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

1 Corporate Information

Graphite India Limited (the 'Company') is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in India. The Company is mainly engaged in the business of manufacturing and selling of graphite & carbon and other products as detailed under segment information in Note 37. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Company is located at 31, Chowringhee Road, Kolkata - 700 016, West Bengal, India.

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

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These standalone financial statements are the separate financial statements of the Company.

(a) Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Basis of Measurement

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

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

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

(iii) Current and Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

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

(iv) Rounding of Amounts

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

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

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

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

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

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

(b) Revenue from contract with customer

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

Sale of Products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 0 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

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

Sale of Services

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

Other Operating Revenues

Export entitlements (arising out of Duty Drawback and Merchandise Export from India) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Royalty Income is recognised on an accrual basis as per terms of the agreement with the concerned party.

(c) Revenue from Construction Contracts

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

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

(d) Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

Estimated useful lives of the assets are as follows:

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

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(e) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

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

Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

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

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

(f) Impairment of Non-financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a

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

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

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

(g) Leases

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

Company as a lessee

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

Right-of-use assets

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

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

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

Company as a lessor

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

(h) Inventories

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

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

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

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

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

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

(i) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment, if any. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

(ii) Measurement

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

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

Debt Instruments

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

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

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

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

-the Company has transferred the rights to receive cash flows from the financial asset, or

-retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest Income on financial assets are measured at amortised cost and fair value through profit or loss and is included in other income in the statement of profit and loss.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably, which is generally when shareholders approve the dividend.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, underlying asset analysis, comparable companies multiple method, comparable transaction method and available quoted market prices.

(k) Derivative Instruments

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

(l) Offsetting Financial Instruments

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

(m) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original

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

maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Trade Payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

Financial Guarantee Contracts

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

Derecognition

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

(o) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(p) Forward Currency Contracts

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

Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency

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

of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

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

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

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

(q) Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

I. Defined Benefit Plans

a) Gratuity

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

b) Provident Fund

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

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

II. Defined Contribution Plans

a) Superannuation

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

b) Provident Fund

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

(iii) Other Long-term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by

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

employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. Actuarial gains/losses are immediately recognised in retained earnings through Statement of Profit and Loss in the period in which they occur.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(r) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(s) Government Grants

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

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

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

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

received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

(t) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

Dividend Distribution to Equity-holders

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

Earnings per Share

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

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

(u) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Executive Director of the Company. Refer Note 37 for segment information presented.

(w) Use of Estimates

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

(x) Standards issued not yet effective

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

3 Critical Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

- Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2(q) and 36

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Estimation of Expected Useful Lives of Property, Plant and Equipment — Notes 2(d) and 4.1

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- Contingencies — Notes 2(u) and 34

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the

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

event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

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

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair Value Measurements — Notes 2(j)(vi) and 39

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

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

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

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

4 Property, Plant and Equipment

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

(Rs. in Crores)

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

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

(Rs. in Crores)

4.2 Capital Work-in-progress

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

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

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

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

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

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

4.6 Title deeds of immovable properties set out in Note 4.1 and 5.2, where applicable, are in the name of the Company except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL). The immovable properties of GVIL/PSL, inter alia, got transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

(Rs. in Crores)

Particulars	Gross Carrying Amount		Net Carrying Amount	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Certain Freehold Land at Nashik and Titilagarh (5 Title Deeds)	0.09	0.09	0.09	0.09
Certain Leasehold Land at Titilagarh (2 Title Deeds)	0.22	0.22	0.15	0.15

4.7 A portion of the land at Titilagarh including Freehold Land mentioned in Note 4.6 above is under dispute on legal ownership - Rs. 2.67 Crores (Previous Year - Rs. 2.67 Crores) disclosed as contingent liability and included under 'Other Matters' in Note 34(i)(h).

(Rs. in Crores)

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

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

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

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

(Rs. in Crores)

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

Refer Note 33 for related disclosures.

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

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

(Rs. in Crores)

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

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

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

(Rs. in Crores)

7 Trade Receivables ^^

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

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

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

8 Cash and Cash Equivalents ^^

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

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

9 Other Bank Balances ^^

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

@ Earmarked for payment of Unclaimed Dividend

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

10 Loans ^^

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

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

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

(Rs. in Crores)

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

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

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

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

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

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

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

(Rs. in Crores)

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

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

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

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

@ There were no changes in number of shares during the years ended 31st March, 2021 and 31st March, 2020.

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

(b) Details of Equity Shares held by the holding company and by subsidiary/associate of the holding company :	Number of Shares	Number of Shares
Emerald Company Private Limited (ECPL); the Immediate and Ultimate Holding Company	11,98,23,336	11,96,75,004
Shree Laxmi Agents Private Limited; a Subsidiary of ECPL	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECPL	3,86,645	3,86,645

(c) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company :	Number of Shares	Number of Shares
Emerald Company Private Limited	11,98,23,336	11,96,75,004
	(61.33%)	(61.25%)

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

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

(Rs. in Crores)

14.2 Other Equity

	As at 31st March, 2021	As at 31st March, 2020
-Reserves and Surplus		
Capital Reserve	0.46	0.46
Capital Redemption Reserve	5.75	5.75
Securities Premium	200.97	200.97
General Reserve	1,336.50	1,336.50
Retained Earnings [Refer (i) below]	2,425.09	2,227.61
	3,968.77	**3,771.29**

14.2 (i) Retained Earnings - Movement during the year

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

Nature and Purpose of each Reserve

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Capital Redemption Reserve

The Act requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. The Company had established this reserve pursuant to the redemption of preference shares issued in earlier years.

Securities Premium

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

General Reserve

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

Retained Earnings

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

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

(Rs. in Crores)

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

*Secured -

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

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

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

15.2 Changes in Liabilities arising from financing activities -

(Rs. in Crores)

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

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

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

(Rs. in Crores)

16 Trade Payables

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

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

17 Other Financial Liabilities

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

18 Other Current Liabilities

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

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

19 Provisions

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

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

20 Deferred Tax Liabilities (Net)

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

(Rs. in Crores)

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

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

(Rs. in Crores)

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

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

(Rs. in Crores)

22 Other Income

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

23 Cost of Materials Consumed

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

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

24 Changes in Inventories of Finished Goods and Work-in-progress

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

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

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

(Rs. in Crores)

		Year ended 31st March, 2021	Year ended 31st March, 2020
25	**Employee Benefits Expense (Refer Note 47)**		
	Salaries, Wages and Bonus	164.65	184.44
	Contribution to Provident and Other Funds (Refer Note 36)	13.35	13.32
	Staff Welfare Expenses	6.96	8.48
		184.96	**206.24**
26	**Finance Costs**		
	Interest Expense on		
	- Borrowings from Banks	5.53	15.99
	- Others	0.20	0.94
	Other Borrowing Costs	0.20	0.19
		5.93	**17.12**
27	**Depreciation and Amortisation Expense**		
	Depreciation of Property, Plant and Equipment (Refer Note 4.1)	44.29	43.86
	Amortisation of Intangible Assets (Refer Note 5)	0.28	0.32
	Depreciation on Right-of-Use Assets (Refer Note 5.2)	0.02	0.02
		44.59	**44.20**
28	**Other Expenses**		
	Consumption of Stores and Spare Parts (Refer Note 28.1)	127.83	150.70
	Power and Fuel	237.65	236.71
	Rent (Refer Note 33)	1.88	2.00
	Repairs and Maintenance:		
	- Buildings	3.30	7.02
	- Plant and Machinery	18.30	31.82
	- Others	3.73	3.86
	Insurance	11.21	8.17
	Rates and Taxes	1.13	7.56
	Freight and Forwarding Charges	55.69	45.95
	Commission to Selling Agents	12.08	27.72
	Travelling and Conveyance	0.88	5.35
	Directors' Remuneration (Other than Executive Director)	0.55	0.13
	Bad Debts/Advances Written Off (Refer Note 28.2)	0.36	39.11
	Provision for Doubtful Debts	-	0.04
	Processing Charges	5.95	8.42
	Net Loss on Foreign Currency Transactions and Translation	3.44	-
	Contractors' Labour Charges	43.46	40.70
	Loss on Disposal of Property, Plant and Equipment [Net of Profit on Disposal of Property, Plant and Equipment Rs. 0.07 Crores (Previous Year - Rs. 0.11 Crores)]	0.01	0.07
	Expenditure towards Corporate Social Responsibility Activities (Refer Note 28.3)	73.15	3.78
	Payment to Auditors (Refer Note 28.4)	0.85	0.73
	Miscellaneous Expenses	24.31	25.33
		625.76	**645.17**

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

(Rs. in Crores)

28.1 Consumption of Stores and Spare Parts includes:

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

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

28.3 Corporate Social Responsibility Expenditure:

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

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

28.4 Payment to Auditors -

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

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

(Rs. in Crores)

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

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

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

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

30 Earnings per Equity Share

Basic and Diluted Earning		
(i) Number of Equity Shares at the beginning of the year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the end of the year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of each Equity Share (Rs.)	2	2
(v) Profit after Tax available for Equity Shareholders		
Profit for the Year (Rs. in Crores)	199.32	31.33
(vi) Basic and Diluted Earnings per Equity Share (Rs.)[(v)/(iii)]	10.20	1.60

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

(Rs. in Crores)

31	**Information relating to Micro and Small Enterprises (MSEs)**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
	(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year -		
	Principal	20.13	3.17
	Interest	-	-
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year -		
	Principal	-	-
	Interest	*	0.02
	(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act -		
	Principal	0.34	1.24
	Interest	*	*
	(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	*
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
	The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.		
32	**Research and Development Expenditure**		
	Research and Development Expenditure of revenue nature recognised in statement of profit or loss during the year.	0.05	0.04

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

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

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

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

(Rs. in Crores)

34 Contingencies –	As at 31st March, 2021	As at 31st March, 2020
(i) Claims against the Company not acknowledged as debts: Taxes, duties and other demands (under appeal/dispute)		
(a) Excise Duty	2.55	2.66
(b) Customs Duty	10.63	10.61
(c) Service Tax	8.40	8.40
(d) Sales Tax/Value Added Tax	4.77	4.77
(e) Entry Tax	0.32	0.32
(f) Income Tax	49.13	49.88
(g) Labour Related Matters	9.12	9.12
(h) Other Matters (Property, Rental, etc.)	3.19	3.19
(ii) Customer appeal pending at High Court against award/order in favour of the Company by Arbitral Tribunal and District Court relating to charges deducted, consequential loss of profit and interest in a construction contract. The Company has withdrawn the entire disputed amount deposited by the customer before High Court with a bank guarantee for 50% of the amount as per the directions of the High Court.	13.70	13.70
In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.		

35 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38.36	46.91
(b) Other Commitments - Investments (Venture Capital Fund)	6.00	-

36 Employee Benefits:

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act,1972 without ceiling limit, except Rs. 0.20 crores for powmex division. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(q)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

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

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

(Rs. in Crores)

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

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

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

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

	31st March, 2021	31st March, 2020
(h) Principal Actuarial Assumptions:		
Discount Rate	6.00%	6.50%
Salary Growth Rate	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(i) Sensitivity Analysis	**Change in Assumption**	**Impact on defined benefit obligation (2020-21)**	**Impact on defined benefit obligation (2019-20)**
Discount Rate	Increase by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.46 Crores
	Decrease by 1%	Increase by Rs. 4.88 Crores	Increase by Rs. 3.82 Crores
Salary Growth Rate	Increase by 1%	Increase by Rs. 4.78 Crores	Increase by Rs. 3.77 Crores
	Decrease by 1%	Decrease by Rs. 4.26 Crores	Decrease by Rs. 3.47 Crores

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(j) The Company expects to contribute Rs. 8.92 Crores (Previous Year - Rs. 9.43 Crores) to the funded gratuity plans during the next financial year.

(k) The weighted average duration of the defined benefit obligation as at 31st March, 2021 is 9.55 years (Previous Year - 8.80 years).

(B) Provident Fund

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

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

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

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

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

(II) Post-employment Defined Contribution Plans

(A) Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trustees. The Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of Rs. 9.83 Crores (Previous Year - Rs. 10.07 Crores) has been recognised as expenditure towards above defined contribution plans of the Company.

(III) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 22.94 Crores and Rs. 20.92 Crores as at 31st March, 2021 and 31st March, 2020 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Rs. in Crores)

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

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

(IV) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

37 Segment Information

A. Description of Segments and Principal Activities

The Company's Executive Director examines the Company's performance on the basis of its business and has identified two reportable segments:

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

b) **Others Segment** engaged in manufacturing/laying of GRP Pipes, and in manufacturing of High Speed Steel and Alloy Steel and Power Generating Unit exclusively for outside sale.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's borrowings (including finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

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

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

(Rs. in Crores)

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

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

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

C. Entity-wide Disclosures:

(Rs. in Crores)

		2020-21	2019-20
(i)	The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:		
	(Excluding other operating revenues)		
	India	1,082.71	1,472.24
	Rest of the World	733.32	1,345.17
		1,816.03	**2,817.41**

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

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

38 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists:	
Emerald Company Private Limited (ECPL)#	Immediate and Ultimate Parent Company
Carbon Finance Limited#	Wholly Owned Subsidiary Company
Graphite International B.V. (GIBV)##	Wholly Owned Subsidiary Company
Bavaria Carbon Holdings GmbH@	Wholly Owned Subsidiary Company of GIBV
Bavaria Carbon Specialities GmbH@	Wholly Owned Subsidiary Company of GIBV
Bavaria Electrodes GmbH@	Wholly Owned Subsidiary Company of GIBV
Graphite Cova GmbH@	Wholly Owned Subsidiary Company of GIBV
Where control does not exists:	
General Graphene Corporation^	Associate Company of GIBV
#Principal place of business - India	
##Principal place of business - Netherlands	
@Principal place of business - Germany	
^ Principal place of business - The United States of America	
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECPL that gives him control over the Company, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place during the year :	
Shree Laxmi Agents Private Limited	Fellow Subsidiary
Carbo Ceramics Limited	Associate of ECPL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Bangur, Mr. Siddhant Bangur and Ms. Rukmani Devi Bangur	Relatives of UCP
GKW Limited, B.D. Bangur Endowment, Emerald Family Trust, KKB Family Trust and Krishna Kumar Bangur Family Welfare Trust	Entities under significant influence of UCP
Mr. M.B. Gadgil	Key Management Personnel - Executive Director (ED till 31st March, 2020)
Mr. A. Dixit	Key Management Personnel - Executive Director (ED from 1st April, 2020)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, Mr. Gaurav Swarup, Mr. N. Venkataramani, Mr. J. D. Curravala, Ms. Shalini Kamath	Key Management Personnel - Non-executive Directors (NED)
Mr. S.W. Parnerkar	Key Management Personnel - Chief Financial Officer (CFO)
Mr. B.Shiva	Key Management Personnel - Company Secretary (CS)
Khaitan & Co LLP- New Delhi & Kolkata, Khaitan & Co AOR- New Delhi, Khaitan & Co.- Mumbai, Khaitan & Co. LLP.- Noida, Firm in which a Director is a Partner	Entities under significant influence of NED
Paharpur Cooling Towers Ltd, Company in which a Director is on Board.	Entities under significant influence of NED
Ms.Yasmin Jemi Curravala	Relatives of NED

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

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

Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel (KMP) of ECPL
Mr. R.G. Darak	Relative of KMP of ECPL
Graphite India Limited Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite Vicarb India Limited Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite India Limited (PSD) Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite India Employees Group Gratuity Scheme	Post-employment Benefit Plans (PEBP)
Graphite India Limited Senior Staff Superannuation Fund	Post-employment Benefit Plans (PEBP)
Graphite India Employees Group Superannuation Scheme	Post-employment Benefit Plans (PEBP)
Graphite India Limited Provident Fund	Post-employment Benefit Plans (PEBP)
GIL Officers Provident Fund	Post-employment Benefit Plans (PEBP)

(Rs. in Crores)

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

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

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

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

(Rs. in Crores)

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

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

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

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

(Rs. in Crores)

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

(Rs. in Crores)

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

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

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

(iii) Balances Outstanding (Contd.)

(Rs. in Crores)

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

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

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

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

39 Fair Value Measurements

(Rs. in Crores)

(i) Financial Instruments by Category

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

(ii) Fair Values

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2020.

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

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

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

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

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

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

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

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

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

(iii) Fair Value Hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended 31st March, 2021 and 31st March, 2020.

(Rs. in Crores)

		31st March, 2021			31st March, 2020		
		Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
(a)	**Recognised and Measured at Fair Value - Recurring Measurements**						
	Financial Assets						
	Investments						
	- Mutual Funds	-	1,244.48	-	-	968.70	-
	- Perpetual Bonds	-	220.07	-	-	135.61	-
	- Quoted Equity Shares	57.35	-	-	-	-	-
	- Unquoted Equity Shares	-	-	41.02	-	-	0.02
	- Venture Capital Fund	-	25.77	-	-	-	-
	- Market Linked Debentures	-	21.17	-	-	-	-
		57.35	**1,511.49**	**41.02**	**-**	**1,104.31**	**0.02**
(b)	**Amortised Cost for which Fair Values are Disclosed**						
	Financial Assets ^						
	Investments						
	- Debentures, Commercial Papers, Bond and Corporate Deposits	-	829.00	-	-	819.00	-
		-	**829.00**	**-**	**-**	**819.00**	**-**

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

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

Fair value measurements using significant unobservable inputs (Level 3)

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

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

Reconciliation of fair value measurement of Level 3 assets.

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

40. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered as per Company's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities comprising Deposits with Banks, Investments in Mutual Funds, Commercial Papers and Debentures.

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's established policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

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

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

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments, corporate deposits and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2021 and 31st March, 2020 is the carrying amounts as disclosed below.

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2021, and 31st March, 2020. Of the total trade receivables, Rs. 127.63 Crores as at 31st March, 2021, and Rs. 203.41 Crores as at 31st March, 2020 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Crores)

Period (in days)	31st March, 2021	31st March, 2020
1-90	229.73	186.00
91-180	0.50	11.42
More than 180	3.71	1.58
	233.94	**199.00**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

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

(Rs. in Crores)

Reconciliation of Provision for Doubtful Debts — Trade Receivables	31st March, 2021	31st March, 2020
Opening Balance	4.60	10.43
Provisions made during the year ended	-	0.04
Provisions utilised during the year	(0.04)	(1.86)
Provision written back during the year	(0.22)	(4.01)
Closing Balance	**4.34**	**4.60**

(B) Liquidity Risk

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

(i) Financing Arrangements

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

(Rs. in Crores)

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

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

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

(ii) Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 years	Total
31st March, 2021			
Borrowings	223.40	-	223.40
Trade Payables	218.49	-	218.49
Other Financial Liabilities #	114.04	-	114.04
Total	**555.93**	**-**	**555.93**
31st March, 2020			
Borrowings	415.61	-	415.61
Trade Payables	177.00	-	177.00
Other Financial Liabilities #	45.04	-	45.04
Total	**637.65**	**-**	**637.65**

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

(C) Market Risk

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

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Company has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(Rs. in Crores)

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

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

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Crores)

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

* Holding all other variables constant

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

The Company's fixed rate borrowings and investments comprising Deposits with Banks, Commercial Papers, Corporate Deposits and Bonds/Debentures are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Crores)

	31st March, 2021	**31st March, 2020**
Variable Rate Borrowings	223.40	316.20
Fixed Rate Borrowings	-	99.41
Total Borrowings	**223.40**	**415.61**

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

(Rs. in Crores)

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

An analysis by maturities is provided in Note 42(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Crores)

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

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

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

(iii) Equity Price Risk

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

(iv) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds, Perpetual bonds & Market linked debenture. To manage its price risk arising from investments in mutual funds, Perpetual bonds and Market linked debenture, the Company diversifies its portfolio.

These Investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises primarily from investments in mutual funds, Perpetual bonds and Market linked debentures held by the Company and classified in the Balance Sheet as fair value through profit or loss (Note 39).

(b) Sensitivity

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

(Rs. in Crores)

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

* Holding all other variables constant

(v) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's sales of graphite electrodes, including the raw material components for such products. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

41 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders,

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

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

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

(Rs. in Crores)

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

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

(Rs. in Crores)

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

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

42 Assets Pledged as Security

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

(Rs. in Crores)

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

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

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

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

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

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

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

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

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

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

As per our report of even date

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

per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Kolkata - 28th June, 2021

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

S W Parnerkar
Sr Vice President - Finance

B Shiva
Company Secretary

A Dixit
Executive Director

K K Bangur
Chairman