51	200.30
	Contribution to Provident and Other Funds (Refer Note 36 & 38)	14.56	14.15
	Staff Welfare Expenses	8.24	8.17
		226.31	**222.62**
26	**Finance Costs**		
	Interest Expense on		
	- Borrowings from Banks	8.48	3.35
	- Others	0.26	0.04
	Other Borrowing Costs	0.14	0.17
		8.88	**3.56**
27	**Depreciation and Amortisation Expense**		
	Depreciation of Property, Plant and Equipment (Refer Note 4.1)	45.39	45.37
	Amortisation of Intangible Assets (Refer Note 5.1)	0.22	0.24
	Amortisation of Right-of-use Assets (Refer Note 5.4)	0.02	0.02
		45.63	**45.63**
28	**Other Expenses**		
	Consumption of Stores and Spare Parts (Refer Note 28.1)	277.12	248.26
	Power and Fuel (Refer Note 43)	493.81	350.85
	Rent (Refer Note 33 & 38)	2.00	1.91
	Repairs and Maintenance :		
	- Buildings	3.67	4.58
	- Plant and Machinery	28.58	30.00
	- Others	5.82	5.51
	Insurance	13.70	11.35
	Rates and Taxes	4.05	1.51
	Freight and Forwarding Charges	83.77	119.74
	Commission to Selling Agents	17.20	18.68
	Travelling and Conveyance	3.86	1.31
	Directors' Remuneration (Other than Executive Director) (Refer Note 38)	0.76	0.82
	Bad Debts/Advances Written Off [Net of adjustment of Provision for Doubtful Debts Written Back Rs. Nil (Previous Year - Rs. 0.09 Crores)]	0.05	0.05
	Provision for Doubtful Debts	1.08	-
	Processing Charges	12.04	9.43
	Fair Value Loss on Derivatives not Designated as Hedges	1.19	-
	Contract Labour Charges	54.91	54.32
	Loss on Disposal of Property, Plant and Equipment [Net of Profit on Disposal of Property, Plant and Equipment Rs. 0.12 Crores (Previous Year - Rs. Nil)]	0.68	-
	Expenditure towards Corporate Social Responsibility Activities (Refer Note 28.2)	6.13	30.49
	Legal and Professional Fees (Refer Note 38)	33.82	9.42
	Payment to Auditor (Refer Note 28.3)	0.93	0.88
	Miscellaneous Expenses (Refer Note 38)	20.90	18.65
		1,066.07	**917.76**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

			Year ended 31st March, 2023	Year ended 31st March, 2022
28.1	**Consumption of Stores and Spare Parts includes :**			
	Packing Materials		18.19	18.86
	Loose Tools		2.57	2.76
28.2	**Details of Corporate Social Responsibility Expenditure :**			
	(a)	Gross amount required to be spent by the Company during the year	6.13	30.49
	(b)	Amount spent during the year on:		
		(i) Construction/acquisition of any asset	-	-
		(ii) For purposes other than (i) above	0.83	5.50
		Total	**0.83**	**5.50**
	(c)	Shortfall at the end of Current Year	5.30	24.99
	(d)	Total of Previous Years shortfall	50.70	65.78
	(e)	**Reasons for shortfall -**		
		Year ended 31st March, 2023 - Company projects are mostly long-term and on-going which takes time for execution.		
		Year ended 31st March, 2022 - Due to continuation of pandemic situation, the Company was unable to fully undertake and complete the activities which were planned to be undertaken. Moreover, the amounts that were proposed to be spent were voluminous and the Company was faced with logistical difficulties in spending the allocated amounts.		
	(f)	**Nature of CSR activities -**		
		(i) Eradicating hunger, poverty & malnutrition, promoting health care including preventive healthcare and sanitation, safe drinking water etc.	0.55	0.32
		(ii) Promoting education including special education and employment enhancing vocational skills	0.05	-
		(iii) Amount spent on administrative overheads	0.23	0.18
		(iv) Contribution to West Bengal State Disaster Management Authority for Covid Relief work	-	5.00
		(v) Liability towards Unspent Corporate Social Responsibility for the year for ongoing projects @	5.30	24.99
		Total	**6.13**	**30.49**

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(g)	**Details of Related Party Transactions -**		
	- Contribution made to B D Bangur Endowment (Refer Note 38)	5.16	4.11
	[Includes contribution from Unspent CSR Balances towards on-going CSR Activities relating to earlier years Rs. 4.56 Crores (Previous Year - Rs. 3.78 Crores)]		
(h)	**Movement in Provision -**		
	Opening Provision at the beginning of the year	90.77	70.06
	Add - Provision made during the year	5.30	24.99
	Less - Amount utilised out of provision during the year	40.07	4.28
	Closing Provision as at the end of the year (Refer Note 17)	**56.00**	**90.77**

28.3 Payment to Auditor

As Auditor -		
Audit Fee	0.54	0.54
Limited Review	0.31	0.31
In Other Capacity -		
Other Services (Certification Fees)	0.03	0.02
Reimbursement of Expenses	0.05	0.01
	0.93	**0.88**

29 Tax Expense

A. Tax Expense Recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	129.71	158.14
Adjustments for Current Tax relating to Earlier Years	0.18	-
	129.89	**158.14**
Deferred Tax (Credit)/Charge		
Origination and Reversal of Temporary Differences (Refer Note 20)	(3.84)	21.00
Tax Expense	**126.05**	**179.14**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurement Gains on Defined Benefit Plans	**(0.13)**	**(0.86)**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

29.1 Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before Income Tax Expense	476.06	753.35
Enacted Statutory Income Tax Rate in India applicable to the Company	25.168%	25.168%
Computed Expected Income Tax Expense	**119.82**	**189.60**
Adjustments -		
Impact of Interest on Tax Refund offered for Tax purposes	14.44	-
Expenses not Deductible for Tax Purposes (Net)	1.12	7.51
Impact of Capital Gains on Investments	(10.35)	(18.91)
Adjustment for Current Tax relating to Earlier Years	0.18	-
Others	0.84	0.94
Tax Expense	**126.05**	**179.14**

30 Earnings per Equity Share Basic and Diluted Earning		
(i) Number of Equity Shares at the beginning of the year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the end of the year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of each Equity Share (Rs.)	2	2
(v) Profit after Tax available for Equity Shareholders		
Profit for the Year (Rs. in Crores)	350.01	574.21
(vi) Basic and Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	17.91	29.39

31 Information relating to Micro Enterprises and Small Enterprises (MSEs) as defined under the MSMED Act, 2006		
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal amount due to Micro Enterprises and Small Enterprises	36.09	28.87
Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal amount due to Micro Enterprises and Small Enterprises	-	0.01
Interest due on above	-	-
(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 amount due to Micro Enterprises and Small Enterprises	-	-
Interest due on above	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	*
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

32	Research and Development Expenditure	Year ended 31st March, 2023	Year ended 31st March, 2022
	Research and Development Expenditure of revenue nature are recognised in the Statement of Profit and Loss during the year.	0.12	0.09

33 The Company has lease contracts for various lands which has lease terms between 60 and 999 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and Company had initially made one time lump-sum lease payments and there is no further cash outflow. For carrying amounts of right-of-use assets recognised and the movements during the period, refer Note 5.4.

The Company also has cancellable lease arrangements for certain accommodation. Terms of such lease include one month's notice by either party for cancellation, option for renewal on mutually agreed terms and there are no restrictions imposed by such lease arrangements. The Company has applied the 'short-term lease' exemptions for these leases. Rental expense recorded for short-term leases or cancellable in nature amounts to Rs. 2.00 Crores (Previous Year - Rs. 1.91 Crores).

(Rs. in Crores)

34	Contingencies	As at 31st March, 2023	As at 31st March, 2022
	(i) Claims against the Company not acknowledged as debts: Taxes, duties and other demands (under appeal/dispute)		
	(a) Excise Duty	2.52	2.55
	(b) Custom Duty	8.01	8.32
	(c) Service Tax	18.40	17.71
	(d) Sales Tax/Value Added Tax	4.51	4.51
	(e) Goods & Service Tax	3.23	-
	(f) Income Tax	43.46	49.85
	(g) Labour Related Matters	12.39	14.32
	(h) Other Matters (Property, Rental etc.)	13.71	13.41
	(ii) Customer appeal pending at High Court against award/order in favour of the Company by Arbitral Tribunal and District Court relating to charges deducted, consequential loss of profit and interest in a construction contract. The Company has withdrawn the entire disputed amount deposited by the customer before High Court with a bank guarantee for 50% of the amount as per the directions of the High Court.	13.62	13.62
	During the current year, Company received Rs. 3.52 Crores as interest against which Bank guarantee of Rs. 1.76 Crores has been furnished by the Company.	3.52	-
	In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.		

35	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	87.68	84.26
	(b) Other Commitments - Investments	24.54	16.19
	(c) Corporate Guarantee given to banks/others to secure the financial assistance/accommodation extended to a Subsidiary Company.	196.75	185.04

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

36 Employee Benefits

(I) Post-employment Defined Benefit Plans

(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act,1972 without ceiling limit, except Rs. 0.20 Crores for Powmex Division. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(p)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

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

(Rs. in Crores)

		31st March, 2023	31st March, 2022
(a)	**Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation**		
	Present Value of Obligation at the beginning of the year	47.98	47.95
	Current Service Cost	3.00	2.92
	Interest Cost	3.19	2.79
	Remeasurements (Gains)/Losses		
	Actuarial (Gains) arising from Changes in Financial Assumptions	(0.85)	(3.94)
	Actuarial Losses arising from Changes in Experience Adjustments	0.35	1.02
	Actuarial (Gains) arising from Changes in demographic assumptions	-	(0.01)
	Benefits Paid	(3.40)	(2.75)
	Present Value of Obligation at the end of the year	**50.27**	**47.98**
(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	48.56	42.48
	Interest Income	3.28	2.64
	Remeasurements Gains/(Losses)		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	0.02	0.50
	Contributions by Employer	1.35	5.69
	Benefits Paid	(3.40)	(2.75)
	Fair Value of Plan Assets at the end of the year	**49.81**	**48.56**
(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	50.27	47.98
	Less - Fair Value of Plan Assets at the end of the year	49.81	48.56
	Liabilities/(Assets) Recognised in the Balance Sheet *	**0.46**	**(0.58)**
(d)	**Actual Return on Plan Assets**	**3.30**	**3.14**
(e)	**Expense Recognised in the Other Comprehensive Income**		
	Remeasurement (Gains)/Losses (Net)	(0.52)	(3.43)
		(0.52)	**(3.43)**

* Rs. 0.85 Crores shown under Advance towards Gratuity (Previous Year - Rs. 1.76 Crores) (Refer Note 13).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		31st March, 2023	31st March, 2022
(f)	**Expense Recognised in Profit or Loss**		
	Current Service Cost	3.00	2.92
	Net Interest Cost	(0.09)	0.15
	Total @	**2.91**	**3.07**

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

		(In %)	(In %)
(g)	**Category of Plan Assets**		
	Funded with LICI	99.82	99.76
	Cash and Cash Equivalents	0.18	0.24
		100.00	**100.00**

		31st March, 2023	31st March, 2022
(h)	**Principal Actuarial Assumptions**		
	Discount Rate	7.10%	6.90%
	Salary Growth Rate	7.00%	7.00%
	The following average withdrawal rates per thousand have been assumed:		
	Withdrawal Rate	10 per thousand	10 per thousand
		6 above age 45	6 above age 45
		3 between 29 and 45	3 between 29 and 45
		1 below age 29	1 below age 29

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India'.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(i)	**Sensitivity Analysis**	**Change in Assumption**	**Impact on defined benefit obligation (2022-23)**	**Impact on defined benefit obligation (2021-22)**
	Discount Rate	Increase by 1%	Decrease by Rs. 3.88 Crores	Decrease by Rs. 3.73 Crores
		Decrease by 1%	Increase by Rs. 4.50 Crores	Increase by Rs. 4.34 Crores
	Salary Growth Rate	Increase by 1%	Increase by Rs. 4.46 Crores	Increase by Rs. 4.29 Crores
		Decrease by 1%	Decrease by Rs. 3.91 Crores	Decrease by Rs. 3.76 Crores
	Withdrawal Rate	Increase by 50%	Increase by Rs. * Crores	Increase by Rs. * Crores
		Decrease by 50%	Decrease by Rs. 0.01 Crores	Decrease by Rs. 0.01 Crores
	Mortality Rate	Increase by 10%	Increase by Rs. * Crores	Increase by Rs. * Crores
		Decrease by 10%	Decrease by Rs. * Crores	Decrease by Rs. * Crores

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(j) The Company expects to contribute Rs. 3.55 Crores (Previous Year - Rs. 2.67 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation as at 31st March, 2023 is 8.96 years. (Previous Year – 7.65 years).

(B) Provident Fund

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

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 0.13 Crores (Previous Year - Rs. 0.35 Crores) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs. 0.29 Crores (Previous Year – Rs. 0.29 Crores) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 25. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

	31st March, 2023	31st March, 2022
Principal Actuarial Assumptions		
Discount Rate	7.12% & 7.11%	5.60% & 4.80%
Expected Return on Exempted Fund	8.23% & 7.76%	6.87% & 7.18%
Guaranteed Interest Rate	8.15%	8.10%

(II) Post-employment Defined Contribution Plans

During the year, an amount of Rs. 11.36 Crores (Previous Year - Rs. 10.79 Crores) has been recognised as expenditure towards above defined contribution plans of the Company.

(A) Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trustees. The Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

(III) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

The total provision recorded by the Company towards this obligation was Rs. 24.64 Crores and Rs. 23.23 Crores as at 31st March, 2023 and 31st March, 2022 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Rs. in Crores)

	31st March, 2023	**31st March, 2022**
Leave provision not expected to be settled within the next 12 months	21.68	20.79

(IV) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

37 Segment Information

A. Description of Segments and Principal Activities

The Company's Executive Director examines the Company's performance on the basis of its business and has identified two reportable segments:

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

b) **Others Segment,** engaged in manufacturing/laying of GRP Pipes, and in manufacturing of High Speed Steel and Alloy Steel and Power Generating Unit exclusively for outside sale.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Standalone Financial Statements. Also, the Company's borrowings (including finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2022-23	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Revenue from Operations						
External Sales	2,655.98	2,589.38	234.55	180.53	2,890.53	2,769.91
Other Operating Revenues	22.79	29.00	0.16	0.02	22.95	29.02
	2,678.77	**2,618.38**	**234.71**	**180.55**	**2,913.48**	**2,798.93**
Inter Segment Sales	0.64	0.68	0.45	0.29	1.09	0.97
Segment Revenues	**2,679.41**	**2,619.06**	**235.16**	**180.84**	**2,914.57**	**2,799.90**
Segment Results	**391.52**	**526.36**	**45.55**	**26.00**	**437.07**	**552.36**
Reconciliation to Profit before Tax:						
Net Gain on Investments Carried at Fair Value through Profit or Loss					35.53	171.56
Finance Costs					(8.88)	(3.56)
Interest Income					65.51	86.64
Dividend Income					1.99	1.20
Other Unallocable Expenditure (Net)					(55.16)	(54.85)
Profit before Tax					**476.06**	**753.35**
Depreciation and Amortisation Expense	**40.92**	**40.98**	**3.41**	**3.34**	**44.33**	**44.32**
Unallocable					1.30	1.31
Total					**45.63**	**45.63**
Non-cash Expenses other than Depreciation and Amortisation Expense	**0.89**	**1.12**	**2.11**	**0.55**	**3.00**	**1.67**
Unallocable					0.01	*
Total					**3.01**	**1.67**
Interest Income	**0.75**	**3.53**	**3.95**	**0.12**	**4.70**	**3.65**
Unallocable					65.51	86.64
Total					**70.21**	**90.29**
Capital Expenditure	**149.55**	**75.78**	**6.03**	**2.17**	**155.58**	**77.95**
Unallocable					0.42	0.39
Total					**156.00**	**78.34**
Segment Assets	**3,562.07**	**2,745.70**	**160.56**	**135.61**	**3,722.63**	**2,881.31**
Reconciliation to Total Assets:						
Investments					2,167.54	2,315.35
Non-current Tax Assets (Net)					42.53	128.33
Other Unallocable Assets					97.88	343.34
Total					**6,030.58**	**5,668.33**
Segment Liabilities	**368.09**	**499.96**	**30.51**	**21.51**	**398.60**	**521.47**
Reconciliation to Total Liabilities:						
Borrowings					335.23	343.74
Current Tax Liabilities (Net)					476.78	101.94
Deferred Tax Liabilities (Net)					106.23	110.07
Other Unallocable Liabilities					71.78	104.17
Total					**1,388.62**	**1,181.39**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

C. Entity-wide Disclosures:	**2022-23**	**2021-22**
(i) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:		
(Excluding other operating revenues)		
India	2,046.85	1,764.66
Rest of the World	843.68	1,005.25
	2,890.53	**2,769.91**

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

(iii) One customer individually accounted for more than 10% of the revenues from external customers amounting to Rs. 464.30 Crores during the year ended March 31, 2023 arising from sales in the Graphite and Carbon Segment and Rs. 444.63 Crores during previous year ended March 31, 2022.

38 Related Party Disclosures:

(i) Related Parties -

Name	**Relationship**
Where control exists:	
Emerald Company Private Limited (ECPL) #	Immediate and Ultimate Parent Company
Carbon Finance Limited #	Wholly Owned Subsidiary Company
Graphite International B.V. (GIBV) ##	Wholly Owned Subsidiary Company
Bavaria Carbon Holdings GmbH @	Wholly Owned Subsidiary Company of GIBV
Bavaria Carbon Specialities GmbH @	Wholly Owned Subsidiary Company of GIBV
Bavaria Electrodes GmbH @ - in liquidation	Wholly Owned Subsidiary Company of GIBV (is under liquidation from 01.10.2022)
Graphite Cova GmbH @	Wholly Owned Subsidiary Company of GIBV
General Graphene Corporation ^	Subsidiary Company of GIBV (was an associate till 31st January, 2022 and became subsidiary of GIBV with effect from 1st February, 2022)
# Principal place of business - India	
## Principal place of business - Netherlands	
@ Principal place of business - Germany	
^ Principal place of business - The United States of America	
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECPL that gives him control over the Company, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place :	
Shree Laxmi Agents Private Limited	Fellow Subsidiary
Carbo Ceramics Limited	Associate of ECPL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Bangur, Mr. Siddhant Bangur and Ms. Rukmani Devi Bangur	Relatives of UCP
GKW Limited, Emerald Matrix Holdings PTE. Ltd, Emerald Highrise Private Limited, B.D. Bangur Endowment, Krishna Kumar Bangur (HUF), Shree Rama Vaikunth Temple, Pushkar	Entities under significant influence of UCP
Mr. A. Dixit	Key Management Personnel (KMP) - Executive Director (ED)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, Mr. Gaurav Swarup, Mr. N. Venkataramani, Ms. Sudha Krishnan $$$, Mr. J. D. Curravala $, Ms. Shalini Kamath $$	Key Management Personnel - Non-executive Directors (NED)
Mr. M. K. Chhajer^^	Key Management Personnel - Chief Financial Officer (CFO)
Mr. B. Shiva	Key Management Personnel - Company Secretary (CS)
Mr. S. W. Parnerkar^^	Key Management Personnel - Ex - Chief Financial Officer (Ex - CFO)
Khaitan & Co. AOR - Delhi, Khaitan & Co. - Mumbai, Khaitan & Co. LLP - Noida, Khaitan & Co. LLP - Kolkata, Firm in which a Director is a Partner	Entities under significant influence of NED
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel of ECPL
Mr. R.G. Darak	Relative of KMP of ECPL

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

Graphite India Limited Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite Vicarb India Limited Employees' Gratuity Fund	
Graphite India Limited (PSD) Employees' Gratuity Fund	
Graphite India Employees Group Gratuity Scheme	
Graphite India Limited Senior Staff Superannuation Fund	
Graphite India Employees Group Superannuation Scheme	
Graphite India Limited Provident Fund	
GIL Officers Provident Fund	

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

$$ Term of Shalini Kamath as Independent director ended on 10.08.2021

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

^^ Mr. S. W. Parnerkar retired on 30.06.2022 & Mr. M. K. Chhajer appointed as CFO w.e.f. 01.07.2022

(Rs. in Crores)

(ii) Particulars of transactions during the year	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
(A) Immediate and Ultimate Parent Company		
ECPL		
Dividend Paid	119.82	59.91
(B) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Sale of Goods	44.56	176.05
Purchase of Materials	4.41	5.98
Royalty Income	3.21	4.01
Guarantee Fee Income	1.20	0.41
Recoveries of Expenses (Net)	0.05	0.05
Corporate Guarantee Given	-	185.04
Carbon Finance Limited		
Rent Expense	1.21	1.21
Total	**54.64**	**372.75**
(C) Fellow Subsidiary		
Shree Laxmi Agents Private Limited		
Dividend Paid	0.88	0.44
(D) Associate of ECPL		
Carbo Ceramics Limited		
Dividend Paid	0.39	0.19
(E) UCP		
Mr. K.K.Bangur, Chairman		
Dividend Paid	0.01	0.11
Sitting Fees	0.02	0.04
Total	**0.03**	**0.15**
(F) Relatives of UCP		
Dividend Paid		
Ms. Manjushree Bangur	0.25	0.12
Ms. Divya Bagri	0.17	0.08
Ms. Aparna Bangur	0.19	0.09
Mr. Siddhant Bangur	0.25	0.12
Ms. Rukmani Devi Bangur	0.05	0.03
Total	**0.91**	**0.44**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

(G) Entities under significant influence of UCP	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Dividend Paid		
GKW Limited	4.00	2.00
Emerald Matrix Holdings PTE. Ltd	1.40	0.70
Emerald Highrise Private limited	*	*
Krishna Kumar Bangur (HUF)	0.25	0.03
Contributions made		
B.D. Bangur Endowment	0.60	0.33
Rent Expense		
Shree Rama Vaikunth Temple, Pushkar	0.01	0.01
Total	**6.26**	**3.07**
(H) KMP		
ED		
Mr. A. Dixit		
Remuneration		
Short-term Employee Benefits	1.67	1.64
Post Employment Benefits	0.17	0.16
Total	**1.84**	**1.80**
CFO		
Mr. S. W. Parnerkar		
Dividend Paid	-	*
Mr. M. K. Chhajer		
Loan Recovered	0.01	-
Interest Recovered	*	-
Remuneration		
Mr. M. K. Chhajer		
Short-term Employee Benefits	0.31	-
Post Employment Benefits	0.03	-
Mr. S. W. Parnerkar		
- Short-term Employee Benefits	0.22	0.44
- Post Employment Benefits	0.02	0.05
Total	**0.58**	**0.49**
(I) NED		
Dividend Paid		
Mr. N. Venkataramani	0.01	*
Sitting Fees		
Mr. N.S. Damani	0.02	0.03
Mr. A.V. Lodha	0.04	0.04
Mr. P.K. Khaitan	0.04	0.05
Mr. N. Venkataramani	0.07	0.07
Mr. J. D. Curravala	-	0.01
Mr. Gaurav Swarup	0.04	0.05
Ms. Shalini Kamath	-	0.01
Ms. Sudha Krishnan	0.04	0.01
Commission		
Mr. N.S. Damani	0.07	0.08
Mr. A.V. Lodha	0.08	0.10
Mr. P.K. Khaitan	0.07	0.08
Mr. N. Venkataramani	0.11	0.13
Mr. Gaurav Swarup	0.08	0.10
Ms. Sudha Krishnan	0.08	0.02
Total	**0.75**	**0.78**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

(J) Entities under significant influence of NED	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Legal and Professional Fees $		
Khaitan & Co., Mumbai	0.99	0.22
Khaitan & Co. AOR, Delhi	0.10	-
Khaitan & Co. LLP, Noida	0.09	0.12
Khaitan & Co. LLP, Kolkata	0.64	0.34
Total	**1.82**	**0.68**
$ Includes Rs. 0.63 Crores capitalised (Previous Year - Rs. Nil)		
(K) KMP of ECPL		
Remuneration		
Mr. M.C. Darak	0.28	0.23
Mr. S. Marda	0.33	0.29
Mr. B. Shiva	0.62	0.55
Total	**1.23**	**1.07**
Dividend Paid		
Mr. M.C. Darak	*	*
Mr. S. Marda	*	*
Mr. B. Shiva	*	*
Loan Recovered		
Mr. S. Marda	0.01	0.01
Interest Recovered		
Mr. S. Marda	*	*
Total	**0.01**	**0.01**
(L) Relative of KMP of ECPL		
Remuneration		
Mr. R.G. Darak	0.24	0.20
Dividend Paid		
Mr. R.G. Darak	*	*
Total	**0.24**	**0.20**
(M) PEBP		
Contributions Made		
Graphite India Limited Employees' Gratuity Fund	0.15	4.58
Graphite Vicarb India Limited Employees' Gratuity Fund	0.47	0.16
Graphite India Limited (PSD) Employees' Gratuity Fund	0.01	0.01
Graphite India Employees Group Gratuity Scheme	0.72	0.94
Graphite India Limited Senior Staff Superannuation Fund	1.93	1.41
Graphite India Employees Group Superannuation Scheme	1.26	1.16
Graphite India Limited Provident Fund	0.09	0.09
GIL Officers Provident Fund	0.20	0.20
Total	**4.83**	**8.55**

(Rs. in Crores)

(iii) Balances Outstanding	**As at 31st March, 2023**	**As at 31st March, 2022**
(A) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Trade Receivables	18.13	67.57
Other Financial Assets	1.25	1.49
Trade Payables	4.46	-
Corporate Guarantee	196.75	185.04
Graphite International B.V.		
Investments in Shares	45.37	45.37
Carbon Finance Limited		
Investments in Shares	30.04	30.04
Total	**296.00**	**329.51**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

(iii) Balances Outstanding	As at 31st March, 2023	As at 31st March, 2022
(B) KMP		
Financial Assets - Loan		
Chief Financial Officer		
Mr. M. K. Chhajer	0.03	-
Other Financial Liabilities #		
Executive Director		
Mr. A. Dixit	0.62	0.60
Chief Financial Officer		
Mr. M. K. Chhajer	0.08	-
Mr. S. W. Parnerkar	-	0.09
Company Secretary		
Mr. B. Shiva	0.07	0.09
Total	**0.80**	**0.78**
(C) NED		
Other Financial Liabilities		
Mr. N.S. Damani	0.07	0.08
Mr. A.V. Lodha	0.08	0.10
Mr. P.K. Khaitan	0.07	0.08
Mr. N. Venkataramani	0.11	0.13
Mr. Gaurav Swarup	0.08	0.10
Ms. Sudha Krishnan	0.08	0.02
Total	**0.49**	**0.51**
(D) Entities under significant influence of NED		
Trade Payables		
Khaitan & Co. LLP, Kolkata	**0.01**	*
(E) KMP of ECPL		
Financial Assets - Loan		
Mr. S. Marda	0.03	0.04
Other Financial Liabilities #		
Mr. M.C. Darak	0.05	0.02
Mr. S. Marda	0.04	0.05
Total	**0.12**	**0.11**
(F) Relative of KMP of ECPL		
Other Financial Liabilities #		
Mr. R.G. Darak	**0.04**	**0.02**
(G) PEBP		
Other Financial Liabilities		
Graphite India Limited Provident Fund	0.10	0.06
GIL Officers Provident Fund	0.06	0.04
Total	**0.16**	**0.10**

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales to and purchases from related parties are made in the ordinary course of business and at arm's length prices. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties other than disclosed above.

As the future liability for gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to an individual is not ascertainable and therefore not included above.

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

39 Fair Value Measurements

(Rs. in Crores)

(i) Financial Instruments by Category	Note No.	31st March, 2023 Carrying Amount/ Fair Value	31st March, 2022 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Unquoted Equity Shares	6	90.46	91.12
- Quoted Equity Shares	6	171.63	170.37
- Mutual Funds	6	957.55	906.16
- Exchange Traded Funds	6	7.00	35.28
- Perpetual Bonds	6	216.78	245.87
- Venture Capital Funds	6	105.02	85.19
- Market Linked Debentures	6	15.15	24.57
Other Financial Assets	11	9.91	11.70
Derivative Instruments-Foreign Exchange Forward Contracts	11	-	0.03
Assets Carried at Amortised Cost			
Investments			
- Debentures, Bonds and Corporate Deposits	6	528.54	681.38
Trade Receivables	7	522.80	537.67
Cash and Cash Equivalents	8	3.32	28.77
Other Bank Balances	9	67.65	75.21
Loans	10	1.83	1.89
Other Financial Assets *	11	27.31	280.51
Total Financial Assets		**2,724.95**	**3,175.72**
Financial Liabilities			
Liabilities Carried at Fair Value through Profit or Loss			
Derivative Instruments-Foreign Exchange Forward Contracts	17	1.16	-
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	15,17	335.90	344.27
Trade Payables	16	290.06	417.80
Other Financial Liabilities	17	112.30	133.26
Total Financial Liabilities		**739.42**	**895.33**

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

(ii) Fair Values

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2022.

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(c) The management has assessed that the fair values of Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Investments in Commercial Papers, Debentures, Bonds, Corporate Deposits, Trade Payables, Borrowings (including interest accrued) and Other Financial Liabilities approximate to their respective carrying amounts largely due to the short-term maturity of these instruments. Further, management has also assessed the carrying amount of certain loans bearing floating interest rates which are a reasonable approximation of their respective fair values and any difference between their carrying amounts and fair values is not expected to be significant.

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

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

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

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

(iii) Fair Value Hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended 31st March, 2023 and 31st March, 2022.

(Rs. in Crores)

		31st March, 2023			31st March, 2022		
		Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
(a)	**Recognised and Measured at Fair Value - Recurring Measurements**						
	Financial Assets						
	Investments						
	- Mutual Funds	-	957.55	-	-	906.16	-
	- Exchange Traded Funds	7.00	-	-	35.28	-	-
	- Perpetual Bonds	-	216.78	-	-	245.87	-
	- Quoted equity shares	171.63	-	-	170.37	-	-
	- Unquoted equity shares	-	-	90.46	-	-	91.12
	- Venture Capital Funds	-	105.02	-	-	85.19	-
	- Market Linked Debentures	-	15.15	-	-	24.57	-
	Derivative Instruments-Foreign Exchange Forward Contracts	-	-	-	-	0.03	-
		178.63	**1,294.50**	**90.46**	**205.65**	**1,261.82**	**91.12**

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		31st March, 2023			31st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	- Debentures, Bonds and Corporate Deposits	-	528.54	-	-	681.38	-
		-	**528.54**	**-**	**-**	**681.38**	**-**
(c)	**Recognised and Measured at Fair Value - Recurring Measurements**						
	Financial Liabilities						
	Derivative Instruments-Foreign Exchange Forward Contracts	-	1.16	-	-	-	-
		-	**1.16**	**-**	**-**	**-**	**-**

Fair value measurements using significant unobservable inputs (Level 3)

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

Particulars	Valuation Technique	Significant unobservable inputs
Unquoted equity shares	Net asset value, comparable companies multiple method and comparable transaction method	Earnings per share and price earnings ratio of comparable companies in the sector

		Impact of sensitivity on fair value	
		31st March, 2023	31st March, 2022
EPS or PE Ratio (other parameters constant)	Decrease by 5%	Rs. 2.49 Crores	Rs 2.78 crores
EPS or PE Ratio (other parameters constant)	Increase by 5%	Rs. 2.49 Crores	Rs 2.78 crores
EPS and PE Ratio (Worst case scenario)	Decrease by 5%	Rs. 4.85 Crores	Rs 5.42 crores

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

Particulars	Amount
As at 01.04.2021	41.02
Fair Value Changes	50.10
As at 31.03.2022	91.12
Fair Value Changes	(0.66)
As at 31.03.2023	90.46

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

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts. At present, the impact of climate-related matters is not material to the Company's financial statements.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

40. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered as per Company's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers and Debentures.

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's established policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

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

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments, corporate deposits and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2023 and 31st March, 2022 is the carrying amounts as disclosed below.

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2023 and 31st March, 2022. Of the total trade receivables, Rs. 238.61 Crores as at 31st March, 2023 and Rs. 388.02 Crores as at 31st March, 2022 consisted of customer balances that were neither due nor impaired as at such respective dates.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Crores)

Period (in days)	31st March, 2023	31st March, 2022
1-90	260.93	146.88
91-180	21.36	0.09
More than 180	1.90	2.68
	284.19	**149.65**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case-to-case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

Reconciliation of Provision for Doubtful Debts - Trade Receivables	31st March, 2023	31st March, 2022
Opening Balance	4.25	4.34
Provisions utilised during the year	-	(0.09)
Provisions created during the year	1.08	-
Provisions written back during the year	-	*
Closing Balance	**5.33**	**4.25**

(B) Liquidity Risk

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

(i) Financing Arrangements

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

(Rs. in Crores)

	31st March, 2023	31st March, 2022
Floating Rate		
- Expiring within one year (working capital facilities)	264.77	256.26
	264.77	**256.26**

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

(ii) Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Contractual Maturities of Financial Liabilities	Within 1 year	More than 1 year	Total
31st March, 2023			
Borrowings	335.23	-	335.23
Trade Payables	290.06	-	290.06
Other Financial Liabilities #	118.18	-	118.18
Total	**743.47**	**-**	**743.47**
31st March, 2022			
Borrowings	343.74	-	343.74
Trade Payables	417.80	-	417.80
Other Financial Liabilities #	134.60	-	134.60
Total	**896.14**	**-**	**896.14**

Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 4.05 Crores and Rs. 0.81 Crores as at 31st March, 2023 and 31st March, 2022 respectively.

(C) Market Risk

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

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

deposits, debt and equity investments and derivative financial instruments.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Company has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore, exposed to foreign currency risk.

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(Rs. in Crores)

	31st March, 2023		31st March, 2022	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables	147.37	37.90	178.55	75.50
Bank Balance in Exchange Earners Foreign Currency (EEFC) Account	-	-	0.09	-
Other Financial Assets	-	1.25	-	1.49
Forward Contracts	(22.60)	(11.18)	(22.72)	(8.41)
Net Exposure to Foreign Currency Risk (Assets)	**124.77**	**27.97**	**155.92**	**68.58**
Financial Liabilities				
Borrowings	-	-	63.84	-
Trade Payables	49.85	9.20	288.26	4.34
Other Financial Liabilities	8.51	1.01	2.85	0.45
Forward Contracts	(13.97)	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**44.39**	**10.21**	**354.95**	**4.79**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**80.38**	**17.76**	**(199.03)**	**63.79**

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	**31st March, 2022**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 5%)*	4.02	(9.95)
INR/USD - Decrease by 5% (Previous year 5%)*	(4.02)	9.95
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 5%)*	0.89	3.19
INR/EUR - Decrease by 5% (Previous year 5%)*	(0.89)	(3.19)

* Holding all other variables constant

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

The Company's fixed rate borrowings and investments comprising Deposits with Banks, Commercial Papers, Corporate Deposits and Bonds/Debentures are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Crores)

	31st March, 2023	31st March, 2022
Variable Rate Borrowings	335.23	279.95
Fixed Rate Borrowings	-	63.79
Total Borrowings	**335.23**	**343.74**

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

(Rs. in Crores)

	31st March, 2023			31st March, 2022		
	Weighted average interest rate (%)	Balance	% of Total Loans	Weighted average interest rate (%)	Balance	% of Total Loans
Cash Credit/Export Credit Facilities	5.36%	335.23	100%	3.11%	279.95	81%

An analysis by maturities is provided in Note 40(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	31st March, 2022
Interest Rates - Increase by 100 basis points (100 bps) *	(3.35)	(2.80)
Interest Rates - Decrease by 100 basis points (100 bps) *	3.35	2.80

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

(iii) Equity Price Risk

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

(iv) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short-term debt funds & income funds, Perpetual bonds & Market linked debenture. To manage its price risk arising from investments in mutual funds, Perpetual bonds and Market linked debenture, the Company diversifies its portfolio.

These Investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises primarily from investments in mutual funds, Perpetual bonds and Market linked debentures held by the Company and classified in the Balance Sheet as fair value through profit or loss (Note 39).

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(b) Sensitivity

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

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	**31st March, 2022**
NAV - Increase by 1%*	10.63	10.27
NAV - Decrease by 1%*	(10.63)	(10.27)
Interest Rates - Increase by 1%*	(23.07)	(15.81)
Interest Rates - Decrease by 1%*	23.07	15.81

* Holding all other variables constant

(v) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's sales of graphite electrodes, including the raw material components for such products. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

41 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the Gearing ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

(Rs. in Crores)

	As at 31st March, 2023	**As at 31st March, 2022**
Total Borrowings (Refer Note 15)	335.23	343.74
Less: Cash and Cash Equivalents (Refer Note 8)	(3.32)	(28.77)
Net Debt	**331.91**	**314.97**
Equity (Refer Note 14.1 and 14.2)	**4,641.96**	**4,486.94**
Total Capital (Equity + Net Debt)	**4,973.87**	**4,801.91**
Gearing Ratio	**6.67%**	**6.56%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

(b) Dividend on Equity Shares	Year ended 31st March, 2023	Year ended 31st March, 2022
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2021 of Rs. 5/- per fully paid share	-	97.69
Final dividend for the year ended 31st March, 2022 of Rs. 10/- per fully paid share	195.38	-
	195.38	**97.69**
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have recommended the payment of a dividend of Rs. 8.50 per fully paid share (Previous Year - Rs. 10/- per fully paid-up share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and is not recognised as a liability as at 31st March, 2023	166.07	195.38

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

42 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2023	As at 31st March, 2022
Current		
First Charge		
Financial Assets		
Trade Receivables	522.80	537.67
Non-financial Assets		
Inventories	2,189.91	1,470.60
Sub-total	**2,712.71**	**2,008.27**
Non-current		
First Charge/Second Charge #		
Plant and Equipment	451.07	346.88
Furniture and Fixtures	1.74	1.34
Office Equipments	1.35	1.29
Vehicles	3.72	3.58
Sub-total	**457.88**	**353.09**
Total	**3,170.59**	**2,361.36**

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

43 Pursuant to the publication of two Tariff Orders by Hon'ble West Bengal Electricity Regulatory Commission for the years 2017-18 to 2019-20, Damodar Valley Corporation (DVC) has revised tariff rates and also levied the new FPPCA (Fuel & Power Purchase Cost Adjustment) in terms of CERC (Central Electricity Regulatory Commission) Order towards arrear electricity charges in respect of its Durgapur Plant (covering period till May'22). The net charge of Rs. 75.23 Crores (after netting off corresponding provision created in earlier years) has been charged under 'Power and Fuel' expenses in these standalone financial statements for year ended March 31, 2023.

44 Based on assessment orders, received by the Company in respect of Assessment Years 2018-19 and 2019-20, the Company has received refunds amounting to Rs. 417.10 Crores. The Company has preferred appeals against the short allowance of deduction, claimed by the Company. Pending disposal of such appeals, no credit/ adjustment has been made in the Statement of Profit and Loss on a prudent basis.

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

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

47 Ratio Analysis and its elements

S.No.	Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance
1	Current Ratio	Current Assets	Current Liabilities	3.33	3.76	(11.57)%
2	Debt Equity Ratio	Borrowings	Total Equity	0.07	0.07	1.85%
3	Debt Service Coverage Ratio *	Earning available for Debt Services	Debt Service	46.47	183.90	(74.80)%
4	Return on Equity Ratio (%) *	Profit/(Loss) after Tax	Average Equity	7.67%	13.52%	(43.20)%
5	Inventory Turnover Ratio #	Cost of Goods Sold	Average Inventory	0.82	1.21	(32.02)%
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	5.49	6.23	(11.73)%
7	Trade Payables Turnover Ratio	Purchase	Average Trade Payables	6.27	6.38	(1.73)%
8	Net Capital Turnover Ratio	Revenue from Operations	Current Assets (excluding Current Investments) minus Current Liabilities	1.69	2.23	(24.23)%
9	Net Profit Ratio (%) *	Profit/(Loss) after Tax	Revenue from Operations	12.01%	20.52%	(41.35)%
10	Return on Capital Employed (%) *	Earning before Interest and Taxes (EBIT)	Capital Employed	9.56%	15.32%	(37.62)%
11	Return on Investment (%) $	Income on Investment	Investments	4.60%	10.31%	(55.40)%

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

* Due to reduction in overall profitability of the Company during the year. This is primarily due to lower sale volume (as a result of subdued demand).

Due to increase in average inventory balance as at the year end.

$ Due to decrease in income from underlying investments during the year.

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

48 Other Statutory Information

(i) The Company does not have any Benami property where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

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

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

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

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

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

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

Notes to Standalone Financial Statements as at and for the year ended 31st March, 2023

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

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

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

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

49 Previous year's numbers have been regrouped/reclassified, wherever necessary, to conform to current year classification.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Graphite India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Graphite India Limited(hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2(c) and 22 of the consolidated financial statements)*	
The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. During the year ended March 31, 2023, the Holding Company has recognised revenue amounting to Rs. 2,046.85 crores and Rs. 843.68 crores from domestic and export sales respectively in its standalone financial statements. The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgment in determining timing of revenue recognition. The risk is, therefore, that revenue may not be recognized in the correct period in accordance with Ind AS 115. Accordingly, due to the risk associated with timing of revenue recognition, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: ▪ Evaluated that the Group's revenue recognition policy is in compliance with terms of Ind AS 115 'Revenue from contracts with customers'. ▪ Evaluated the design and implementation of key controls operating around revenue recognition. ▪ Performed test of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples selected, checked that the revenue has been recognized as per the incoterms and when the conditions for revenue recognitions are satisfied. ▪ Selected sample of sale transactions made pre and post year end, checked the period of revenue recognition with the underlying documents. ▪ Assessed the adequacy of relevant disclosures made in the consolidated financial statements.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

One (1) subsidiary and consolidated financial statements in respect of one (1) subsidiary including its five (5) subsidiaries, whose financial statements include total assets of Rs. 587.50 crores as at March 31, 2023, total revenues of Rs. 320.62 crores and net cash outflows of Rs. 19.88 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

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

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act of its subsidiary company, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

        ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2023.

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

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

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

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 42 (b) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the subsidiary company incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiary company incorporated in India, hence reporting under this clause is not applicable.

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN :23060352BGWRFT1137

Place of Signature: Kolkata
Date: May 30, 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

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

(xxi) Qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) report of the subsidiary company incorporated in India included in the consolidated financial statements are:

Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
Graphite India Limited	L10101WB1974PLC094602	Holding company	(i) (c)

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

UDIN :23060352BGWRFT1137

Place of Signature: Kolkata

Date: May 30, 2023

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

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

In conjunction with our audit of the consolidated financial statements of Graphite India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

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

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

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
UDIN :23060352BGWRFT1137

Place of Signature: Kolkata
Date: May 30, 2023

CONSOLIDATED BALANCE SHEET as at 31st March, 2023

(Rs. in Crores)

ASSETS	Notes	As at 31st March, 2023	As at 31st March, 2022
Non-current Assets			
Property, Plant and Equipment	5.1	718.04	616.04
Capital Work-in-progress	5.2	126.28	142.00
Goodwill	6	52.84	56.03
Other Intangible Assets	6	15.06	13.92
Right-of-use Assets	6.5	3.18	4.67
Intangible Assets under Development	6.4	0.85	-
Financial Assets			
Investments	7	933.80	845.37
Loans	11	0.99	1.07
Other Financial Assets	12	2.71	2.46
Deferred Tax Assets (Net)	21.2	3.05	1.83
Non-current Tax Assets (Net)	21.5	48.66	130.60
Other Non-current Assets	14	31.26	19.50
Total Non-current Assets		**1,936.72**	**1,833.49**
Current Assets			
Inventories	13	2,328.42	1,713.38
Financial Assets			
Investments	7	1,387.93	1,648.49
Trade Receivables	8	545.92	540.05
Cash and Cash Equivalents	9	23.11	68.45
Other Bank Balances	10	67.65	75.21
Loans	11	0.84	0.82
Other Financial Assets	12	34.47	289.88
Other Current Assets	14	186.17	129.22
Total Current Assets		**4,574.51**	**4,465.50**
TOTAL ASSETS		**6,511.23**	**6,298.99**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15.1	39.08	39.08
Other Equity	15.2	4,924.76	4,907.72
Equity attributable to Equity-holders of the Parent Company		4,963.84	4,946.80
Non-controlling Interests	15.2	1.02	0.27
TOTAL EQUITY		**4,964.86**	**4,947.07**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Lease Liabilities	18.1	0.17	1.93
Other Financial Liabilities	18.2	6.09	4.20
Provisions	20	2.26	2.88
Deferred Tax Liabilities (Net)	21.1	117.03	121.53
Total Non-current Liabilities		**125.55**	**130.54**
Current Liabilities			
Financial Liabilities			
Borrowings	16	424.66	427.85
Trade Payables	17		
Total Outstanding dues of Micro Enterprises and Small Enterprises		36.09	28.87
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		266.47	419.36
Lease Liabilities	18.1	1.10	1.57
Other Financial Liabilities	18.2	142.47	151.30
Other Current Liabilities	19	36.90	44.48
Provisions	20	36.31	34.93
Current Tax Liabilities (Net)	21.4	476.82	113.02
Total Current Liabilities		**1,420.82**	**1,221.38**
TOTAL LIABILITIES		**1,546.37**	**1,351.92**
TOTAL EQUITY AND LIABILITIES		**6,511.23**	**6,298.99**

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these consolidated financial statements.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2023

	Notes	Year ended 31st March, 2023	(Rs. in Crores) Year ended 31st March, 2022
Revenue from Operations	22	3,180.92	3,026.51
Other Income	23	132.95	293.83
Total Income		**3,313.87**	**3,320.34**
Expenses			
Cost of Materials Consumed	24	1,832.17	1,424.58
Purchases of Stock-in-trade	24.2	17.36	-
Changes in Inventories of Finished Goods and Work-in-progress	25	(495.75)	(268.13)
Employee Benefits Expense	26	315.15	310.48
Finance Costs	27	13.19	4.57
Depreciation and Amortisation Expense	28	57.04	55.12
Other Expenses	29	1,199.79	1,085.03
Total Expenses		**2,938.95**	**2,611.65**
Profit before Share of Loss of an Associate, Exceptional Items and Tax		**374.92**	**708.69**
Share of Loss of an Associate		-	(16.10)
Profit before Exceptional Items and Tax		**374.92**	**692.59**
Exceptional Items	51	(53.03)	-
Profit before Tax		**321.89**	**692.59**
Tax Expense	30		
Current Tax (net of adjustments of tax relating to earlier years)		128.75	160.39
Deferred Tax Charge/(Credit)		(5.91)	27.69
Profit for the year		**199.05**	**504.51**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gains on Defined Benefit Plans	37	1.36	4.07
Income Tax effect	30	(0.37)	(1.04)
		0.99	**3.03**
Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange Differences on Translation of Foreign Operations	15.2	12.80	(4.80)
Total Other Comprehensive Income/(Loss) for the year, Net of Tax		**13.79**	**(1.77)**
Total Comprehensive Income for the year		**212.84**	**502.74**
Profit/(Loss) Attributable to:			
Equity-holder of the Parent Company		199.35	504.56
Non-controlling interests		(0.30)	(0.05)
Other Comprehensive Income/(Loss) Attributable to:			
Equity-holder of the Parent Company		13.79	(1.77)
Non-controlling interests		-	-
Total Comprehensive Income/(Loss) Attributable to:			
Equity-holder of the Parent Company		213.14	502.79
Non-controlling interests		(0.30)	(0.05)
Earnings per Equity Share (Nominal Value Rs. 2/- per Share) (in Rs.)	31		
Basic and Diluted (Rs.)		10.19	25.82

Summary of Significant Accounting Policies 2

The accompanying Notes form an integral part of these consolidated financial statements.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2023

a) Equity Share Capital (Refer Note 15.1)

Equity Shares of Rs. 2/- each issued, subscribed and fully paid-up	Number of Shares	(Rs. in Crores)
At 1st April, 2021	19,53,75,594	39.08
At 31st March, 2022	19,53,75,594	39.08
At 31st March, 2023	19,53,75,594	39.08

b) Other Equity (Refer Note 15.2)

(Rs. in Crores)

	Reserves and Surplus						Foreign Currency Translation Reserve	Total other equity attributable to the equity-holders of the Parent Company	Non-controlling Interest	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Reserve Fund	Retained Earnings				
As at 1st April, 2021	**0.46**	**5.75**	**200.97**	**1,336.50**	**11.66**	**2,906.57**	**40.76**	**4,502.67**	**-**	**4,502.67**
Additions towards business combinations (Refer Note 50)	-	-	-	-	-	-	-	-	0.32	0.32
Profit/(Loss) for the Year	-	-	-	-	-	504.51	-	504.51	(0.05)	504.46
Other Comprehensive Income for the year, Net of Tax										
- Remeasurement Gains on Defined Benefit Plans	-	-	-	-	-	3.03	-	3.03	-	3.03
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	(4.80)	(4.80)	-	(4.80)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**507.54**	**(4.80)**	**502.74**	**0.27**	**503.01**
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 42(b)]	-	-	-	-	-	(97.69)	-	(97.69)	-	(97.69)
Transfer from Retained Earnings	-	-	-	-	6.96	(6.96)	-	-	-	-
As at 31st March, 2022	**0.46**	**5.75**	**200.97**	**1,336.50**	**18.62**	**3,309.46**	**35.96**	**4,907.72**	**0.27**	**4,907.99**
Profit/(Loss) for the Year	-	-	-	-	-	199.35	-	199.35	(0.30)	199.05
Other Comprehensive Income for the year, Net of Tax										
- Remeasurement Gains on Defined Benefit Plans	-	-	-	-	-	0.99	-	0.99	-	0.99
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	12.80	12.80	-	12.80
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**200.34**	**12.80**	**213.14**	**(0.30)**	**212.84**
Changes In Equity	-	-	-	-	-	(0.07)	-	(0.07)	0.07	-
Accrued Dividends [Refer Note 42(b)]	-	-	-	-	-	(0.65)	-	(0.65)	0.65	-
Stock Option (Refer Note 46)	-	-	-	-	-	-	-	-	0.33	0.33
Final Dividend on Equity Shares for the Financial Year 2021-22 [Refer Note 42(b)]	-	-	-	-	-	(195.38)	-	(195.38)	-	(195.38)
As at 31st March, 2023	**0.46**	**5.75**	**200.97**	**1,336.50**	**18.62**	**3,313.70**	**48.76**	**4,924.76**	**1.02**	**4,925.78**

Summary of Significant Accounting Policies Note 2

The accompanying Notes form an integral part of these consolidated financial statements.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2023

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
A.	**Cash Flows from Operating Activities:**		
	Profit before Tax	321.89	692.59
	Adjustments for:		
	Depreciation and Amortisation Expense	57.04	55.12
	Finance Costs	13.19	4.57
	Exceptional Items (Refer Note 51)	53.03	-
	Bad Debts/Advances Written Off (Net of Provisions)	0.08	0.05
	Liability towards Unspent Corporate Social Responsibility (CSR)	5.30	24.99
	Interest Income classified as Investing Activities	(66.73)	(79.83)
	Dividend Income	(2.26)	(1.40)
	Net Gain on Investments Carried at Fair Value through Profit or Loss	(24.79)	(209.16)
	Loss on Fair Value of Investment in Associate (Refer Note 50)	-	3.69
	Loss on Fair Value of Commitment (Refer Note 50)	-	6.60
	Liabilities no Longer Required Written Back	(3.75)	(4.85)
	Provision for Doubtful Debts	1.08	*
	Fair Value Loss on Derivatives not Designated as Hedges	1.19	-
	Gain on Disposal of Property, Plant and Equipment (Net)	(0.19)	(0.41)
	Share of Loss of an Associate	-	16.10
	Unrealised Foreign Exchange Differences (Net)	(12.49)	(9.78)
	Operating Profit before Changes in Operating Assets and Liabilities	**342.59**	**498.28**
	Changes in Operating Assets and Liabilities:		
	Increase/(Decrease) in Trade Payables	(154.32)	220.12
	(Decrease) in Other Financial Liabilities	(34.09)	(61.50)
	Increase/(Decrease) in Provisions	1.99	(1.12)
	Increase/(Decrease) in Other Current Liabilities	(7.68)	9.87
	(Increase) in Inventories (Net of Net Realisable Value Provisions)	(609.82)	(699.77)
	(Increase) in Trade Receivables	(2.61)	(197.89)
	(Increase)/Decrease in Loans	0.06	(0.01)
	Decrease in Other Financial Assets	44.63	9.53
	(Increase) in Other Non-current Assets	*	(0.02)
	(Increase)/Decrease in Other Current Assets	(57.24)	15.78
	Cash used in Operations	**(476.49)**	**(206.73)**
	Income Taxes Refund/(Paid) (Net of Taxes Paid/Refunds) (Refer Note 44)	316.13	(281.44)
	Net Cash Used In Operating Activities	**(160.36)**	**(488.17)**
B.	**Cash Flows from Investing Activities:**		
	Purchase of Property, Plant & Equipments and Intangible Asset (including Capital Work-in-progress & Intangible Assets under Development)	(169.85)	(91.75)
	Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	2.41	4.21
	Payments for Purchase of Investments	(3,011.20)	(2,671.82)
	Proceeds from Sale/Redemption of Investments	3,443.44	2,909.67
	Interest Received	64.87	61.97
	Dividend Received	2.26	1.40
	Investments in Fixed Deposits with Banks	(2.39)	(0.38)
	Net Cash From Investing Activities	**329.54**	**213.30**

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

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2023

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
C.	**Cash Flows from Financing Activities:**		
	Dividend Paid	(195.38)	(97.69)
	Finance Costs Paid	(13.40)	(4.14)
	Payment of Principal Portion of Lease Liabilities @	(2.46)	(0.89)
	Short-term Borrowings - Receipts/(Payments) (Net) @	(2.13)	207.26
	Net Cash From/(Used in) Financing Activities	**(213.37)**	**104.54**
D.	**Exchange Differences on Translation of Foreign Currency**		
	Cash and Cash Equivalents	**(1.15)**	**0.51**
	Net Cash Outflow (A+B+C+D)	**(45.34)**	**(169.82)**
	Cash and Cash Equivalents - At the beginning of the year (Refer Note 9)	**68.45**	**229.97**
	Cash and Cash Equivalents acquired on Business Combination (Refer Note 50)	**-**	**8.30**
	Cash and Cash Equivalents - At the end of the year (Refer Note 9)	**23.11**	**68.45**
		(45.34)	**(169.82)**

@ Refer Note 16.2 & 18.1 for changes in liabilities from financing activities and lease liabilities.

Summary of Significant Accounting Policies Note 2

The accompanying Notes form an integral part of these consolidated financial statements.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

1 Group Background

Graphite India Limited (the 'Parent Company') is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in India. The equity shares of the Parent Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Parent Company is located at 31, Chowringhee Road, Kolkata - 700 016, West Bengal, India.

The Parent Company and its subsidiaries (collectively referred to as 'the Group') are mainly engaged in the business of manufacturing and selling of graphite & carbon and other products, development of graphene sheets as detailed under segment information in Note 38.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on 30th May, 2023.

2 Significant Accounting Policies

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

(a) Basis of Preparation

(i) Compliance with Ind AS

These consolidated financial statements comply in all material respect with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III.) The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's functional and presentation currency. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

(ii) Basis of Measurement

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

- Certain financial assets and liabilities (including derivative instruments), if any, that is measured at fair value (Refer accounting policy regarding financial instruments)

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

(iii) Current and Non-current Classification

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

An asset is classified as current when it is:

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

b) held primarily for the purpose of trading,

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

All other liabilities are classified as non-current.

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(iv) Rounding off of Amounts

All amounts disclosed in these consolidated financial statements and notes have been rounded off to

Crores upto two decimals (Rs. 00,00,000) as per the requirement of Schedule III, unless otherwise stated.

(v) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(a) Amendments to Ind AS 37 : Onerous Contracts - Costs of Fulfilling a Contract

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Group assessed whether certain other directly related costs are required to be included by the Group in determining the costs of fulfilling the contracts. These amendments had no impact on the consolidated financial statements of the Group as there were no onerous contracts within the scope of these amendments that arose during the period.

(b) Amendments to Ind AS 103 : Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

(c) Amendments to Ind AS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

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

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) Manner of Consolidation

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Ind AS 12, 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intercompany transactions.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Associates

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting [see (v) below], after initially being recognised at cost.

(v) Equity method

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate is recognised as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate is eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee has been changed where necessary to ensure consistency with the policies adopted by the group.

(vi) Business Combinations

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

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

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

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

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

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

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

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

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

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

(c) Revenue from Contract with Customer

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

schemes offered by the Group as part of the contract, excluding amounts collected on behalf of third parties.

Sale of Products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and the amount of revenue can be measured reliably and recovery of the consideration is probable. The normal credit term is 0 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions, if any. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

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

Sale of Services

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

Other Operating Revenues

Export entitlements [arising out of Duty Drawback, Merchandise Export from India/Remission of Duties and Taxes on Export Products (RODTEP)] are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Parent Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Operating revenues of subsidiaries are considered to be operating revenues in the consolidated financial statements.

(d) Property, Plant and Equipment

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

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

Estimated useful lives of the assets are as follows:

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

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The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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

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

(e) Intangible Assets

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

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

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Computer Software

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

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

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

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

Trademark

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

Goodwill on consolidation

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

Patent

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

Knowhow

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

(f) Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs etc. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts, as applicable.

(g) Leases

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

Group as a Lessee

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

Right-of-use Assets

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

Leasehold Land – ranging from 60 to 999 years.

Plant & Equipments – ranging from 3 to 6 years.

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

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

Lease Liabilities

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

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

Short-term Leases and Leases of Low-value Assets

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

Group as a Lessor

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

(h) Inventories

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

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

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

Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

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

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

Debt Instruments

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

which the Group classifies its debt instruments:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income'.

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

<u>Equity Instruments</u>

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41 details how the Group determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

<u>Interest Income</u>

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

the financial instrument but does not consider the expected credit losses. Interest Income on financial assets are measured at amortised cost and fair value through profit or loss and is included in other income in the statement of profit and loss.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably, which is generally when shareholders approve the dividend.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis underlying asset analysis, comparable companies multiple method, comparable transaction method and available quoted market prices.

(j) Derivative Instruments

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

(k) Offsetting Financial Instruments

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

(l) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Trade Payables

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

Loans and Borrowings

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

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

Financial Guarantee Contracts

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

Derecognition

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

(n) Borrowing Costs

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

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

(o) Forward Currency Contracts

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

Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

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

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

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(p) Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

I. Defined Benefit Plans

a) Gratuity

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

b) Provident Fund

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

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

c) Pension Fund

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

II. Defined Contribution Plans

a) Superannuation

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

b) Provident Fund

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(III) Other Long-term Employee Benefits

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

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

(q) Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The current income tax charge is calculated on the basis of the tax laws and tax rates enacted or substantively enacted at the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Parent Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

In assessing the recoverability of deferred tax assets, the Parent Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission, etc. as applicable in respective scenarios.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(r) Government Grants

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

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

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

(s) Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

(i) Dividend Distribution to Equity-holders

The Parent Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

approved by the shareholders. A corresponding amount is recognised directly in equity.

(ii) Earnings per Share

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

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

(t) Provisions and Contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

(u) Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Executive Director of the Parent Company. Refer Note 38 for segment information presented.

(v) Use of Estimates

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

(w) Standards issued not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS which are effective from 1st April, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently analysing their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1st April, 2023.

The Group is currently assessing the impact of the amendments.

3 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

– Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2(p) and 37

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

– Estimation of Expected Useful Lives of Property, Plant and Equipment — Notes 2(d), 5 and 5.1

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

– Contingencies — Notes 2(t) and 34

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

– Valuation of Deferred Tax Assets - Notes 2(q) and 21

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

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

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

– Net realisable value of inventories — Notes 2(h) and 13.2

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

4 Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as detailed below -

Name of the Entity	Place of Business/ Country of Incorporation	Proportion of Ownership Interest held by the Group		Principal Business Activities
		2022-23	2021-22	
Indian:				
Carbon Finance Limited	India	100%	100%	To invest in securities
Foreign:				
Graphite International B.V. (GIBV)	The Netherlands	100%	100%	To manage and finance its subsidiaries and exploit its trademarks and patents
Bavaria Electrodes GmbH @**	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products
Bavaria Carbon Holdings GmbH @	Germany	100%	100%	To facilitate manufacture and marketing graphite electrodes, speciality products and other carbon and graphite products
Bavaria Carbon Specialities GmbH @	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products
Graphite Cova GmbH @	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products
General Graphene Corporation #	United States of America	55.32%	51.81%	To develop graphene sheets for commercial use

@ Wholly owned subsidiaries of GIBV.

\# Step-down subsidiary of GIBV w.e.f. 1st February, 2022 and was an associate till January 31, 2022.

** Shareholders resolution for liquidation passed with effect from October 01, 2022, which is under process.

Name of the Entity	Net Assets i.e. Total Assets Minus Total Liabilities				Share in Profit or Loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As % of Consolidated Net Assets		Amount (Rs. in Crores)		As % of Consolidated Profit or Loss		Amount (Rs. in Crores)		As % of Consolidated Other Comprehensive Income		Amount (Rs. in Crores)		As % of Consolidated Total Comprehensive Income		Amount (Rs. in Crores)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Parent																
Graphite India Limited	93.50%	90.70%	4,641.96	4,486.94	175.84%	113.82%	350.01	574.21	2.80%	(145.20%)	0.39	2.57	164.63%	114.73%	350.40	576.78
Subsidiaries																
Indian																
Carbon Finance Limited	2.44%	2.47%	121.19	122.41	(0.62%)	6.90%	(1.23)	34.79	-	-	-	-	(0.58%)	6.92%	(1.23)	34.79
Foreign																
Graphite International B.V. (Consolidated) #	5.71%	8.44%	283.67	417.42	(74.04%)	(20.50%)	(147.38)	(103.40)	4.37%	(25.99%)	0.60	0.46	(68.96%)	(20.48%)	(146.78)	(102.94)
Sub-total			**5,046.82**	**5,026.77**			**201.40**	**505.60**			**0.99**	**3.03**			**202.39**	**508.63**
Non-controlling Interests	0.02%	*	1.02	0.27	(0.15%)	*	(0.30)	(0.05)	-	-	-	-	(0.14%)	*	(0.30)	(0.05)
Elimination/ Adjustments on Consolidation	(1.67%)	(1.61%)	(82.98)	(79.97)	(1.03%)	(0.22%)	(2.05)	(1.04)	92.83%	271.19%	12.80	(4.80)	5.05%	(1.17%)	10.75	(5.84)
Grand Total			**4,964.86**	**4,947.07**			**199.05**	**504.51**			**13.79**	**(1.77)**			**212.84**	**502.74**

#Includes five subsidiaries namely Bavaria Electrodes GmbH, Bavaria Carbon Holdings GmbH, Bavaria Carbon Specialities GmbH, Graphite Cova GmbH and General Graphene Corporation.

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

5 Property, Plant and Equipment ^

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

(Rs. in Crores)

	Freehold Land	Buildings @	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
As at and for the year ended 31st March, 2022							
Gross Carrying Amount							
Opening Balance	35.25	236.57	640.18	3.09	9.60	10.50	935.19
Additions	0.08	4.20	13.61	0.26	1.35	0.66	20.16
Additions towards Business Combination (Refer Note 50)	2.57	-	24.36	-	-	1.27	28.20
Disposals	-	(1.16)	(5.37)	(0.01)	(0.96)	(0.28)	(7.78)
Exchange Differences (Refer Note 5.5)	(0.23)	(0.11)	(1.29)	-	(0.07)	(0.11)	(1.81)
Closing Balance	**37.67**	**239.50**	**671.49**	**3.34**	**9.92**	**12.04**	**973.96**
Accumulated Depreciation							
Opening Balance	-	56.85	230.15	1.75	4.58	5.52	298.85
For the Year	0.37	9.16	41.83	0.26	0.86	1.37	53.85
Additions towards Business Combination (Refer Note 50)	0.59	-	8.91	-	-	0.57	10.07
On Disposals	-	(0.43)	(2.36)	(0.01)	(0.91)	(0.28)	(3.99)
Exchange Differences (Refer Note 5.5)	(0.01)	(0.04)	(0.72)	-	(0.02)	(0.07)	(0.86)
Closing Balance	**0.95**	**65.54**	**277.81**	**2.00**	**4.51**	**7.11**	**357.92**
Net Carrying Amount	**36.72**	**173.96**	**393.68**	**1.34**	**5.41**	**4.93**	**616.04**
As at and for the year ended 31st March, 2023							
Gross Carrying Amount							
Opening Balance	37.67	239.50	671.49	3.34	9.92	12.04	973.96
Additions	1.94	26.93	147.02	0.71	1.03	0.86	178.49
Disposals	-	-	(2.90)	(0.04)	(1.22)	(0.47)	(4.63)
Exchange Differences (Refer Note 5.5)	0.98	0.35	6.64	-	0.13	0.50	8.60
Closing Balance	**40.59**	**266.78**	**822.25**	**4.01**	**9.86**	**12.93**	**1,156.42**
Accumulated Depreciation							
Opening Balance	0.95	65.54	277.81	2.00	4.51	7.11	357.92
For the Year	0.19	9.75	42.71	0.30	0.79	1.32	55.06
Impairment for the year (Refer Note 51)	-	0.02	21.66	-	0.30	1.18	23.16
Exchange Differences (Refer Note 5.5)	0.08	0.14	4.80	-	0.05	0.36	5.43
On Disposals	-	-	(1.87)	(0.03)	(0.83)	(0.46)	(3.19)
Closing Balance	**1.22**	**75.45**	**345.11**	**2.27**	**4.82**	**9.51**	**438.38**
Net Carrying Amount	**39.37**	**191.33**	**477.14**	**1.74**	**5.04**	**3.42**	**718.04**

@ Includes Buildings constructed on Leasehold Land [included under Right-of-use Assets (Refer Note 6.5)] - Gross Carrying Amount Rs. 221.38 Crores (Net Carrying Amount - Rs. 160.79 Crores) [Previous Year - Gross Carrying Amount Rs. 194.59 Crores (Net Carrying Amount - Rs. 142.02 Crores)].

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

(Rs. in Crores)

5.2 Capital Work-in-progress	Year ended 31st March, 2023	Year ended 31st March, 2022
Carrying amount at the beginning of the year	142.00	79.51
Additions during the year	158.23	76.95
Capitalised during the year	(173.95)	(14.46)
Carrying amount at the end of the year	**126.28**	**142.00**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

5.3 Capital Work-in-progress Ageing Schedule @

As at 31st March, 2023 - **(Rs. in Crores)**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	106.78	17.08	2.42	*	**126.28**

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

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

@ There are no projects as on March 31, 2023 and March 31, 2022 where activity has been suspended.

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

As at 31st March, 2023 - **(Rs. in Crores)**

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
NSK-GE-WBS-SAT-0014	4.11	-	-	-	4.11
NSK-GE-WBS-SAT-0010	72.68	-	-	-	72.68
DGP-0007	2.58	-	-	-	2.58
DGP-0012	0.54	-	-	-	0.54
DGP-0013	11.51	-	-	-	11.51
PSD-203346	0.86	-	-	-	0.86
Others	4.04	-	-	-	4.04
Total	**96.32**	**-**	**-**	**-**	**96.32**

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

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress					
PSD-203346	0.86	-	-	-	0.86
DGP-0009	78.65	-	-	-	78.65
DGP-0012	29.71	-	-	-	29.71
DGP-0007	0.85	-	-	-	0.85
DGP-0010	8.23	-	-	-	8.23
Others	3.85	-	-	-	3.85
Total	**122.15**	**-**	**-**	**-**	**122.15**

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

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

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

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

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

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

5.10 Title deeds of immovable properties set out in Note 5.1 and 6.5, where applicable, are in the name of the Parent Company except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL). The immovable properties of GVIL/PSL, inter alia, got transferred to and vested in the Parent Company pursuant to the respective Schemes of Arrangement in earlier years.

Title deeds of following lands are not held in the name of Parent Company as at March 31, 2023 and March 31, 2022:-

(Rs. in Crores)

Particulars	Description of Property	Gross Carrying Value	Net Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director # @	Property held since which date	Reasons for not being held in the name of the Parent Company
Property, Plant and Equipment	Freehold Land at Nashik-Ambad (1 Title Deed)	0.07	0.07	Graphite Vicarb Limited	No	01.01.1994	Transfer of ownership is under process
Property, Plant and Equipment	Freehold Land at Titilagarh (4 Title Deeds)	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Matter pending for transfer of ownership in Court of Tehsildar, Titilagarh.
Property, Plant and Equipment	Freehold Land at Titilagarh (6 Title Deeds)	0.07	0.07	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process. Record of right is in the name of Graphite India Limited.
Property, Plant and Equipment	Freehold Land at Titilagarh (2 Title Deeds)	0.02	0.02	Powmex Steels Limited	No	01.02.2009	Original Title deed has been misplaced and is not available with the Parent Company. The Parent Company has initiated necessary action in this respect.
Right-of-use Assets	Leasehold Land at Titilagarh (2 Title Deeds)	0.22	0.14	Powmex Steels Limited	No	01.02.2009	Transfer of ownership is under process.

Promoter as defined in the Companies Act, 2013.

@ Relative as defined in the Companies Act, 2013.

5.11 A portion of the land at Titilagarh including Freehold Land mentioned in Note 5.10 above is under dispute on legal ownership amounting to Rs. 2.67 Crores (Previous Year - Rs. 2.67 Crores) disclosed as contingent liability and included under 'Other Matters' in Note 34(i)(h).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

	Goodwill (Refer Note 6.1)	Other Intangible Assets				
		Patent	Trademark	Knowhow	Computer Software - Acquired	Total
As at and for the year ended 31st March, 2022						
Gross Carrying Amount						
Opening Balance	0.63	-	-	-	4.63	4.63
Additions	-	-	-	-	0.37	0.37
Additions towards Business Combination (Refer Note 50)	55.40	3.79	1.81	7.26	1.42	14.28
Exchange Differences (Refer Note 6.2)	-	0.02	-	-	(0.03)	(0.01)
Disposals	-	-	-	-	(0.01)	(0.01)
Closing Balance	**56.03**	**3.81**	**1.81**	**7.26**	**6.38**	**19.26**
Accumulated Amortisation						
Opening Balance	-	-	-	-	3.86	3.86
For the Year	-	-	0.02	0.06	0.41	0.49
Additions towards Business Combination (Refer Note 50)	-	-	-	-	1.02	1.02
Exchange Differences (Refer Note 6.2)	-	-	-	-	(0.03)	(0.03)
Disposals	-	-	-	-	*	*
Closing Balance	**-**	**-**	**0.02**	**0.06**	**5.26**	**5.34**
Net Carrying Amount	**56.03**	**3.81**	**1.79**	**7.20**	**1.12**	**13.92**
As at and for the year ended 31st March, 2023						
Gross Carrying Amount						
Opening Balance	56.03	3.81	1.81	7.26	6.38	19.26
Additions	-	1.15	-	-	0.13	1.28
Exchange Differences (Refer Note 6.2)	3.51	0.35	0.11	0.46	0.23	1.15
Disposals	-	-	-	-	*	-
Closing Balance	**59.54**	**5.31**	**1.92**	**7.72**	**6.74**	**21.69**
Accumulated Amortisation and Impairment						
Opening Balance	-	-	0.02	0.06	5.26	5.34
Amortisation for the Year	-	0.02	0.09	0.36	0.60	1.07
Impairment for the year (Refer Note 45)	6.29	-	-	-	-	-
Exchange Differences (Refer Note 6.2)	0.41	*	0.01	0.03	0.18	0.22
Disposals	-	-	-	-	*	*
Closing Balance	**6.70**	**0.02**	**0.12**	**0.45**	**6.04**	**6.63**
Net Carrying Amount	**52.84**	**5.29**	**1.80**	**7.27**	**0.70**	**15.06**

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

6.1 Represents 'Goodwill arising on consolidation' which includes Rs. 0.55 Crores (Previous Year - Rs. 0.55 Crores) pertaining to Carbon Finance Limited (a wholly owned subsidiary company engaged in the business of investment in securities) and Rs. 52.21 Crores (Previous Year - Rs. 55.40 Crores) on acquisition of General Graphene Corporation, USA (GGC).

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

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

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

6.4 Intangible Assets under Development	As at 31st March, 2023	As at 31st March, 2022
Carrying amount at the beginning of the year	-	-
Additions during the year	0.85	-
Capitalised during the year	-	-
Carrying amount at the end of the year	**0.85**	**-**

Intangible Assets under Development Ageing Schedule @

As at 31st March, 2023 - (Rs. in Crores)

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	0.85	-	-	-	**0.85**

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

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects-in-progress	-	-	-	-	-

@ There is no such project in intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March, 2023.

6.5 Right-of-use Assets (Rs. in Crores)

	Leasehold Land	Plant and Equipments	Total
As at and for the year ended 31st March, 2022			
Gross Carrying Amount			
Opening Balance	0.77	3.15	3.92
Additions	-	0.73	0.73
Additions towards Business Combinations (Refer Note 50)	-	3.04	3.04
Exchange Differences (Refer Note 6.7)	-	(0.09)	(0.09)
Closing Balance	**0.77**	**6.83**	**7.60**
Accumulated Amortisation			
Opening Balance	0.12	1.14	1.26
For the Year	0.02	0.76	0.78
Additions towards Business Combinations (Refer Note 50)	-	0.96	0.96
Exchange Differences (Refer Note 6.7)	-	(0.07)	(0.07)
Closing Balance	**0.14**	**2.79**	**2.93**
Net Carrying Amount	**0.63**	**4.04**	**4.67**
As at and for the year ended 31st March, 2023			
Gross Carrying Amount			
Opening Balance	0.77	6.83	7.60
Disposals	-	(3.73)	(3.73)
Exchange Differences (Refer Note 6.7)	-	0.26	0.26
Closing Balance	**0.77**	**3.36**	**4.13**
Accumulated Amortisation			
Opening Balance	0.14	2.79	2.93
For the Year	0.02	0.89	0.91
Disposals	-	(2.95)	(2.95)
Exchange Differences (Refer Note 6.7)	-	0.06	0.06
Closing Balance	**0.16**	**0.79**	**0.95**
Net Carrying Amount	**0.61**	**2.57**	**3.18**

Refer Note 33 for related disclosures

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

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

7 Investments	Face Value	Number	Ast at 31st March, 2023	Number	As at 31st March, 2022
Non-current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Aditya Birla Capital Limited	Rs.10	3,360	0.05	3,360	0.04
Sumitomo Chemicals India Limited	Rs.10	21,51,333	91.67	21,51,333	96.49
Astra Microwave Products Limited	Rs. 2	1,97,989	4.45	1,97,989	4.45
Future Retail Ltd	Rs. 2	1,65,000	0.03	1,65,000	0.51
Bhagiradha Chemicals & Industries Ltd	Rs.10	89,810	10.76	71,821	7.29
Unquoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sai Wardha Power Limited - Class A Equity Shares $	Rs.10	24,76,558	-	24,76,558	-
National Stock Exchange of India Limited	Re.1	3,00,000	90.46	3,00,000	91.12
Investments in Preference Shares					
In Other Body Corporate @ $					
Sai Wardha Power Limited					
- 0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	-	31,23,442	-
Investments in Bonds and Debentures @			422.13		327.45
Investments in Venture Capital Funds #			105.02		85.19
Investments in Market Linked Debentures #			15.15		-
Investments in Perpetual Bonds #			171.40		220.79
Investments in Mutual Funds/Other Funds #			22.68		12.04
			933.80		**845.37**
Current Investments					
Quoted, Fully paid:					
Investments in Equity Instruments					
In Other Body Corporate #					
Sumitomo Chemicals India Limited	Rs.10	17,20,000	73.29	17,20,000	77.13
Computer Age Management Services Ltd	Rs.10	7,425	1.51	7,425	1.72
Brookfield Real Estate Trust Limited	Rs. 275	2,60,000	7.28	2,60,000	8.14
MTAR Technologies Limited	Rs.10	1,917	0.30	1,917	0.34
Shyam Metallics & Energy Limited	Rs.10	9,825	0.26	9,825	0.36
Powergrid Infrastructure Investment Trust	Rs.100	10,81,300	13.25	10,81,300	14.48
Clean Science and Technology Limited	Re.1	5,529	0.70	5,529	1.10
Escorts Limited	Rs.10	3,96,844	75.04	3,96,844	67.10
Investments in Exchange Traded Funds #			7.00		35.28
Unquoted, Fully paid:					
Investments in Corporate Deposits @			50.00		50.00
Investments in Bonds and Debentures @			56.41		303.93
Investments in Market Linked Debentures #			-		24.57
Investments in Mutual Funds/Other Funds #			1,057.51		1,039.26
Investments in Perpetual Bonds #			45.38		25.08
			1,387.93		**1,648.49**
			2,321.73		**2,493.86**
Aggregate Amount of Quoted Investments			285.59		314.43
Aggregate Amount of Unquoted Investments			2,036.14		2,179.43
@ Investments carried at Amortised Cost			528.54		681.38
# Investments carried at Fair Value through Profit or Loss			1,793.19		1,812.48
$ Original Share Certificates with the Issuer Company					

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

8	**Trade Receivables $**	**As at 31st March, 2023**	**As at 31st March, 2022**
	Current		
	Unsecured:		
	Considered Good	545.92	540.05
	Credit Impaired	5.33	4.25
	Less: Provision for Doubtful Debts	(5.33)	(4.25)
		545.92	**540.05**

$ Financial assets carried at amortised cost (Refer Note 40).

8.1 Trade Receivables Ageing Schedule @

As at 31st March, 2023 - (Rs. in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- Considered Good	267.18	276.54	1.85	0.27	0.08	-	545.92
- Credit Impaired	-	-	-	-	-	4.90	4.90
Disputed -							
- Credit Impaired	-	-	-	-	-	0.43	0.43
Total	**267.18**	**276.54**	**1.85**	**0.27**	**0.08**	**5.33**	**551.25**

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

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

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

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

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

(Rs. in Crores)

9	**Cash and Cash Equivalents $**	**As at 31st March, 2023**	**As at 31st March, 2022**
	Balances with Banks - On Current Account*	23.04	68.35
	Cash on Hand	0.07	0.10
		23.11	**68.45**

* Refer Note 43

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

$ Financial assets carried at amortised cost (Refer Note 40)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

10	Other Bank Balances $	As at 31st March, 2023	As at 31st March, 2022
	Unpaid Dividend Accounts @	6.37	6.24
	Unspent Corporate Social Responsibility Amount	50.70	60.78
	Fixed Deposit Accounts (with original maturity of more than three months but not more than twelve months) ^	10.58	8.19
		67.65	**75.21**

$ Financial assets carried at amortised cost (Refer Note 40)
@ Earmarked for Payment of Unclaimed Dividend
^ Includes Fixed Deposits earmarked against Bank Guarantee.

11	Loans $^		
	Non-current		
	Unsecured, Considered Good:		
	Loans to Employees	0.99	1.07
		0.99	**1.07**
	Current		
	Unsecured, Considered Good:		
	Loans to Employees	0.84	0.82
		0.84	**0.82**
		1.83	**1.89**
	^ Includes dues from an Officer of the Group (Refer Note 39)	0.03	-

$ Financial assets carried at amortised cost (Refer Note 40)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

12 Other Financial Assets	As at 31st March, 2023	As at 31st March, 2022
Financial Assets carried at Amortised Cost unless otherwise stated		
Non-current		
Unsecured, Considered Good :		
Security Deposits	2.69	2.44
Fixed Deposits with Banks	0.02	0.02
(with Original Maturity of more than twelve months)		
(Lodged with Government Authority/Others)		
	2.71	**2.46**
Current		
Unsecured, Considered Good :		
Claims Receivable/Charges Recoverable	2.02	30.89
Security and Other Deposits	1.35	1.29
Derivative Instruments-Foreign Exchange Forward Contracts $	-	0.03
Export Entitlements Receivable	1.42	4.93
Accrued Interest on Investments^	10.72	16.10
Accrued Interest on Deposits		
with Banks	0.24	0.10
with Others	1.84	1.76
Others*	16.88	234.78
	34.47	**289.88**
	37.18	**292.34**
^ Includes Financial Assets carried at Fair Value through Profit or Loss (Refer Note 40)	9.91	11.70
* Includes receivable on account of sale of listed equity shares under Open Offer which was realised subsequently.	-	204.64

$ Financial Assets carried at Fair Value through Profit or Loss (Refer Note 40)

13 Inventories		
Current		
- At Lower of Cost and Net Realisable Value		
Raw Materials	750.15	618.52
Work-in-progress	1,193.75	745.79
Finished Goods	340.44	292.65
Stores and Spares	42.96	55.35
Loose Tools	1.12	1.07
	2,328.42	**1,713.38**

13.1 Above includes Inventories-in-transit:

Raw Materials	48.00	298.65
Work-in-progress	-	5.50
Finished Goods	109.88	135.90
Stores and Spares	0.93	1.52

13.2 Above includes Inventories carried at Fair Value Less Cost to Sell:

Raw Materials	19.88	77.26
Work-in-progress	38.60	81.07
Finished Goods	23.95	30.24

13.3 Refer Note 43 for Information on Inventories Pledged as Security

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

14 Other Assets

	As at 31st March, 2023	As at 31st March, 2022
		(Rs. in Crores)
Non-current		
Unsecured, Considered Good :		
Capital Advances	26.01	14.25
Balances with Government Authorities @	4.72	4.76
Others		
Prepaid Expenses	0.53	0.49
	31.26	**19.50**
Current		
Unsecured, Considered Good :		
Balances with Government Authorities #	158.74	79.12
Advance to Suppliers/Service Providers (other than capital)	12.81	32.23
Export Entitlement Receivable	7.70	11.17
Advance towards Gratuity (Refer Note 37)	0.85	1.76
Prepaid/Advance for Expenses	6.07	4.94
	186.17	**129.22**
	217.43	**148.72**

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

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

15. Equity **(Rs. in Crores)**

15.1 Equity Share Capital

	As at 31st March, 2023	As at 31st March, 2022
Authorised		
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up @	40.00	40.00
Issued, Subscribed and Paid-up		
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up @	39.08	39.08
Add: Forfeited Shares	*	*
	39.08	**39.08**

@ There were no changes in number of shares during the years ended 31st March, 2023 and 31st March, 2022.

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

(b) Details of Equity Shares held by the Immediate and Ultimate Holding Company and by Subsidiary/Associate of the Immediate and Ultimate Holding Company :

	Number of Shares	Number of Shares
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,98,23,336	11,98,23,336
Shree Laxmi Agents Private Limited; a Subsidiary of ECPL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECPL	3,86,645	3,86,645

(c) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company :

	Number of Shares	Number of Shares
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,98,23,336	11,98,23,336
Percentage Holding	(61.33%)	(61.33%)

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(d) Details of Shares held by Promoters @

As at 31st March, 2023 -

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

As at 31st March, 2022 -

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

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

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

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

15.2 Other Equity	As at 31st March, 2023	As at 31st March, 2022
- Reserves and Surplus		
Capital Reserve	0.46	0.46
Capital Redemption Reserve	5.75	5.75
Securities Premium	200.97	200.97
General Reserve	1,336.50	1,336.50
Reserve Fund [Refer (i) below]	18.62	18.62
Retained Earnings [Refer (ii) below]	3,313.70	3,309.46
	4,876.00	**4,871.76**
- Other Reserve		
Foreign Currency Translation Reserve [Refer (iii) below]	48.76	35.96
	4,924.76	**4,907.72**
Non-controlling Interests [Refer (iv) below]	1.02	0.27
Total	**4925.78**	**4907.99**

(i) Reserve Fund - Movement during the year

Opening Balance	18.62	11.66
Transfer from Retained Earnings	-	6.96
Closing Balance	**18.62**	**18.62**

(ii) Retained Earnings - Movement during the year

Opening Balance	3,309.46	2,906.57
Profit for the Year	199.35	504.51
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurement Gains on Defined Benefit Plans (Net of Tax)	0.99	3.03
Final Dividend on Equity Shares for the Financial Year 2020-21 [Refer Note 42(b)]	-	(97.69)
Final Dividend on Equity Shares for the Financial Year 2021-22 [Refer Note 42(b)]	(195.38)	-
Transfer to Reserve Fund	-	(6.96)
Changes in Equity @	(0.07)	-
Dividend Accrued	(0.65)	-
Closing Balance	**3,313.70**	**3,309.46**

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

Opening Balance	35.96	40.76
Exchange Differences on Translation of Foreign Operations during the year	12.80	(4.80)
Closing Balance	**48.76**	**35.96**

(iv) Non-controlling Interests - Movement during the year

Opening Balance	0.27	-
Additions towards Business Combinations	-	0.32
Add: Changes in Equity @	0.07	-
Add: Loss for the year	(0.30)	(0.05)
Add: Dividend Accrued	0.65	-
Add: Stock Option (Refer Note 46)	0.33	-
Closing Balance	**1.02**	**0.27**

@ There was an increase in the investment by GIBV in GGC in April, 2022. Due to the current net asset position of GGC and the preferred rights of Series B shares, of which some are held by non-controlling interest, on liquidation, some of the new investment made by GIBV would be allocated to non-controlling interest because of which, an allocation has been apportioned from Retained Earnings to Non-controlling Interests during the year.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

Nature and purpose of each Reserve

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years. The same can be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

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

Securities Premium

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

General Reserve

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

Reserve Fund

Reserve Fund has been created in the books of a subsidiary in accordance with the requirements of Section 45-IC of Reserve Bank of India Act, 1934.

Retained Earning

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

Foreign Currency Translation Reserve

Exchange differences arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2(o)(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Non-controlling Interests

Non-controlling Interests represent shares in the Subsidiary Company not held by the Graphite International B.V. (GIBV). They are held by the other shareholders.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

16 Borrowings^^	**As at 31st March, 2023**	**As at 31st March, 2022**
Current		
Secured*		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	48.09	83.59
Unsecured		
Loans Repayable on Demand from Banks		
- Cash Credit and Export Credit Facilities	376.57	280.47
Buyer's Credit	-	63.79
	424.66	**427.85**
Aggregate Secured Loans	48.09	83.59
Aggregate Unsecured Loans	376.57	344.26

^^ Carried at Amortised Cost (Refer Note 40)

*Secured -

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

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

Refer Note 43 for information on Assets Pledged as Security.

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

16.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

Particulars	April 1, 2022	Cash flows	Exchange Differences	March 31, 2023
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	83.59	(35.50)	-	48.09
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	280.47	101.42	(5.32)	376.57
Buyer's Credit	63.79	(63.79)	-	-
Total Liabilities from Financing Activities	**427.85**	**2.13**	**(5.32)**	**424.66**

(Rs. in Crores)

Particulars	April 1, 2021	Cash flows	Exchange Differences	March 31, 2022
Borrowings				
Secured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	40.34	43.25	-	83.59
Unsecured				
Loans Repayable on Demand from Banks				
- Cash Credit and Export Credit Facilities	183.06	97.41	-	280.47
Buyer's Credit	-	66.60	(2.81)	63.79
Total Liabilities from Financing Activities	**223.40**	**207.26**	**(2.81)**	**427.85**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

The Parent Company has obtained secured and unsecured short-term loans from banks on the basis of security of inventories and trade receivables wherein the quarterly returns as filed with banks are in agreement with unaudited books for financial year ended 31st March, 2023. The discrepancies in respect of financial year ended 31st March, 2022 are as follows -

(Rs. in Crores)

Year Ended 31st March, 2022			
Quarter Ending	**Amount as per books of account**	**Amount as reported in the quarterly return/ statement**	**Amount of differences**
Inventories^^$ -			
Jun-21	952.02	805.99	146.03
Sep-21	1,038.12	870.81	167.31
Dec-21	1,158.58	908.26	250.32
Trade Receivables $ -			
Jun-21	400.69	403.68	(2.99)
Sep-21	429.98	431.83	(1.85)
Dec-21	537.61	535.86	1.75

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

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

Working capital facilities were availed by the Parent Company during Financial Years 2022-23 and 2021-22 from UCO Bank, Kotak Mahindra Bank Limited, CITI Bank N.A., ICICI Bank Limited, Axis Bank Limited, Canara Bank, HDFC Bank Limited, DBS Bank India Limited, Yes Bank, RBL Bank and CTBC Bank.

Refer Note 43 for Information on Assets Pledged as Security.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		As at 31st March, 2023	As at 31st March, 2022
17	**Trade Payables ^^**		
	Current		
	Trade Payables		
	Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 36)	36.09	28.87
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises@	266.47	419.36
		302.56	**448.23**

@ Refer Note 39 for dues to Other Related Parties

^^ Carried at Amortised Cost (Refer Note 40)

17.1 Refer Note 41 for information about liquidity risk and market risk on trade payables.

17.2 Trade Payables Ageing Schedule

As at 31st March, 2023 - **(Rs. in Crores)**

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of micro enterprises and small enterprises	1.78	34.31	-	-	-	-	36.09
- dues of creditors other than micro enterprises and small enterprises	91.58	146.79	26.48	0.27	0.06	1.29	266.47
Total	**93.36**	**181.10**	**26.48**	**0.27**	**0.06**	**1.29**	**302.56**

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

Particulars	Unbilled dues/ provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of micro enterprises and small enterprises	3.19	25.68	*	-	-	-	28.87
- dues of creditors other than micro enterprises and small enterprises	123.36	81.89	212.13	0.89	0.09	0.96	419.32
Disputed -							
- dues of creditors other than micro enterprises and small enterprises	-	-	-	0.01	-	0.03	0.04
Total	**126.55**	**107.57**	**212.13**	**0.90**	**0.09**	**0.99**	**448.23**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

18.1 **Lease Liabilities**	**As at 31st March, 2023**	**As at 31st March, 2022**
At Amortised Cost		
Non-current		
Lease Liabilities (Refer Note 33)	0.17	1.93
	0.17	**1.93**
Current		
Lease Liabilities (Refer Note 33)	1.10	1.57
	1.10	**1.57**

Changes in Liabilities arising from financing activities - **(Rs. in Crores)**

Particulars	April 1, 2022	Cash Flows	New Leases	Others	March 31, 2023
Lease Liablities	3.50	(2.46)	-	0.23	1.27
Total Lease Liablities from Financing Activities	**3.50**	**(2.46)**	**-**	**0.23**	**1.27**

(Rs. in Crores)

Particulars	April 1, 2021	Cash Flows	New Leases	Others	March 31, 2022
Lease Liablities	2.03	(0.89)	1.69	0.67	3.50
Total Lease Liablities from Financing Activities	**2.03**	**(0.89)**	**1.69**	**0.67**	**3.50**

(Rs. in Crores)

18.2 **Other Financial Liabilities**	**As at 31st March, 2023**	**As at 31st March, 2022**
At Amortised Cost, unless otherwise stated		
Non-current		
Convertible Loans	6.09	4.20
	6.09	**4.20**
Current		
Employee Benefits Payable (Refer Note 39)	29.08	25.57
Interest Accrued but not due	0.67	0.53
Unpaid Dividend @	6.37	6.24
Liability towards Corporate Social Responsibility (Refer Note 29.2)	56.00	90.77
Capital Liabilities	18.48	10.58
Claims/Charges Payable	29.80	10.27
Security Deposits	0.42	0.42
Derivative Instruments - Foreign Exchange Forward Contracts $	1.16	-
Remuneration Payable to Non-executive Directors (Refer Note 39)	0.49	0.51
Others	-	6.41
	142.47	**151.30**
	148.56	**155.50**

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

$ Financial Liability carried at Fair Value through Profit or Loss (Refer Note 40)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		As at 31st March, 2023	As at 31st March, 2022
19	**Other Current Liabilities**		
	Dues Payable to Government Authorities @	11.40	13.15
	Advances from Customers	25.50	31.33
		36.90	**44.48**

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

20	**Provisions**		
	Non-current		
	Provisions for Employee Benefits (Refer Note 37)	2.26	2.88
		2.26	**2.88**
	Current		
	Provisions for Employee Benefits (Refer Note 37)	26.13	24.82
	Provision for Litigations/Claims	10.18	10.11
		36.31	**34.93**
		38.57	**37.81**
	Movement in Provision for Litigation/Claims		
	Opening Balance	10.11	10.50
	Additions	0.07	-
	Utilisation/Reversal	-	(0.39)
	Closing Balance	**10.18**	**10.11**

21 Deferred Tax Assets/Liabilities (Net)

21.1 Deferred Tax Liabilities (Net)

Significant Components and Movement in Deferred Tax Liabilities during the year –

(Rs. in Crores)

	As at 1st April, 2022	Recognised in Statement of Profit and Loss	As at 31st March, 2023
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	73.40	(1.40)	72.16 #
Financial Assets at Fair Value through Profit or Loss - Investments	58.22	(4.35)	53.90 #
Total Deferred Tax Liabilities	**131.62**	**(5.75)**	**126.06**
Set-off pursuant to set-off provisions	**(10.09)**	**1.06**	**(9.03)**
Deferred Tax Liabilities (Net)	**121.53**	**(4.69)**	**117.03**

(Rs. in Crores)

	As at 1st April, 2021	Recognised in Statement of Profit and Loss	As at 31st March, 2022
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	73.38	(2.28)	73.40 #
Financial Assets at Fair Value through Profit or Loss - Investments	33.35	24.90	58.22 #
Total Deferred Tax Liabilities	**106.73**	**22.62**	**131.62**
Set-off pursuant to set-off provisions	**(13.99)**	**3.90**	**(10.09)**
Deferred Tax Liabilities (Net)	**92.74**	**26.52**	**121.53**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

21.2 Deferred Tax Assets (Net)

Significant Components and Movement in Deferred Tax Assets during the year –

(Rs. in Crores)

	As at 1st April, 2022	Recognised in Statement of Profit and Loss	As at 31st March, 2023
Deferred Tax Assets			
Provisions for Employee Benefits	4.51	0.35	4.86
Employee Benefits Payable	0.18	-	0.18
Dues Payable to Government Authorities	0.97	-	0.97
Trade Receivables	1.07	0.27	1.34
Provision towards Voluntary Retirement Scheme	3.36	(1.68)	1.68
Provision for Inventories	1.83	1.22	3.05
Total Deferred Tax Assets	**11.92**	**0.16**	**12.08**
Set-off pursuant to set-off provisions	**(10.09)**	**1.06**	**(9.03)**
Deferred Tax Assets (Net)	**1.83**	**1.22**	**3.05**

(Rs. in Crores)

	As at 1st April, 2021	Recognised in Statement of Profit and Loss	As at 31st March, 2022
Deferred Tax Assets			
Provisions for Employee Benefits	5.77	(1.26)	4.51
Employee Benefits Payable	0.19	(0.01)	0.18
Dues payable to Government Authorities	0.97	*	0.97
Trade Receivables	1.09	(0.02)	1.07
Provision towards Voluntary Retirement Scheme	5.04	(1.68)	3.36
Tax Credits Carry Forward	0.06	(0.06)	-
Carry Forward Business Loss	1.33	(1.34)	#
Provision for Inventories	2.53	(0.70)	1.83
Total Deferred Tax Assets	**16.98**	**(5.07)**	**11.92**
Set-off pursuant to set-off provisions	**(13.99)**	**3.90**	**(10.09)**
Deferred Tax Assets (Net)	**2.99**	**(1.17)**	**1.83**

After considering Rs. 0.19 Crores (Previous Year - Rs. 0.04 Crores) on account of foreign exchange adjustments arising on consolidation of foreign subsidiaries.

Deferred tax liability of Rs. 2.22 Crores acquired through business combinations in the previous year.

(Rs. in Crores)

	As at 31st March, 2023	As at 31st March, 2022
21.3 Tax Losses		
Relating to Overseas Subsidiary		
Unused tax losses for which no deferred tax asset has been recognised	627.90	467.48
Potential tax benefit @ 27.34% (Previous Year - 28.08%)	171.67	131.27
The unused tax losses can be carried forward for indefinite period. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.		
21.4 Current Tax Liabilities (Net)		
Current Tax Liabilities [Net of Advance Tax Rs. 1,722.51 Crores (Previous Year - Rs. 2,097.29 Crores)] (Refer Note 44)	476.82	113.02
21.5 Non-current Tax Assets (Net)		
Advance Tax and Tax Deducted at Source [Net of Provision for Tax of Rs. 821.63 Crores (Previous Year - Rs. 691.73 Crores)]	48.66	130.60

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

22 Revenue from Operations	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	2,309.87	2,386.71
Carbon Paste	18.54	17.01
Calcined Petroleum Coke	311.08	151.58
Impervious Graphite Equipment and Spares	227.82	191.19
GRP/FRP Pipes and Tanks	6.24	5.72
High Speed Steel	174.34	140.67
Alloy Steel	7.69	6.31
Electricity	46.26	27.69
Others	49.53	27.11
Sale of Services (Processing/Service Charges)	9.20	8.98
Other Operating Revenues		
Export Entitlements	19.74	25.01
Others #		
Dividend on Investments carried at Fair Value through Profit or Loss	0.27	0.20
Net Gain on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. Nil (Previous Year - Rs. 38.21 Crores)]	0.34	38.33
	3,180.92	**3,026.51**

Relates to a subsidiary engaged in investing/financing activities

Timing of Revenue Recognition		
Goods transferred at a point in time	3,151.37	2,953.99
Services transferred over time	9.20	8.98
	3,160.57	**2,962.97**

Refer Note 38C for details of Revenue disaggregated on the basis of geography.

(Rs. in Crores)

	As at 31st March, 2023	As at 31st March, 2022
Contract Balances		
Trade Receivables	545.92	540.05
Less: Contract Liabilities		
Advances from Customers	25.50	31.33
Net Contract Balances	**520.42**	**508.72**

The Company has recognised a revenue of Rs. 31.33 Crores (Previous Year - Rs. 16.79 Crores) from the amounts included under advance from customers at the beginning of the year.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

23 Other Income	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Income		
From Financial Assets carried at Amortised Cost		
- Investments	36.29	44.06
- Loans and Deposits	5.00	10.10
- Trade Receivables	3.93	0.57
From Financial Assets carried at Fair Value through Profit or Loss		
- Investments	25.44	25.67
From Income-tax/Other Government Authorities	-	10.52
	70.66	**90.92**
Dividend Income	**1.99**	**1.20**
Others		
Net Gain on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. 27.30 Crores (Previous Year - Rs. 138.26 Crores)] @	26.99	170.83
Fair Value Gains on Derivatives not Designated as Hedges	-	0.03
Liabilities no Longer Required Written Back	3.75	4.85
Provision for Doubtful Debts Written Back	-	*
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 0.80 Crores (Previous Year - Rs. 0.99 Crores)]	0.19	0.41
Net Gain on Foreign Currency Transactions and Translation	16.03	13.17
Other Non-operating Income	13.34	12.42
	60.30	**201.71**
	132.95	**293.83**

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

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
24	**Cost of Materials Consumed**		
	Opening Inventory	618.52	215.14
	Add : Purchases	1,963.80	1,827.96
		2,582.32	2,043.10
	Less : Closing Inventory	750.15	618.52
		1,832.17	**1,424.58**

24.1 For details of Net Realisable Value, Refer Note 13.2

24.2	**Purchases of Stock-in-trade**		
	Calcined Petroleum Coke	17.36	-
		17.36	**-**
25	**Changes in Inventories of Finished Goods and Work-in-progress**		
	Finished Goods		
	Closing Stock	340.44	292.65
	Deduct: Opening Stock	292.65	144.47
		(47.79)	**(148.18)**
	Work-in-progress		
	Closing Stock	1,193.75	745.79
	Deduct: Opening Stock	745.79	625.84
		(447.96)	**(119.95)**
		(495.75)	**(268.13)**

25.1 For details of Net Realisable Value, Refer Note 13.2

26	**Employee Benefits Expense (Refer Note 48)**		
	Salaries and Wages	275.13	272.88
	Contribution to Provident and Other Funds (Refer Note 37)	28.43	27.81
	Staff Welfare Expenses	11.59	9.79
		315.15	**310.48**
27	**Finance Costs**		
	Interest Expense on		
	- Borrowings from Banks	11.78	4.26
	- Others	0.30	0.04
	- Lease Liabilities	0.08	0.04
	Other Borrowing Costs	1.03	0.23
		13.19	**4.57**
28	**Depreciation and Amortisation Expense**		
	Depreciation of Property, Plant and Equipment (Refer Note 5.1)	55.06	53.85
	Amortisation of Intangible Assets (Refer Note 6)	1.07	0.49
	Amortisation of Right-of-use Assets (Refer Note 6.5)	0.91	0.78
		57.04	**55.12**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

29 Other Expenses	Year ended 31st March, 2023	Year ended 31st March, 2022
Consumption of Stores and Spare Parts (Refer Note 29.1)	293.06	265.69
Power and Fuel (Refer Note 47)	562.89	439.43
Rent (Refer Note 33)	2.80	1.18
Repairs and Maintenance:		
- Buildings	4.50	5.51
- Plant and Machinery	36.14	40.95
- Others	5.97	5.51
Insurance	17.20	15.02
Rates and Taxes	5.43	2.95
Freight and Forwarding Charges	89.71	130.28
Commission to Selling Agents	22.39	24.16
Travelling and Conveyance	4.67	1.36
Directors' Remuneration (Other than Executive Director) (Refer Note 39)	0.76	0.82
Bad Debts/Advances Written Off [net of adjustment of provision for doubtful debts written back Rs. Nil (Previous Year - Rs. 0.09 Crores)]	0.08	0.05
Provision for Doubtful Debts	1.08	-
Processing Charges	12.17	9.73
Fair Value Loss on Derivatives not Designated as Hedges	1.19	-
Loss on Fair Value of Commitment	-	6.60
Contract Labour Charges	54.91	54.32
Net Loss on Investments carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains arising during the year Rs. 0.34 Crores (Previous Year - Rs. Nil)]	2.54	3.69
Expenditure towards Corporate Social Responsibility Activities (Refer Note 29.2)	6.13	30.49
Legal and Professional Fees	42.47	12.95
Miscellaneous Expenses	33.70	34.34
	1,199.79	**1,085.03**

29.1 Consumption of Stores and Spare Parts includes :

Packing Materials	20.43	21.50
Loose Tools	2.57	2.85

29.2 Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the Parent Company during the year	6.13	30.49
(b) Amount spent during the year on :		
(i) Construction/acquisition of any asset	-	-
(ii) For purposes other than (i) above	0.83	5.50
Total	**0.83**	**5.50**
(c) Shortfall at the end of Current Year	5.30	24.99
(d) Total of Previous Years shortfall	50.70	65.78
(e) Reasons for shortfall -		

Year ended 31st March, 2023 -
Parent Company projects are mostly long-term and on-going which takes time for execution.

Year ended 31st March, 2022 -
Due to continuation of pandemic situation, the Parent Company was unable to fully undertake and complete the activities which were planned to be undertaken. Moreover, the amounts that were proposed to be spent were voluminous and the Parent Company was faced with logistical difficulties in spending the allocated amounts.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

			Year ended 31st March, 2023	Year ended 31st March, 2022
(f)	**Nature of CSR activities:**			
	(i)	Eradicating hunger, poverty & malnutrition, promoting health care including preventive healthcare and sanitation, safe drinking water etc.	0.55	0.32
	(ii)	Promoting education including special education and employment enhancing vocation skills	0.05	-
	(iii)	Amount spent on administrative overheads	0.23	0.18
	(iv)	Contribution to West Bengal State Disaster Management Authority for Covid Relief work	-	5.00
	(v)	Liability towards Unspent Corporate Social Responsibility for the year for on-going projects @	5.30	24.99
			6.13	**30.49**

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

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

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(g)	**Details of Related Party Transactions**		
	- Contribution made to B D Bangur Endowment (Refer Note 39)	5.16	4.11
	[Includes contribution from Unspent CSR Balances towards on-going CSR Activities relating to earlier years Rs. 4.56 Crores (Previous year - Rs. 3.78 Crores)]		
(h)	**Movement in Provision**		
	Opening Provision at the beginning of the year	90.77	70.06
	Add - Provision made during the year	5.30	24.99
	Less - Amount utilised out of provision during the year	40.07	4.28
	Closing Provision as at the end of the year (Refer Note 18.2)	**56.00**	**90.77**

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

30 Tax Expense	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Tax Expense Recognised in Statement of Profit and Loss		
Current Tax		
Current Tax on Profits for the Year	130.00	160.32
Adjustments for Current Tax relating to Earlier Years	(1.25)	0.07
	128.75	**160.39**
Deferred Tax (Credit)/Charge		
Origination and Reversal of Temporary Differences (Refer Note 21)	(5.91)	27.69
Tax Expense	**122.84**	**188.08**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurement Gains on Defined Benefit Plans	(0.37)	(1.04)
	(0.37)	**(1.04)**

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

Profit before Tax	321.89	692.59
Enacted Statutory Income Tax Rate in India applicable to the Parent Company	25.168%	25.168%
Computed Expected Income Tax Expense	**81.01**	**174.31**
Adjustments –		
Impact of Interest on Tax Refund offered for Tax purposes	14.44	-
Expenses not Deductible for Tax Purposes (Net)	1.22	8.18
Income Exempt from Income Taxes	-	0.04
Impact of Capital Gains on Investments	(10.35)	(18.91)
Difference in Tax Rates applicable for Subsidiaries	2.76	0.80
Deferred Tax Assets not Recognised on Tax Losses of Current Year	33.89	28.38
Adjustments for Current Tax relating to Earlier Years	(1.24)	0.07
Others	1.11	(4.79)
Tax Expense	**122.84**	**188.08**

31 Earnings per Equity Share

Basic and Diluted Earning

(i)	Number of Equity Shares at the beginning of the year	19,53,75,594	19,53,75,594
(ii)	Number of Equity Shares at the end of the year	19,53,75,594	19,53,75,594
(iii)	Weighted Average Number of Equity Share outstanding during the year	19,53,75,594	19,53,75,594
(iv)	Face Value of each Equity Share (Rs.)	2	2
(v)	Profit Attributable to the Equity Shareholders of the Parent Company		
	Profit for the year (Rs. in Crores)	199.35	504.56
(vi)	Basic/Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	10.19	25.82

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

32	Research and Development Expenditure	Year ended 31st March, 2023	Year ended 31st March, 2022
	Research and Development Expenditure of revenue nature are recognised in Statement of Profit and Loss during the year	0.12	0.09

33 Leases

Group as a Lessee

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

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

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

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

(Rs. in Crores)

	Leasehold Lands	Plant & Equipments	Total
As at April 1, 2021	**0.65**	**2.01**	**2.66**
Additions	-	0.73	0.73
Additions towards Business Combinations (Refer Note 50)	-	2.08	2.08
Exchange Differences	-	(0.02)	(0.02)
Depreciation Charge	(0.02)	(0.76)	(0.78)
As at March 31, 2022	**0.63**	**4.04**	**4.67**
Additions	-	-	-
Disposals	-	(0.78)	(0.78)
Exchange Differences	-	0.20	0.20
Depreciation Charge	(0.02)	(0.89)	(0.91)
As at March 31, 2023	**0.61**	**2.57**	**3.18**

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

(Rs. in Crores)

	31st March, 2023	31st March, 2022
Opening Balance	3.50	2.03
Additions	-	0.73
Accretion of Interest	0.08	0.04
Additions towards Business Combinations (Refer Note 50)	-	1.61
Payments	(2.46)	(0.89)
Exchange Differences	0.15	(0.02)
Closing Balance	**1.27**	**3.50**
Current	1.10	1.57
Non-current	0.17	1.93

The weighted average incremental borrowing rate applied to lease liabilities is 1.44%.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amortisation expense of Right-of-use Assets	0.91	0.78
Interest expense on lease liabilities	0.08	0.04
Expense relating to short-term leases (included in 'Other Expenses')	2.80	1.18
Total amount recognised in the Statement of Profit and Loss	**3.79**	**2.00**

The Group had total cash outflows for leases of Rs. 2.46 Crores (March 31, 2022: Rs. 0.89 Crores).

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

Rental expenses recorded for the short-term leases is Rs. 2.80 Crores (March 31, 2022: Rs. 1.18 Crores)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	1.10	1.57
More than one year but less than five years	0.17	1.93
More than five years	-	*

		As at 31st March, 2023	As at 31st March, 2022
34	**Contingencies**		
(i)	Claims not acknowledged as debts:		
	Taxes, duties and other demands (under appeal/dispute)		
	(a) Excise Duty	2.52	2.55
	(b) Customs Duty	8.01	8.32
	(c) Service Tax	18.51	27.80
	(d) Sales Tax/Value Added Tax	4.51	4.51
	(e) Goods & Service Tax	3.23	-
	(f) Income Tax	43.46	49.85
	(g) Labour Related Matters	12.39	14.32
	(h) Other Matters (Property, Rental, etc.)	13.71	13.41
(ii)	Potential Obligation under Public Law of Germany in respect of environment	16.26	15.29
(iii)	Customer appeal pending at High Court against award/order in favour of the Parent Company by Arbitral Tribunal and District Court relating to charges deducted, consequential loss of profit and interest in a construction contract. The Parent Company has withdrawn the entire disputed amount deposited by the customer before High Court with a bank guarantee for 50% of the amount as per the directions of the High Court.	13.62	13.62
	During the current year, Parent Company received Rs 3.52 Crores as interest against which Bank guarantee of Rs 1.76 Crores has been furnished by the Parent Company.	3.52	-
	In respect of above, it is not practicable for the Group to estimate the timing of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.		

35	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	87.92	85.68
	(b) Other Commitments - Investments	24.54	16.19

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

36	Information relating to Micro Enterprises and Small Enterprises (MSEs) as defined under the MSMED Act, 2006	Year ended 31st March, 2023	Year ended 31st March, 2022
	(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal amount due to Micro Enterprises and Small Enterprises	36.09	28.87
	Interest due on above	-	-
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	Principal amount due to Micro Enterprises and Small Enterprises	-	0.01
	Interest due on above	-	-
	(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 amount due to Micro Enterprises and Small Enterprises	-	-
	Interest due on above	-	-
	(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	*
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-
	The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Parent Company.		

37 Employee Benefits

(I) Post-employment Defined Benefit Plans :

(A) Gratuity (Funded)

The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 without ceiling limit, except Rs. 0.20 Crores for Powmex Division of the Parent Company. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(p)(ii) above, based upon which, the Parent Company makes contributions to the Employees' Gratuity Funds.

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

		31st March, 2023	31st March, 2022
(a)	**Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:**		
	Present Value of Obligation at the beginning of the year	47.98	47.95
	Current Service Cost	3.00	2.92
	Interest Cost	3.19	2.79
	Remeasurements Losses/(Gains)		
	Actuarial Losses/(Gains) arising from Changes in Financial Assumptions	(0.85)	(3.94)
	Actuarial Losses/(Gains) arising from Changes in Experience Adjustments	0.35	1.02
	Actuarial Gains arising from Changes in demographic assumptions	-	(0.01)
	Benefits Paid	(3.40)	(2.75)
	Present Value of Obligation at the end of the year	**50.27**	**47.98**
(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	48.56	42.48
	Interest Income	3.28	2.64
	Remeasurements Gains		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	0.02	0.50
	Contributions by Employer	1.35	5.69
	Benefits Paid	(3.40)	(2.75)
	Fair Value of Plan Assets at the end of the year	**49.81**	**48.56**
(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	50.27	47.98
	Less: Fair Value of Plan Assets at the end of the year	49.81	48.56
	Liabilities/(Assets) Recognised in the Balance Sheet*	**0.46**	**(0.58)**
(d)	**Actual Return on Plan Assets**	**3.30**	**3.14**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses (Net)	(0.52)	(3.43)
		(0.52)	**(3.43)**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	3.00	2.92
	Net Interest Cost	(0.09)	0.15
	Total @	**2.91**	**3.07**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.		
(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.82	99.76
	Cash and Cash Equivalents	0.18	0.24
		100.00	**100.00**

* Rs. 0.85 Crores shown under Advance towards Gratuity (31st March, 2022 Rs. 1.76 Crores) (Refer Note 14).

		31st March, 2023	31st March, 2022
(h)	**Principal Actuarial Assumptions:**		
	Discount Rate	7.10%	6.90%
	Salary Growth Rate	7.00%	7.00%
	The following average withdrawal rates per thousand have been assumed:		
		10 per thousand	10 per thousand
	Withdrawal Rate	6 above age 45	6 above age 45
		3 between 29 and 45	3 between 29 and 45
		1 below age 29	1 below age 29

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2012-14) published by the Institute of Actuaries of India'.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(i) Sensitivity Analysis	Change in Assumption	Impact on defined benefit obligation (2022-23)	Impact on defined benefit obligation (2021-22)
Discount Rate	Increase by 1%	Decrease by Rs. 3.88 Crores	Decrease by Rs.3.73 Crores
	Decrease by 1%	Increase by Rs. 4.50 Crores	Increase by Rs. 4.34 Crores
Salary Growth Rate	Increase by 1%	Increase by Rs. 4.46 Crores	Increase by Rs. 4.29 Crores
	Decrease by 1%	Decrease by Rs. 3.91 Crores	Decrease by Rs. 3.76 Crores
Withdrawal Rate	Increase by 50%	Increase by Rs. * Crores	Increase by Rs. * Crores
	Decrease by 50%	Decrease by Rs. 0.01 Crores	Decrease by Rs. 0.01 Crores
Mortality Rate	Increase by 10%	Increase by Rs. * Crores	Increase by Rs. * Crores
	Decrease by 10%	Decrease by Rs.* Crores	Decrease by Rs.* Crores

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(j) The Parent Company expects to contribute Rs. 3.55 Crores (Previous Year - Rs. 2.67 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation as at 31st March, 2023 is 8.96 years (Previous Year - 7.65 years).

(B) Provident Fund

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

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 0.13 Crores (Previous Year - Rs. 0.35 Crores) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the Balance Sheet date. Further during the year, the Parent Company's contribution of Rs. 0.29 Crores (Previous Year - Rs. 0.29 Crores) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

	31st March, 2023	31st March, 2022
Principal Actuarial Assumptions		
Discount Rate	7.12% & 7.11%	5.60% & 4.80%
Expected Return on Exempted Fund	8.23% & 7.76%	6.87% & 7.18%
Guaranteed Interest Rate	8.15%	8.10%

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(C) Pension (Unfunded)

Certain overseas subsidiaries provide for pension benefits to their employees, which are defined benefit retirement plans. Under such plans, the vested employees become entitled to a monthly pension at an agreed rate, upon retirement or disability. After the death of the vested employee, the spouse becomes entitled to monthly pension at a reduced rate. Vesting occurs upon completion of fifteen or twenty four years of service. Such plans are unfunded.

The following table sets forth the particulars in respect of the Pension Plan (unfunded) of the certain foreign subsidiaries for the year ended 31st March, 2023 and 31st March, 2022:

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(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	2.93	3.73
	Exchange Differences	0.15	(0.06)
	Current Service Cost	0.05	0.05
	Interest Cost	0.04	0.01
	Remeasurements Gains		
	Actuarial (Gains) arising from changes in Financial Assumptions	(0.84)	(0.64)
	Benefits Paid	(0.02)	(0.16)
	Present Value of Obligation at the end of the year	**2.31**	**2.93**
(b)	**Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:**		
	Present Value of Obligation at the end of the year	2.31	2.93
	Liabilities Recognised in the Balance Sheet	**2.31**	**2.93**
(c)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements Gains	(0.84)	(0.64)
		(0.84)	**(0.64)**
(d)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	0.05	0.05
	Interest Cost	0.04	0.01
	Total @	**0.09**	**0.06**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 26		

		As at 31st March, 2023	As at 31st March, 2022
(e)	**Principal Actuarial Assumptions:**		
	Discount Rate	4.00%	1.66%
	Pension in Payment Increase Rate	2.50%	1.50%

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

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(f) Sensitivity Analysis	Change in Assumption	Impact on defined benefit obligation (2022-23)	Impact on defined benefit obligation (2021-22)
Discount Rate	Increase by 1%	Decrease by Rs. 0.32 Crores	Decrease by Rs. 0.46 Crores
	Decrease by 1%	Increase by Rs. 0.40 Crores	Increase by Rs. 0.59 Crores
Pensions in Payment Rate	Increase by 1%	Increase by Rs. 0.32 Crores	Increase by Rs. 0.46 Crores
	Decrease by 1%	Decrease by Rs. 0.26 Crores	Decrease by Rs. 0.37 Crores

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(g) The weighted average duration of the defined benefit obligation is 24 years (Previous Year – 24 years).

(II) Post-employment Defined Contribution Plans:

During the year, an amount of Rs. 11.36 Crores (Previous Year - Rs. 10.79 Crores) has been recognised as expenditure towards above defined contribution plans of the Parent Company.

(A) Superannuation Fund (Parent Company)

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trustees. The Parent Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund (Parent Company)

Certain categories of employees of the Parent Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company has no further obligations under the plan beyond its monthly contributions.

(C) Pension Fund (Overseas Subsidiaries)

During the year, an amount of Rs. 13.78 Crores (Previous Year - Rs. 13.60 Crores) has been recognised as expenditure towards defined contribution plans of the overseas subsidiaries. The contribution includes social insurance contribution by the employer on salary and wages.

(III) Leave Obligations

The Parent Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Parent Company's policy. The Parent Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

The total provision recorded by the Parent Company towards this obligation as on reporting date is Rs. 24.64 Crores (Previous Year- Rs. 23.24 Crores). The amount of the provision is presented as current, since the Parent Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Rs. in Crores)

	31st March, 2023	**31st March, 2022**
Leave provision not expected to be settled within the next 12 months	21.68	20.79

(IV) Risk Exposure

Through its defined benefit plans, the Group is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Group is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Group is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

38 Segment Information

A. Description of Segments and Principal Activities

The Parent Company's Executive Director examines the Group's performance on the basis of its business and has identified two reportable segments:

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

b) **Others Segment,** engaged in manufacturing/laying of GRP Pipes, and in manufacturing of High Speed Steel and Alloy Steel and Power Generating Unit exclusively for outside sale and investing in shares and securities.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (including finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the standalone financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

	Graphite and Carbon		Others		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue from Operations						
External Sales	2,926.02	2,782.44	234.55	180.53	3,160.57	2,962.97
Other Operating Revenues	19.58	24.99	0.77	38.55	20.35	63.54
	2,945.60	2,807.43	235.32	219.08	3,180.92	3,026.51
Inter Segment Sales	0.64	0.68	0.45	0.29	1.09	0.97
Segment Revenues	**2,946.24**	**2,808.11**	**235.77**	**219.37**	**3,182.01**	**3,027.48**
Segment Results	**306.82**	**445.74**	**43.16**	**64.11**	**349.98**	**509.85**
Reconciliation to Profit before Tax:						
Net Gain on Investments carried at Fair Value through Profit or Loss					26.99	170.83
Fair Value Gains on Derivatives not Designated as Hedges					-	0.03
Interest Income					65.51	86.64
Dividend Income					1.99	1.20
Finance Costs					(13.19)	(4.57)
Other Un-allocable Expenditure (Net)					(56.36)	(55.29)
Profit before Tax and Share of Loss of an Associate					**374.92**	**708.69**
Share of Loss of an Associate					-	(16.10)
Profit before Tax					**374.92**	**692.59**
Exceptional items					(53.03)	-
Profit before Tax					**321.89**	**692.59**
Depreciation and Amortisation Expenses	**52.05**	**50.21**	**3.68**	**3.60**	**55.73**	**53.81**
Unallocable					1.31	1.31
Total					**57.04**	**55.12**
Non-cash Expenses other than Depreciation and Amortisation	**0.89**	**1.12**	**2.11**	**0.54**	**3.00**	**1.66**
Unallocable					0.01	*
Total					**3.01**	**1.66**
Interest Income	**1.20**	**4.16**	**3.95**	**0.12**	**5.15**	**4.28**
Unallocable					65.51	86.64
Total					**70.66**	**90.92**
Capital Expenditure	**158.45**	**81.20**	**6.03**	**2.18**	**164.48**	**83.38**
Unallocable					0.42	0.39
Total					**164.90**	**83.77**
Segment Assets	**3,865.57**	**3,179.43**	**289.42**	**265.93**	**4,154.99**	**3,445.36**
Reconciliation to Total Assets:						
Investments					2,206.36	2,377.30
Non-current Tax Assets (Net)					48.66	130.60
Deferred Tax Assets (Net)					3.05	1.83
Other Unallocable Assets					98.17	343.90
Total					**6,511.23**	**6,298.99**
Segment Liabilities	**425.49**	**563.77**	**30.58**	**21.57**	**456.07**	**585.34**
Reconciliation to Total Liabilities:						
Borrowings					424.66	427.85
Current Tax Liabilities (Net)					476.82	113.02
Deferred Tax Liabilities (Net)					117.03	121.53
Other Unallocable Liabilities					71.79	104.18
Total					**1,546.37**	**1,351.92**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

C. Entity-wide disclosures:-

(Rs. in Crores)

	2022-23	2021-22
(i) The Parent Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below (excluding Other Operating Revenue):		
India	2,046.85	1,764.66
Rest of the World	1,113.72	1,198.31
	3,160.57	**2,962.97**

	31st March, 2023	31st March, 2022
(ii) Non-current assets (excluding Financial Assets, Non-current Tax Assets and Deferred Tax Assets) by location of assets is shown below:		
India	825.92	705.74
Rest of the World	121.59	146.42
	947.51	**852.16**

(iii) One customer individually accounted for more than 10% of the revenues from external customers amounting to Rs. 464.30 Crores during the year ended March 31, 2023 arising from sales in the Graphite and Carbon Segment and Rs.444.63 Crores during previous year ended March 31, 2022.

39 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists:	
Emerald Company Private Limited, India (ECPL)	Immediate and Ultimate Holding Company of the Parent Company
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECPL that gives him control over the Group, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place during the year :	
Shree Laxmi Agents Private Limited	Fellow Subsidiary of the Parent Company
Carbo Ceramics Limited	Associate of ECPL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Bangur, Mr. Siddhant Bangur and Ms. Rukmani Devi Bangur	Relatives of UCP
GKW Limited, Emerald Matrix Holdings Pte. Ltd, Emerald Highrise Private Limited, B.D. Bangur Endowment, Krishna Kumar Bangur (HUF), Salasar Towers Private Limited, Shree Rama Vaikunth Temple, Pushkar	Entities under significant influence of UCP
Mr. A. Dixit	Key Management Personnel (KMP) - Executive Director (ED)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, Mr. Gaurav Swarup, Mr. N. Venkataramani, Ms. Sudha Krishnan**, Mr. J. D. Curravala $, Ms. Shalini Kamath^	Key Management Personnel - Non-executive Directors (NED)
Mr. P. Keyal @	Key Management Personnel (KMP) - Non-executive Director (NED) of a Subsidiary
Mr. M. K. Chhajer ^^	Key Management Personnel - Chief Financial Officer (CFO)
Mr. B. Shiva	Key Management Personnel - Company Secretary (CS)
Mr. S. W. Parnerkar ^^	Key Management Personnel - Ex Chief Financial Officer (Ex-CFO)
Khaitan & Co. AOR-Delhi, Khaitan & Co.- Mumbai, Khaitan & Co. LLP - Noida, Khaitan & Co. LLP - Kolkata, Firm in which a Director is a Partner	Entities under significant influence of NED
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel (KMP) of ECPL
Mr. R.G. Darak	Relative of KMP of ECPL
Graphite India Limited Employees' Gratuity Fund Graphite Vicarb India Limited Employees' Gratuity Fund Graphite India Limited (PSD) Employees' Gratuity Fund Graphite India Employees Group Gratuity Scheme Graphite India Limited Senior Staff Superannuation Fund Graphite India Employees Group Superannuation Scheme Graphite India Limited Provident Fund GIL Officers Provident Fund	Post-employment Benefit Plans (PEBP)

^^ Mr. S. W. Parnerkar retired on 30.06.2022 & Mr. M. K. Chhajer appointed as CFO w.e.f. 01.07.2022
@ Mr. P. Keyal appointed as a Non-executive Director w.e.f. 22.04.2022
^ Term of Ms. Shalini Kamath as Independent director ended on 10.08.2021
** Ms. Sudha Krishnan appointed as an Independent director w.e.f. 01.12.2021
$ Mr. J. D. Curravala retired by rotation in AGM held on 20.08.2021

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(ii) Particulars of transactions during the year -

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(A)	**Immediate and Ultimate Holding Company of the Parent Company**		
	ECPL		
	Dividend Paid	119.82	59.91
(B)	**Fellow Subsidiary of the Parent Company**		
	Shree Laxmi Agents Private Limited		
	Dividend Paid	0.88	0.44
(C)	**Associate of ECPL**		
	Carbo Ceramics Limited		
	Dividend Paid	0.39	0.19
(D)	**UCP**		
	Mr. K. K. Bangur, Chairman		
	Dividend Paid	0.01	0.11
	Sitting Fees	0.02	0.04
	Total	**0.03**	**0.15**
(E)	**Relatives of UCP**		
	Dividend Paid		
	Ms. Manjushree Bangur	0.25	0.12
	Ms. Divya Bagri	0.17	0.08
	Ms. Aparna Bangur	0.19	0.09
	Mr. Siddhant Bangur	0.25	0.12
	Ms. Rukmani Devi Bangur	0.05	0.03
	Remuneration Paid		
	Mr. Siddhant Bangur	0.61	0.08
(F)	**Entities under significant influence of UCP**		
	Dividend Paid		
	GKW Limited	4.00	2.00
	Emerald Matrix Holdings Pte. Ltd	1.40	0.70
	Emerald Highrise Private limited	*	*
	Krishna Kumar Bangur (HUF)	0.25	0.03
	Rent Expenses		
	Salasar Towers Private Limited	0.08	0.07
	Shree Rama Vaikunth Temple, Pushkar	0.01	0.01
	Contributions made		
	B.D. Bangur Endowment	0.60	0.33
	Total	**6.34**	**3.14**
(G)	**KMP**		
	ED		
	Mr. A. Dixit		
	Remuneration		
	Short-term Employee Benefits	1.67	1.64
	Post Employment Benefits	0.17	0.16
	Total	**1.84**	**1.80**
(H)	**CFO**		
	Mr. S. W. Parnerkar		
	Dividend Paid	-	*
	Sitting Fees	-	*
	Mr. M. K. Chhajer		
	Loan Recovered	0.01	-
	Interest Recovered	*	*
	Total	**0.01**	*****
	Remuneration		
	Mr. M. K. Chhajer		
	Short-term Employee Benefits	0.31	-
	Post Employment Benefits	0.03	-
	Mr. S. W. Parnerkar		
	Short-term Employee Benefits	0.22	0.44
	Post Employment Benefits	0.02	0.05
	Total	**0.58**	**0.49**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(I)	**NED**		
	Dividend Paid		
	Mr. N. Venkataramani	0.01	*
	Sitting Fees		
	Mr. N.S. Damani	0.02	0.03
	Mr. A.V. Lodha	0.04	0.04
	Mr. P.K. Khaitan	0.04	0.05
	Mr. N. Venkataramani	0.07	0.07
	Mr. J. D. Curravala	-	0.01
	Mr. Gaurav Swarup	0.04	0.05
	Ms. Shalini Kamath	-	0.01
	Ms. Sudha Krishnan	0.04	0.01
	Commission		
	Mr. N.S. Damani	0.07	0.08
	Mr. A.V. Lodha	0.08	0.10
	Mr. P.K. Khaitan	0.07	0.08
	Mr. N. Venkataramani	0.11	0.13
	Mr. Gaurav Swarup	0.08	0.10
	Ms. Sudha Krishnan	0.08	0.02
	Total	**0.75**	**0.78**
(J)	**Entities under significant influence of NED**		
	Professional Fees $		
	Khaitan & Co., Mumbai	0.99	0.22
	Khaitan & Co. AOR, Delhi	0.10	-
	Khaitan & Co. LLP, Noida	0.09	0.12
	Khaitan & Co. LLP, Kolkata	0.64	0.34
	Total	**1.82**	**0.68**
	$ Includes Rs. 0.63 Crores capitalised (Previous Year - Rs. Nil)		
(K)	**KMP of ECPL**		
	Remuneration		
	Mr. M.C. Darak	0.28	0.23
	Mr. S. Marda	0.33	0.29
	Mr. B. Shiva	0.62	0.55
	Dividend Paid		
	Mr. M.C. Darak	*	*
	Mr. S. Marda	*	*
	Mr. B. Shiva	*	*
	Loan Recovered		
	Mr. S. Marda	0.01	0.01
	Interest Recovered		
	Mr. S. Marda	*	*
	Total	**1.24**	**1.08**
(L)	**Relative of KMP of ECPL**		
	Remuneration		
	Mr. R.G. Darak	0.24	0.20
	Dividend Paid		
	Mr. R.G. Darak	*	*
	Total	**0.24**	**0.20**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

(Rs. in Crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(M) PEBP		
Contribution Made		
Graphite India Limited Employees' Gratuity Fund	0.15	4.58
Graphite Vicarb India Limited Employees' Gratuity Fund	0.47	0.16
Graphite India Limited (PSD) Employees' Gratuity Fund	0.01	0.01
Graphite India Employees Group Gratuity Scheme	0.72	0.94
Graphite India Limited Senior Staff Superannuation Fund	1.93	1.41
Graphite India Employees Group Superannuation Scheme	1.26	1.16
Graphite India Limited Provident Fund	0.09	0.09
GIL Officers Provident Fund	0.20	0.20
Total	**4.83**	**8.55**

(iii) Balances Outstanding

	As at 31st March, 2023	As at 31st March, 2022
(A) KMP		
Financial Assets - Loan		
Chief Financial Officer		
Mr. M. K. Chhajer	0.03	-
Other Financial Liabilities #		
Executive Director		
Mr. A. Dixit	0.62	0.60
Chief Financial Officer		
Mr. M. K. Chhajer	0.08	-
Mr. S. W. Parnerkar	-	0.09
Company Secretary		
Mr. B. Shiva	0.07	0.09
Total	**0.80**	**0.78**
(B) NED		
Other Financial Liabilities		
Mr. N.S. Damani	0.07	0.08
Mr. A.V. Lodha	0.08	0.10
Mr. P.K. Khaitan	0.07	0.08
Mr. N. Venkataramani	0.11	0.13
Mr. Gaurav Swarup	0.08	0.10
Ms. Sudha Krishnan	0.08	0.02
Total	**0.49**	**0.51**
(C) Entities under significant influence of NED		
Trade Payables		
Khaitan & Co. LLP, Kolkata	**0.01**	*
(D) KMP of ECPL		
Financial Assets - Loan		
Mr. S. Marda	0.03	0.04
Other Financial Liabilities #		
Mr. M.C. Darak	0.05	0.02
Mr. S. Marda	0.04	0.05
Total	**0.12**	**0.11**
(E) Relative of KMP of ECPL		
Other Financial Liabilities #		
Mr. R.G. Darak	**0.04**	**0.02**
(F) PEBP		
Other Financial Liabilities		
Graphite India Limited Provident Fund	0.10	0.06
GIL Officers Provident Fund	0.06	0.04
Total	**0.16**	**0.10**

As the future liability for gratuity is provided on actuarial basis for the Parent Company as a whole, the amount pertaining to an individual is not ascertainable and therefore not included above.

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties other than disclosed above.

40 Fair Value Measurements **(Rs. in Crores)**

(i) Financial Instruments by Category

	Notes	31st March, 2023 Carrying Amount/ Fair Value	31st March, 2022 Carrying Amount/ Fair Value
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments			
- Quoted Equity Shares	7	278.59	279.15
- Unquoted Equity Shares	7	90.46	91.12
- Mutual Funds/Other Funds	7	1,080.19	1,051.30
- Exchange Traded Funds	7	7.00	35.28
- Perpetual Bonds	7	216.78	245.87
- Venture Capital Fund	7	105.02	85.19
- Market Linked Debenture	7	15.15	24.57
- Other Financial Assets	12	9.91	11.70
Derivative Instruments-Foreign Exchange Forward Contracts	12	-	0.03
Assets Carried at Amortised Cost			
Investments			
- Debentures, Bonds and Corporate Deposits	7	528.54	681.38
Trade Receivables	8	545.92	540.05
Cash and Cash Equivalents	9	23.11	68.45
Other Bank Balances	10	67.65	75.21
Loans	11	1.83	1.89
Other Financial Assets*	12	27.27	280.61
Total Financial Assets		**2,997.42**	**3,471.80**
Financial Liabilities			
Liabilities Carried at Fair Value through Profit or Loss			
Derivative Instruments-Foreign Exchange Forward Contracts	18.2	1.16	-
		1.16	**-**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (including interest accrued)	16,18.2	425.33	428.38
Trade Payables	17	302.56	448.23
Other Financial Liabilities and Lease Liabilities	18.1,18.2	148.00	158.47
Total Financial Liabilities		**875.89**	**1,035.08**

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

(ii) Fair Values

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2022.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

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

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

(c) The management has assessed that the fair values of Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Investments in Commercial Papers, Debentures, Bonds and Corporate Deposits, Trade Payables, Borrowings and Other Financial Liabilities approximate to their respective carrying amounts largely due to the short term maturity of these instruments. Further, management has also assessed the carrying amount of certain loans bearing floating interest rates which are a reasonable approximation of their respective fair values and any difference between their carrying amounts and fair values is not expected to be significant.

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

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

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

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

(iii) Fair Value Hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended 31st March, 2023 and 31st March, 2022.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

		31st March, 2023			31st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(a)	**Recognised and Measured at Fair Value**						
	Recurring Measurements						
	Financial Assets						
	Investments						
	- Mutual Funds/Other Funds	-	1,080.19	-	-	1,051.30	-
	- Exchange Traded Funds	7.00	-	-	35.28	-	-
	- Perpetual Bonds	-	216.78	-	-	245.87	-
	- Quoted Equity Investments	278.59	-	-	279.15	-	-
	- Unquoted Equity Investments	-	-	90.46	-	-	91.12
	- Venture Capital Funds	-	105.02	-	-	85.19	-
	- Market Linked Debentures	-	15.15	-	-	24.57	-
	Derivative Instruments-Foreign Exchange Forward Contracts	-	-	-	-	0.03	-
		285.59	**1,417.14**	**90.46**	**314.43**	**1,406.96**	**91.12**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	- Debentures, Bonds and Corporate Deposits	-	528.54	-	-	681.38	-
		-	**528.54**	**-**	**-**	**681.38**	**-**
(c)	**Recognised and Measured at Fair Value Recurring Measurements**						
	Financial Liabilities						
	Derivative Instruments-Foreign Exchange Forward Contracts	-	1.16	-	-	-	-
		-	**1.16**	**-**	**-**	**-**	**-**

Fair value measurements using significant unobservable inputs (Level 3)

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

Particulars	Valuation Technique	Significant unobservable inputs
Unquoted equity shares	Net asset value, comparable companies multiple method and comparable transaction method	Earnings per share and price earnings ratio of comparable companies in the sector

		Impact of sensitivity on fair value	
		31st March, 2023	31st March, 2022
EPS or PE Ratio (other parameters constant)	Decrease by 5%	Rs 2.49 Crores	Rs. 2.78 Crores
EPS or PE Ratio (other parameters constant)	Increase by 5%	Rs 2.49 Crores	Rs. 2.78 Crores
EPS and PE Ratio (worst case scenario)	Decrease by 5%	Rs 4.85 Crores	Rs. 5.42 Crores

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

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

Particulars	**Amount**
As at 01.04.2021	41.02
Fair Value Changes	50.10
As at 31.03.2022	**91.12**
Fair Value Changes	(0.66)
As at 31.03.2023	**90.46**

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

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Group's financial statements.

41 Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered as per Group's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Group's senior management that the Group's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and the Group's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities comprising Deposits with Banks, Investments in Mutual Funds/Other Funds, Commercial Papers and Debentures.

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Group's established policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

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

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments, corporate deposits and derivative instruments is managed by Group's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Group monitors ratings, credit spreads and financial strength of its counterparties.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2023 and 31st March, 2022 is the carrying amounts as disclosed below.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

Financial Assets that are Neither Past Due Nor Impaired

None of the Group's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2023 and 31st March, 2022. Of the total trade receivables, Rs. 267.18 Crores as at 31st March, 2023, Rs. 426.12 Crores as at 31st March, 2022 consisted of customer balances that were neither due nor impaired as at such respective dates.

Financial Assets that are Past Due But Not Impaired

The Group's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Crores)

Period (in days)	**As at 31st March, 2023**	**As at 31st March, 2022**
1-90	254.83	111.16
91-180	21.71	0.09
More than 180	2.20	2.68
	278.74	**113.93**

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

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

(Rs. in Crores)

Reconciliation of Provision for Doubtful Debts — Trade Receivables	**31st March, 2023**	**31st March, 2022**
Opening Balance	4.25	4.34
Provision utilised during the year	-	(0.09)
Provision created during the year	1.08	-
Provision written back during the year	-	*
Closing Balance	**5.33**	**4.25**

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

(B) Liquidity Risk

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

(i) Financing Arrangements

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

(Rs. in Crores)

	As at 31st March, 2023	**As at 31st March, 2022**
Floating/Fixed Rate		
- Expiring within one year (working capital facilities)	354.20	340.37
	354.20	**340.37**

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(ii) Maturities of Financial Liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Contractual Maturities of Financial Liabilities	Within 1 year	More than 1 year	Total
31st March, 2023			
Borrowings	424.66	-	424.66
Trade Payables	302.56	-	302.56
Other Financial Liabilities and Lease Liabilities^	147.76	6.26	154.02
Total	**874.98**	**6.26**	**881.24**
31st March, 2022			
Borrowings	427.85	-	427.85
Trade Payables	448.23	-	448.23
Other Financial Liabilities and Lease Liabilities^	153.68	6.13	159.81
Total	**1,029.76**	**6.13**	**1,035.89**

^ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 4.19 Crores (Previous Year - Rs. 0.81 Crores).

(C) Market Risk

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

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Group has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

The Group strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Group uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(Rs. in Crores)

	31st March, 2023		31st March, 2022	
	USD	**Euro**	**USD**	**Euro**
Financial Assets				
Trade Receivables	147.47	19.76	183.77	7.93
Cash and Cash Equivalents	2.44	-	20.32	-
Investments	81.29	-	96.25	-
Other Financial Assets	-	-	0.23	-
Forward Contracts	(22.60)	(11.18)	(22.72)	(8.41)
Net Exposure to Foreign Currency Risk (Assets)	**208.60**	**8.58**	**277.85**	**(0.48)**
Financial Liabilities				
Borrowings	-	-	63.84	-
Trade Payables	50.77	4.74	271.57	4.34
Other Financial Liabilities	8.51	1.01	21.29	0.45
Forward Contracts	(13.97)	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**45.31**	**5.75**	**356.70**	**4.79**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**163.29**	**2.83**	**(78.85)**	**(5.27)**

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	**31st March, 2022**
USD Sensitivity		
INR/USD - Increase by 5% (Previous year 5%)*	8.16	(3.94)
INR/USD - Decrease by 5% (Previous year 5%)*	(8.16)	3.94
Euro Sensitivity		
INR/EUR - Increase by 5% (Previous year 5%)*	0.14	(0.26)
INR/EUR - Decrease by 5% (Previous year 5%)*	(0.14)	0.26

* Holding all other variables constant

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Group may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

The Group's fixed rate borrowings and investments comprising Deposits with Banks, Commercial Papers, Corporate Deposits and Bonds/Debentures are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(a) Interest Rate Risk Exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Crores)

	31st March, 2023	**31st March, 2022**
Variable Rate Borrowings	424.66	364.06
Fixed Rate Borrowings	-	63.79
Total Borrowings	**424.66**	**427.85**

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

(Rs. in Crores)

	31st March, 2023			**31st March, 2022**		
	Weighted average interest rate (%)	**Balance**	**% of Total Loans**	**Weighted average interest rate (%)**	**Balance**	**% of Total Loans**
Cash Credit/ Export Credit Facilities	5.19%	424.66	100%	2.84%	364.06	85%

An analysis by maturities is provided in Note 41(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	**31st March, 2022**
Interest Rates - Increase by 100 basis points (100 bps)*	(4.25)	(3.64)
Interest Rates - Decrease by 100 basis points (100 bps)*	4.25	3.64

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

(iii) Equity Price Risk

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

(iv) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Group invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds & other funds, short term debt funds & income funds and perpetual bonds & Market linked debenture. To manage its price risk arising from investments in mutual funds, perpetual bonds and Market linked debenture, the Group diversifies its portfolio.

These investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Group's exposure to securities price risk arises primarily from investments in mutual funds & other funds, perpetual bonds and Market linked debentures held by the Group and classified in the Balance Sheet as fair value through profit or loss (Note 40).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(b) Sensitivity

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

(Rs. in Crores)

	Impact on Profit before Tax	
	31st March, 2023	**31st March, 2022**
NAV - Increase by 1%*	11.85	11.71
NAV - Decrease by 1%*	(11.85)	(11.71)
Interest Rates - Increase by 100 basis points (100 bps)*	(23.07)	(15.81)
Interest Rates - Decrease by 100 basis points (100 bps)*	23.07	15.81

* Holding all other variables constant

(v) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's sales of graphite electrodes, including the raw material components for such products. Cost of raw materials forms the largest portion of the Group's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

42 Capital Management

(a) Risk Management

The Group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the Gearing Ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

(Rs. in Crores)

	31st March, 2023	**31st March, 2022**
Total Borrowings (Refer Note 16)	424.66	427.85
Less: Cash and Cash Equivalents (Refer Note 9)	(23.11)	(68.45)
Net Debt	**401.55**	**359.40**
Equity (Refer Note 15)	**4,964.86**	**4,947.07**
Total Capital (Equity+ Net Debt)	**5,366.41**	**5,306.47**
Gearing Ratios	**7.48%**	**6.77%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

(Rs. in Crores)

(b) Dividend on Equity Shares	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2021 of Rs. 5/- per fully paid share	-	97.69
Final dividend for the year ended 31st March, 2022 Rs. 10/- per fully paid share	195.38	-
	195.38	**97.69**
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have recommended the payment of a dividend of Rs. 8.50 per fully paid share (Previous Year - Rs. 10/- per fully paid-up share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	166.07	195.38

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

(c) With respect to cumulative preference shares allotted to Non-controlling Interest shareholders, accrued interest amounting to Rs. 0.65 Crores (Previous Year - Rs. Nil) has been recognised during the year. This dividend needs to be paid before any dividend is declared to other shareholders. (Refer Note 15.2)

43 Assets Pledged as Security

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

(Rs. in Crores)

	As at 31st March, 2023	**As at 31st March, 2022**
Current		
First Charge		
Financial Assets		
Trade Receivables @	522.80	537.67
Non-financial Assets		
Inventories	2,189.91	1,470.60
Sub-total	**2,712.71**	**2,008.27**
Non-current		
First Charge/Second Charge #		
Plant and Equipments	451.07	346.88
Furniture and Fixtures	1.74	1.34
Office Equipments	1.35	1.29
Vehicles	3.72	3.58
Sub-total	**457.88**	**353.09**
Total	**3,170.59**	**2,361.36**

@ Including inter-company receivables which is eliminated in consolidated financial statement

Second Charge existed for all the periods presented for loans repayable on demand from banks disclosed under Current Borrowings (Refer Note 16).

44 Based on assessment orders, received by the Parent Company in respect of Assessment Years 2018-19 and 2019-20, the Parent Company has received refunds amounting to Rs. 417.10 Crores. The Parent Company has preferred appeals against the short allowance of deduction, claimed by the Parent Company. Pending disposal of such appeals, no credit/adjustment has been made in the Statement of Profit and Loss on a prudent basis.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

45 Impairment assessment of Goodwill pertaining to General Graphene Corporation (GGC) : For impairment testing, goodwill acquired through business combinations has been allocated to GGC, Cash Generating Unit which is also an operating and reportable company.

(Rs. in Crores)

Goodwill Reconciliation	31st March, 2023	31st March, 2022
Balance at the beginning of the year	55.40	-
Additions towards Business Combination	-	55.40
Impairment for the year (Refer Note 6)	(6.29)	-
Exchange Differences ^	3.10	-
Balance at the end of the financial year	**52.21**	**55.40**

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

The GGC annual impairment assessment for years ended 31 March, 2023 and 31 March, 2022 were performed as on 31 March, 2023 and 31 March, 2022, respectively. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. The Group assesses the goodwill for any indication of impairment at annual basis. The impairment testing is done by computing the value-in-use based on discounted cash flow method. The value-in-use so determined is compared with the carrying value and if their is a deficit, impairment loss is recognised. As at 31 March, 2023, GGC has made little progress in establishing a potential market for the use of its products and did not meet the budget expectations, indicating a potential impairment of goodwill and impairment of the assets of the operating segment. In addition, the continued and increasing decline in performance raised the risk for possible impairment.

The recoverable amount of GGC of Rs. 126.71 Crores as at 31 March, 2023 (out of which attributable to GIBV - Rs. 73.59 Crores) has been determined based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a six-year period.

In the previous year, a provision for the impairment of Goodwill was created due to the agreement by the Group to make an additional investment in GGC in April, 2022. This was included in the Statement of Profit and Loss for the year ended 31 March, 2022.

The projected cash flows have been updated to reflect the delay in the identification of a relevant market for products and services. The pre-tax discount rate applied to cash flow projections for impairment testing for GGC during the current year is 26.9% (31 March, 2022: 29.5%) and cash flows beyond the 6-year period considering a terminal growth rate of 5.0% (31 March, 2022: 5.0%). It was concluded that the value-in-use exceeded the carrying book value. As a result of this analysis, no impairment charge is required to be recognised in the current year against Goodwill.

46 Stock Option Plan (SOP) pertaining to GGC

General Graphene Corporation (GGC) provides stock option plan to its employees, vendors and other contractors. The maximum aggregate numbers of shares that may be subject to the option is 3,68,561 under stock option plan. During the year ended 31 March 2023, 43,000 stock options were granted.

Subject to Participant's continued employment as defined in the Plan, the Unvested Options shall vest with the participant automatically in accordance with the following schedule: (a) 25% of the total options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; (b) further 8% of the total options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date; (c) further 17% of the total options granted, rounded up to the nearest whole number shall vest on the third anniversary and (d) balance 50% of the total options granted rounded up to the whole number such that the total number of options vested shall add up to 100%, shall vest on the fourth anniversary of the Grant Date.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

The Group has considered the fair value of equity shares for the purpose of SOP accounting by using "Option Pricing Method" based on the Black-Scholes Model.

Sl No	Particulars	As at March 31, 2023
a	Number of Stock Options outstanding at the end of the year	43,000
b	Number of Options granted during the year	43,000
c	Number of Options vested during the year	14,190
d	Number of Options exercised	-
e	Fair Value per Option (In Rs.)	183.33
f	Weighted Average Exercise Price (In Rs.)	1,454.41
g	Amount Expensed in Statement of Profit and Loss (Rs. in Crores)	0.33

47 Pursuant to the publication of two Tariff Orders by Hon'ble West Bengal Electricity Regulatory Commission for the years 2017-18 to 2019-20, Damodar Valley Corporation (DVC) has revised tariff rates and also levied the new FPPCA (Fuel & Power Purchase Cost Adjustment) in terms of CERC (Central Electricity Regulatory Commission) Order towards arrear electricity charges in respect of the Durgapur Plant of the Parent Company (covering period till May' 22). The net charge of Rs. 75.23 Crores (after netting off corresponding provision created in earlier years) has been charged under 'Power and Fuel' expenses in these consolidated financial statements for year ended March 31, 2023.

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

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

50 On February 1, 2022, GIBV obtained control over GGC, consequent to which GGC became GIBV's subsidiary (with 51.806% stake) from an associate.

Accordingly, on February 1, 2022, GIBV remeasured its previously held equity interest in GGC at fair value and recognised the resulting loss amounting to Rs. 3.69 Crores in the Statement of Profit and Loss (under 'Other Expenses') for the year ended March 31, 2022.

GIBV also recognised the identifiable assets (tangible and intangible) acquired and liabilities assumed at their respective fair values as at the acquisition date (i.e. February 1, 2022) in accordance with Ind AS 103 : Business Combination. The goodwill arising on the above business combination, amounting to Rs. 55.40 Crores comprised the value of benefits expected to arise pursuant to investment in GGC.

As per the applicable accounting standard, NCI was measured at the present ownership instrument's proportionate share in the recognised amounts of the acquiree's (GGC) identifiable net assets in the event of liquidation. The Group's shareholding in GGC has preferential rights in case of liquidation and accordingly, the NCI has been computed after taking that into consideration.

During the year ended March 31, 2023, GIBV invested an additional sum of USD 2.5 Million on which the Group had provided for a mark-to-market loss of Rs. 6.60 Crores as loss on fair value of commitment in the financial statements for the year ended March 31, 2022. The same has been adjusted with carrying amount of goodwill during the year ended March 31, 2023.

Consequent to the above investment, GIBV's cumulative investment in GGC increased to USD 18.59 Million i.e. a stake of 55.315%.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2023

51 Weak European economy fuelled by the Russia Ukraine conflict has led to an unprecedented increase in energy and gas costs rendering German electrode operations unviable. The Group has decided to shut down its German graphite electrode production as of now and initiated liquidation of one step-down subsidiary (with effect from 1st October, 2022, which is under process). Exceptional items of Rs. 53.03 Crores for the year ended March 31, 2023 represents Rs. 29.87 Crores on account of restructuring costs/social security cost and Rs. 23.16 Crores on account of impairment of Property, Plant and Equipment of graphite electrode division in Germany.

52 **Other Statutory Information**

(i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

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

(iii) The Parent Company and the subsidiary company registered in India does not have any charges or satisfaction which is pending to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

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

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

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

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

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

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

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

53 Previous year's numbers have been regrouped/reclassified, wherever necessary, to conform to current year classification.

As per our report of even date

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

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Date : 30th May, 2023

M. K. Chhajer
Chief Financial Officer

B. Shiva
Company Secretary

A. Dixit
Executive Director
DIN: 06678944

K. K. Bangur
Chairman
DIN: 00029427

Notes