



GRAPHITE INDIA LIMITED

ANNUAL REPORT
2014-15

BOARD OF DIRECTORS

Mr. K. K. Bangur, Chairman
Mr. P. K. Khaitan
Mr. N. S. Damani
Mr. A. V. Lodha
Dr. R. Srinivasan
Ms. Renu Challu
Mr. J. D. Curavala
Mr. Gaurav Swarup
Mr. N. Venkataramani
Mr. M. B. Gadgil, Executive Director

COMPANY SECRETARY

Mr. B. Shiva

AUDITORS

Price Waterhouse

SOLICITORS

Khaitan & Co.
Orr, Dignam & Co.

BANKERS

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

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that the Fortieth ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Tuesday, the 11th day of August, 2015 at 4 p.m. at Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2015.
3. To appoint a Director in place of Mr. J D Curavala, (DIN 00277426) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) as Auditors of the Company for a period of three (3) years i.e. till the conclusion of the 42nd Annual General Meeting (AGM) of the Company, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the Forty first AGM of the Company to be held in the year 2016, at such remuneration plus service tax and out of pocket expenses as shall be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

5. To appoint Mr. Gaurav Swarup (DIN: 00374298) as a Director and an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

RESOLVED THAT Mr. Gaurav Swarup (DIN: 00374298) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Gaurav Swarup (DIN: 00374298), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (five) consecutive years for a term from 11th August, 2015 upto 10th August, 2020.

6. To appoint Mrs. Renu Challu (DIN: 00157204) as a Director and an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

RESOLVED THAT Mrs. Renu Challu (DIN: 00157204) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Renu Challu (DIN: 00157204), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (five) consecutive years for a term from 11th August, 2015 upto 10th August, 2020.

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

RESOLVED THAT subject to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, consent of the members be and is hereby accorded for the Company to

enter into various transactions on annual financial year basis with Graphite Cova GmbH (Cova), a wholly owned step down subsidiary of the Company beginning from financial year 2014-15, for transactions as detailed hereunder-

i)	Sale of semi-finished goods (green / baked / rebaked electrodes, Graphitised nipple, Moulded Mold, Other semi-finished materials, etc.) by GIL to Cova Sale Price Payment terms	- - -	Upto 11,000 MT per annum As per transfer pricing norms depending on nature of transaction Upto 180 days from date of shipment
ii)	Sale of finished goods (extruded mold, pitch plug, other speciality items, finished electrodes with nipples, etc.) by GIL to Cova Sale Price Payment terms	- - -	Upto 1800 MT per annum As per transfer pricing norms depending on nature of transaction Upto 180 days from date of shipment
iii)	Sale of raw materials, Stores & Spares, components from GIL to Cova Sale Price Payment terms	- - -	Upto 2000 MT per annum As per transfer pricing norms depending on nature of transaction Upto 180 days from date of shipment
iv)	Purchase of Raw Materials, Semi-finished materials, components, Stores & Spares by GIL from Cova Purchase Price Payment terms	- - -	Upto 2500 MT per annum As per transfer pricing norms depending on nature of transaction Upto 180 days from date of shipment
v)	Corporate Guarantees of GIL favouring Banks/ Financial institutions for credit provided to Cova	-	Upto Euro 40 million.
vi)	Guarantee Fee from Cova to GIL	-	@ 1% of corporate guarantee amount as per agreement or at rate approved by APA
vii)	Royalty payment by Cova to GIL	-	@ 1.50% of net sales of graphite electrodes including coated graphite electrodes (i.e.) after reducing trade discounts, taxes, claims and value addition in coating process or at rate as may be approved by APA.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

FURTHER RESOLVED THAT the members hereby approve ratification of the transactions entered into with Cova during the period April 1, 2014 till March 31, 2015.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.
RESOLVED THAT subject to the provisions of Section 188 and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder, consent of the members be and is hereby accorded for the Company to execute guarantee on behalf of Graphite Cova GmbH (Cova), wholly owned step down subsidiary of the Company in favour of its bankers, against the credit facilities being granted/ to be granted to Cova upto an amount of Euro 24 million.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

FURTHER RESOLVED THAT the members hereby approve ratification of the guarantee executed on 16.05.2014 in favour of Citibank N.A. (Citi Bank Europe Plc & Citi Bank International Plc) & Citigroup Global markets Deutschland for Euro 24 million.

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

RESOLVED THAT pursuant to Section 42 of Companies Act, 2013 and Rule 14(2) (a) Companies (Prospectus & Allotment of Securities Rules) 2014 and other provisions / rules as may be applicable and subject wherever required to the guidelines and / or approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and subject to such other approvals and consents of the concerned authorities as required by law, and subject to such conditions, modifications and stipulations as may be imposed under the said approvals, permissions and consents which the Board of Directors of the Company (Board) be and is hereby authorized to accept, to create, issue and allot Non-convertible Debentures (hereinafter referred to as NCDs) upto an aggregate amount of Rs.500 crore (Rupees Five Hundred crore) (Nominal value of each NCD to be decided by the Board) in one or more series / tranches for subscription for cash at par on private placement basis on terms and conditions based on evaluation by the Board of market conditions as may be prevalent from time to time as may be determined and considered proper and most beneficial to the Company including without limitation as to when the NCDs are to be issued, consideration, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

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

FURTHER RESOLVED THAT the Board shall have the right at any time to modify, amend any of the terms and conditions contained in the Offer Documents, Application Forms etc. notwithstanding the fact that approval of the concerned authorities in respect thereof may have been obtained subject, however, to the condition that on any such change, modification or amendment being decided upon by the Board, obtaining requisite approval, permission, authorities etc. from the concerned authorities is required.

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

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

RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) / or re-enactment (s) thereof for the time being in force) the remuneration payable to the Cost Auditors of the various divisions / plants of the Company to conduct the audit of the cost accounting records maintained for the financial year ending March 31, 2016 as approved by the Board of Directors of the Company, on the recommendation of the Audit Committee and as detailed hereunder be and is hereby ratified.

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

@ plus service tax and reimbursement of out of pocket expenses

By Order of the Board
For Graphite India Limited

Kolkata
29th May, 2015

B. Shiva
Company Secretary

NOTES:

- a. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the additional information pursuant to clause 49 of the Listing Agreement in respect of Directors proposed for re-appointment/ appointments at the Meeting are annexed hereto.
- b. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- c. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 5th August, 2015 to Tuesday, 11th August, 2015 (both days inclusive).
- e. Dividend on Equity Shares when sanctioned will be made payable to those shareholders whose name stand on the Company's Register of Members on 5th August, 2015. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose. Dividend on equity shares, if declared at the meeting will be paid/despatched by 26th August, 2015.
- f. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government. Unclaimed / un-encashed dividend (Final dividend) declared by the Company for the year ended 31st March, 2008 would be transferred to the said fund in the last week of August, 2015.

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office/ Mumbai office of the Company for revalidation and encash them immediately. Unclaimed/ Unencashed dividend upto the years ended 31st March, 2007 have already been transferred to the IEPF.

- g. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 12, 2014 (date of last Annual General Meeting) on the website of the Company (www.graphiteindia.com) as also on the Ministry of Corporate Affairs website (www.mca.gov.in)
- h. Members/Proxies should fill in the Attendance Slip for attending the meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting. Members are requested to affix their signature at the space provided in the attendance slip with complete details including the Folio No. annexed to the proxy form and hand over the slip at the entrance of the place of meeting.
- i. Members are requested to notify change in their address, if any, immediately to the Company's Registrar, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mill Compound, L B S Marg, Bhandup (W), Mumbai 400 078 or to their Kolkata office at 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020.
- j. All the documents referred in the accompanying notice will be available for inspection at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days till the date of ensuing Annual General Meeting.

k. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. **The instructions for shareholders voting electronically are as under:**
 - (i) The remote e-voting period begins on 8th August, 2015 – from 9.00 a.m. (IST) and ends on 10th August, 2015- at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Graphite India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- V. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (5th August, 2015) only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VI. Mrs. Swati Bajaj, Partner, M/s. P S & Associates, Practicing Company Secretaries, Kolkata has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.graphiteindia.com) and on Service Provider's website (<http://www.evotingindia.com>) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board
For Graphite India Limited

Kolkata
29th May, 2015

B. Shiva
Company Secretary

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

ITEM NO. 5

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

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

Mr. Gaurav Swarup is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Gaurav Swarup that he meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Gaurav Swarup fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Gaurav Swarup is independent of the management.

Brief resume of Mr. Gaurav Swarup, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement is annexed to the Notice.

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

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Gaurav Swarup is appointed as an Independent Director.

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

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges. Mr. Gaurav Swarup does not hold any shares in the Company

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. Mr. Gaurav Swarup is not related to any director of the Company.

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

ITEM NO. 6

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

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

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

The Company has received a declaration from Mrs. Renu Challu that she meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mrs. Renu Challu fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Renu Challu is independent of the management.

Brief resume of Mrs. Renu Challu, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement is annexed to the Notice.

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

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

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

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges. Mrs. Renu Challu does not hold any shares in the Company.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. Mrs. Renu Challu is not related to any director of the Company.

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

ITEM NO. 7

The Company & Graphite Cova Gmbh (Wholly owned step down subsidiary) (Cova) had entered into an agreement dated 1.4.2013 to enter into various types of transactions, as contained in resolution no. 7 of the Notice.

The transactions, which are at arm's length and in the ordinary course of business being related party transactions, have been approved by the Audit Committee and by the Board in the meeting held on 10.11.2014. Such transactions, entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval do not require approval of the shareholders, as per Clause 49 of Listing Agreement. Similar exemption, though proposed by way of amendment to the provisions of Companies Act, 2013, has not been approved by the Parliament.

Even though approval of the shareholders are not required for transactions which are in the ordinary course of business and are at arm's length, approval of the shareholders is sought as a matter of abundant precaution.

Mr. M B Gadgil, Executive Director of the Company is Managing Director of Cova drawing no remuneration from Cova.

During the financial year 2014-15, transactions with Cova pursuant to the aforesaid agreement dated 1st April, 2013, are summarized below –

	Rs.
Sales to Cova	82,60,17,315.40
Royalty from Cova	2,98,23,765.75
Guarantee fee from Cova	1,11,88,826.00
Purchases from Cova	5,96,11,201.53
Reimbursement of expenses to Cova	26,47,609.79
Corporate Guarantee dated 16.05.2014 to bankers of Cova	1,61,44,80,000.00

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

ITEM NO. 8

The Company had executed in favour of Citibank N.A. (Citi Bank Europe Plc & Citi Bank International Plc) & Citigroup Global markets Deutschland, a guarantee for Euro 24 million as security against to credit facilities being granted to Graphite Cova GmbH (Cova). Cova a wholly owned step down subsidiary, needs support from the Company accordingly.

The transactions have been approved by Audit Committee and the Board. For similar reasons mentioned in the explanatory statement at Item No. 7 above, shareholders approval is sought.

Mr. M B Gadgil, Executive Director of the Company is Managing Director of Cova drawing no remuneration from Cova.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

ITEM NO. 9

In order to arrange funds for capital expenditure / general corporate purposes, the Board could consider issue of Non-convertible debentures upto Rs. 500 crore (Rupees Five Hundred crore) on a private placement basis. Pursuant to the provision of Section 42 of Companies Act, 2013 read with Rules 14(2) (a) of Companies (Prospectus & Allotment of Securities) Rules, 2014, members approval by way of a special resolution would be sufficient for all offers or invitation for such debentures for a year. The resolution placed before the members is thus an enabling resolution giving authority to the Board of Directors / Committee thereof to decide upon the issue on such terms and conditions as may be prevalent from time to time for a year from the date of passing this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

ITEM No. 10

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

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

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

By Order of the Board
For Graphite India Limited

Kolkata
29th May, 2015

B. Shiva
Company Secretary

PROFILE OF DIRECTORS BEING APPOINTED / RE-APPOINTED IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE

Mr. J D Curravala, aged 75 years is Commerce and Law graduate and a qualified Chartered Accountant having wide experience in Finance, Administration, Corporate Management and Business Operations. He is presently Managing Director of GKW Ltd. He is a member of the "Audit Committee" and "Investment Committee" of the Company. Mr. J D Curravala is not related to any director of the Company. He holds 4750 equity shares of the Company.

Other Directorships

Name of the Company	Position
GKW Limited	Managing Director

Committee Membership of other companies –

Name of the Company	Committee	Position
GKW Limited	Transfer Committee	Member
	Risk Management Committee	Member
	Corporate Social Responsibilities Committee	Member
	Committee of Directors	Member

Mr. Gaurav Swarup aged 58, is an industrialist of repute and is presently Managing Director of Paharpur Cooling Towers Limited, a Rs.1500 crore company involved in manufacture of process cooling equipment and Chairman of KSB Pumps Ltd, the Indian arm of KSB AG of Germany. He is a Mechanical Engineer from Jadavpur University and MBA from Harvard University. He is Chairman of FICCI- West Bengal Council & Member- National Executive Council - FICCI, Member of Board of Governors- IIM, Kolkata and Member of Executive Committee- Indian Chamber of Commerce, Kolkata.

Other Directorships

	Name of the Company	Position
1	Swadeshi Polytex Limited	Director
2	Industrial and Prudential Investment Company Limited	Director
3	Paharpur Cooling Towers Limited	Managing Director
4	KSB Pumps Limited	Director
5	Upper Ganges Sugar & Industries Limited	Director
6	TIL Limited	Director
7	Harvard Business School Club of India (Section 8 Company)	Director
8	Medica Synergie Private Limited	Nominee Director
9	Garima Private Limited	Director
10	The Plastic Export Promotion Council	Director
11	Paharpur Mauritius Limited	Director
12	Paharpur USA Inc	Director
13	Safind Forest Products (Pty) Limited	Director

Committee Membership of other companies –

	Name of the Company	Committee	Position
1	KSB Pumps Ltd	Audit Committee	Member
		Shareholders's Grievance Committee	Member
		Share Transfer Committee	Chairman

	Name of the Company	Committee	Position
2	TIL Limited	Audit Committee	Member
3	Paharpur Cooling Towers Ltd.	Management Committee	Member
		Remuneration Committee	Member
		Investment Committee	Member
4	Upper Ganges Sugar & Industries Limited	Remuneration Committee	Chairman
5	Industrial & Prudential Investment Co. Ltd.	Remuneration Committee	Chairman

Mrs. Renu Challu, aged 63 years has completed her Masters in Economics (Gold medalist) and is an Associate of the Indian Institute of bankers. She joined State Bank of India (SBI) as a Probationary Officer in October, 1973 and rose to be CGM in December, 2006. She was thereafter Managing Director and CEO of SBI DFHI, Mumbai, Managing Director of State Bank of Hyderabad and retired as DMD – Corporate Strategy and New Business in SBI, Mumbai in January 2012.

Other Directorships

	Name of the Company	Position
1	FAG Bearings India Limited	Director
2	SMS Infrastructure Limited	Director
3	NCC Limited	Director
4	Reliance Life Insurance Company Ltd	Director
5	Fullerton India Credit Company Ltd	Director
6	L T Foods Limited	Addl. Director
7	Minda Industries Ltd	Addl. Director
8	Torrent Cables Limited	Addl. Director

Committee Membership of other companies –

	Name of the Company	Committee	Position
1	Reliance Life Insurance Company Ltd	Audit Committee	Member
2	FAG Bearings India Limited	Audit Committee	Chairperson
		Stakeholders Relationship Committee	Chairperson
3	Minda Industries Ltd	Audit Committee	Member

By Order of the Board
For Graphite India Limited

Kolkata
29th May, 2015

B. Shiva
Company Secretary

DIRECTORS' REPORT

The Directors have pleasure in presenting their Fortieth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2015.

Financial Results

Rs. in Crore

Particulars	2014-15	2013-14	2014-15	2013-14
	Graphite India Limited		Graphite India Limited Consolidated	
Revenue from Operations (Gross)	1571.36	1844.89	1784.80	2086.09
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Exceptional Item and Tax	186.02	324.48	171.85	294.77
Finance Costs	12.23	16.96	15.83	23.89
Profit before Depreciation, Exceptional Item and Tax	173.79	307.52	156.02	270.88
Depreciation and Amortisation Expense	38.75	53.60	43.54	58.10
Profit before Tax and Exceptional Item	135.04	253.92	112.48	212.78
Exceptional Item	5.60	—	5.60	—
Profit before Tax	129.44	253.92	106.88	212.78
Tax Expense for the Current Year				
Current Tax	47.12	88.37	50.57	90.59
Deferred Tax	0.13	(5.37)	0.13	(5.37)
Tax Expense - Write Back relating to Earlier Years (Net)	—	—	(1.41)	(2.32)
Profit for the Year	82.19	170.92	57.59	129.88
Balance as at the beginning of the Year	198.89	207.97	219.71	270.19
Amount available for appropriation	281.08	378.89	277.30	400.07
Appropriations :				
Transfer to General Reserve	—	100.00	—	100.00
Transfer to Reserve Fund	—	—	0.87	0.36
Proposed Dividend on Equity Shares	39.08	68.38	39.08	68.38
Dividend Tax	7.95	11.62	7.95	11.62
Balance as at the close of the Year	234.05	198.89	229.40	219.71
	281.08	378.89	277.30	400.07

REVIEW OF THE ECONOMY

The Central Statistics Office (CSO) has estimated that Indian economy is likely to register growth of 7.4 per cent in 2014-15, as compared to a growth of 5.1 per cent and 6.9 per cent in 2012-13 and 2013-14 respectively. Industrial and services sectors registered significant growth but growth in agricultural sector affected adversely due to sub-optimal monsoon in 2014-15. The year 2014-15 has witnessed key policy reforms aimed at promoting growth and eliminating structural constraints in the economy. The Government's initiative of 'Make in India' aided further by liberalization in foreign direct investment, low oil price, easier credit conditions, etc.

should give greater impetus to the economy.

While the Indian economy seems to be getting back on track, global economy is still struggling to gain momentum as many developed economies continue to grapple with the still lingering legacies of the global financial crisis and the emerging economies are performing below their potential. Global growth in 2014 was a modest 3.4 per cent indicating a sluggish pickup in the advanced economies in relation to previous year and a slowdown in emerging markets and developing economies, as per the World Economic Outlook (WEO) update released by the International Monetary Fund (IMF). Activity levels in United States and United Kingdom have gathered

momentum due to well thought out monetary and labour market policies. The recovery has been miniscule in Eurozone and Japan. China is undergoing a carefully managed slowdown. Overall global growth is projected to reach 3.5 per cent and 3.8 per cent in 2015 and 2016.

GRAPHITE INDIA

The Company recorded a subdued performance during the year. Revenue from Operations decreased by 14.8 per cent to Rs. 1,571.36 crore for FY 2014-15 as against Rs. 1,844.89 crore in the previous year. The decline was primarily driven by lower sales volume and lower price realization. One of the major reasons for low demand of Graphite Electrodes was Chinese over production of steel through the Blast Furnace method leading to higher export of steel from China at low price which ultimately impacted global steel production through Electric Arc Furnace route. The rapid slide in price of Graphite Electrodes continued unabated due to excess capacity and fierce competition. The year witnessed steep fall in pricing of Graphite Electrodes further aggravated by weak Euro. Commodity and oil prices dropped resulting in reduction in input cost. However, the reduction was not sufficient to compensate for the falling price of finished goods which resulted in lower margins. The PAT of Rs. 82.19 crore for current year was lower by around 52% in comparison to Rs. 170.92 crore of previous year.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 89% of the total revenue.

Glass Reinforced Plastic Pipes and Steel divisions have performed better during the year in comparison to previous year.

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

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

DIVIDEND

The Directors have recommended payment of Dividend @ Rs. 2/- per equity share on equity shares of Rs. 2/- each.

MANAGEMENT DISCUSSION AND ANALYSIS

(i) Industry's structure and developments

A. Graphite and Carbon Segment

Graphite Electrodes

Graphite Electrode is used in electric arc furnace (EAF) based steel mills for conducting current that melts scrap iron and steel and is a consumable item for the steel industry. An increasing proportion of global steel is made using electric arc furnaces, and the electric arc furnace itself is getting more efficient, making more steel per tonne of electrode. The principal manufacturers are based in USA, South America, Europe, India, China, Malaysia and Japan.

Graphite Electrode demand is primarily linked with the global production of steel in electric arc furnaces. Between the two basic methods for steel production - (1) Blast Furnace (BF); and (2) Electric Arc Furnace (EAF) - the EAF route to steel production has increased over the last two decades to about 30% at the global level. The share of EAF is expected to grow further in years to come due to its inherent favourable characteristics of (a) an environment friendly and less polluting production process; (b) low capital cost; and (c) faster project (commissioning) time. Fresh investments in EAF steel mills are characterised by large furnace capacities requiring large diameter UHP Electrodes. It is expected that the demand for UHP Electrodes too will grow synchronously. These industry features coupled with an increasing proportion of EAF steel share in total crude steel production in future should proportionately augment the demand for Graphite Electrodes.

Stagnant demand, intense competition and sliding sales price continued to push challenges during the year. This is compounded by liberalisation of import tariff for these items by the Government in new FTA regime. Unabated imports of Graphite Electrodes from China, Malaysia and Japan caused severe setback to the industry. However, the Government has finally clamped Anti Dumping Duty on imports from China with effect from 13th February, 2015.

The duty drawback on export of Graphite Electrodes has been further reduced from 3 per cent to 2.4 per cent with effect from 22nd November, 2014. However, the value cap was increased from 3200/MT to 8000/MT. The interest subvention available for export finance till 31st March, 2014 was not extended during the year resulting in high cost of funds. Recently announced Foreign Trade Policy provides for incentive on export to notified markets to offset infrastructural inefficiencies and associated costs under Merchandise Exports from India Scheme (MEIS) which should augur well for exporters.

Calcined Petroleum Coke and Paste

The Coke Division in Barauni, engaged in the manufacture of Calcined Petroleum Coke (CPC), which is used as a raw material for certain grades of electrodes, is one of the several backward integration initiatives of the Company. The Division also makes Carbon Electrode Paste and Carbon Tamping Paste. Two grades of CPC - aluminium and graphite - are produced here. CPC is a raw material used in the manufacture of regular and high power grade Graphite Electrodes. This is also a critical raw material for fine grained high density graphite used in speciality graphite products and impervious graphite equipment. Carbon Electrode Paste is used in ferro alloy smelters and Carbon Tamping Paste is used as a lining material in submerged arc furnaces.

This division could not perform to expectations because of poor demand, low realisation and constraint in supply of basic raw material i.e. raw petroleum coke.

Impervious Graphite Equipment

The Impervious Graphite Equipment (IGE) Division is engaged in manufacturing and marketing of heat exchangers, ejectors, pumps and turnkey plants. These have a wide range of applications in corrosive chemicals industries such as pharmaceutical, agro-chemical, chloro alkali and fertilizer industries.

Over the years the Company has built this product line into a reliable brand with a reputation for prompt service, good quality and consistent performance through investing in strengthening the core competencies.

The division did not perform up to expectation due to weak export demand. Export realization also suffered due to weak Euro.

Captive Power

Power constitutes one of the major costs of Electrode Production. For captive consumption, the Company has an installed capacity of 31.5 MW of power generation through Hydel (18 MW) route and 13.5 MW through multi-fuel route. Power generation through Hydel Power Plant was 48.48 million units as against 52.54 million units in the previous year. The multi fuel power generating sets remained as a stand-by facility as adequate power was available from the Grid.

B. Steel Segment

Powmex Steels Division (PSD) is engaged in the business of manufacturing high speed steel and alloy steel having its plant at Titilagarh in the State of Orissa. PSD is the single largest manufacturer of High Speed Steel (HSS) in the country. HSS is used in the manufacture of cutting tools such as drills, taps, milling cutters, reamers, hobs, broaches and special form tools. HSS cutting tools are

essentially utilised in - (a) automotive; (b) machine tools; (c) aviation; and (d) DIY market. The industry is characterised by one good quality manufacturer of HSS viz. PSD and several other small manufacturers who cater to the low end of the quality spectrum in the retail segment. On the demand side, the industry is broadly divided into large and small cutting tool manufacturers who use both domestic and imported HSS. PSD faces competition from small domestic producers and imports from large overseas manufacturers.

During the year under review, there was a marginal improvement in the domestic market for the Division's HSS products. The Division has identified a few potential customers in the domestic market who as part of their indigenization programme approached the Division for their HSS requirements, with more stringent specifications. The Division is able to meet those specifications and hence the customers have decided to buy their bulk requirements from PSD. Newer grades and sizes are also being developed for the domestic market to widen the product range. Exports remained subdued due to slowdown in the European economies.

C. Other Segments

Glass Reinforced Plastic Pipes and Tanks (GRP)

GRP Division is engaged in manufacturing of large diameter Glass Fibre Reinforced Plastic Pipes and Pipeline liners, by continuous filament process with computerized, advanced technology. These pipes have diverse applications such as water supply projects, power plants, sewerage disposal schemes, industrial effluent disposal, etc.

The Company has a good track record of supplying large diameter pipes in major infrastructure projects. Units which were under-cutting the prices to an unsustainable level are shutting down their operations due to various reasons. This will give edge to the units which are in quality production. However project cost overruns, delay in completion of projects, disputes on contractual defaults and non-receipt of receivables remain inherent risks in the business. The Company's policy of picking up orders selectively has paid off and the unit has performed better than previous year. Further consolidation in the industry is expected.

1.5 MW Hydel Power Facility

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

(ii) Opportunities and threats

India is the fourth largest producer of steel in the world.

India's crude steel accounts for production of 83.2 MT of steel in 2014. China remained world's largest steel producer followed by Japan and USA. Global crude steel production reached 1,662 MT in 2014, showing a growth of 1.2% over 2013. Indian steel industry entered into a new development stage from 2007-08 riding high on resurgent economy and rising demand for steel. India holds third position in consumption of steel. High infrastructure investment, growth in manufacturing and housing sector, emergence of rural markets and various other initiatives taken by the Government will give further boost to the steel demand. In the medium to long term, this augurs well for the domestic Graphite Electrode industry. But the short-term challenges such as: (a) less than projected GDP growth leading to softening of demand for steel, (b) disruption in supply of primary inputs to the EAF steel mills like consistent and adequate supply of quality power at affordable tariff, and soaring prices of scrap may perhaps restrict the production of steel through the EAF route. It may also put on hold some of the investment / expansion plans.

The Company is exposed to the threat of the cyclical nature of the steel demand as also to the risks arising from the volatility in the cost of input materials. Chinese import of steel at low price is also impacting steel production in India and other countries resulting in lower demand of Graphite Electrodes.

The Company also faces the challenge in domestic market, due to large scale import of graphite electrodes. Liquidity is a big issue for domestic steel industry which may result in increase in bad debts. Falling oil prices may impact development plan in Middle East which may result in lower steel demand, resulting into lower electrode demand.

There is a gap between demand and supply of Graphite Electrodes. Surplus supply has resulted in price pressure on Graphite Electrodes. Closure of unprofitable electrode manufacturing facilities will give relief.

Volumes and business prospects, in general, would be impacted by factors like: (a) Uncertainty about the economic recovery in 2015-16; (b) doubts about the early resolution of the crisis in the euro area; (c) doubts about the pace of withdrawal of the fiscal support in the United States.

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

(iii) Segment-wise Performance

Revenue of the Company

The revenue from operations amounted to Rs. 1571.36

crore as against Rs. 1,844.89 crore in the previous year. Aggregate Export Revenue of all divisions together was Rs. 761.01 crore as against Rs. 1,083.04 crore in the previous year.

Graphite and Carbon Segment

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 66,525 MT against 68,094 MT in the previous year.

Production of Calcined Petroleum Coke during the year was 21,668 MT as against 20,709 MT in the previous year.

Production of Carbon Paste during the year was 8,408 MT against 7,875 MT in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares at 1,114 MT was lower as compared to that of 1,121 MT in the previous year.

Power generated from captive Hydel Power Plant of 18 MW capacity amounted to 48.48 million units during the year as against 52.54 million units in the previous year. Multi-fuel generating facilities remained as stand-by and were not operated due to adequate availability from the grid.

The Segment Revenue declined to Rs. 1,393.73 crore from Rs. 1,704.77 crore in the previous year. Domestic and Export sales in terms of volume and realization impacted adversely due to severe competition during the year. The profitability of the segment decreased from Rs. 294.02 crore to Rs. 142.46 crore due to steep reduction in price of Graphite Electrodes coupled with decrease in volume in spite of various cost saving initiatives taken by the Company. Weak Euro also impacted realization.

Steel Segment

Production of HSS and Alloy Steels was 1,554 MT during the year as against 1,454 MT in the previous year.

Other Segments

The GRP Division produced 10,350 MT as against 9,630 MT in the previous year.

Sale of power from 1.5 MW Link Canal facility was 3.90 million units as against 3.14 million units in the previous year.

(iv) Outlook

The IMF in their April, 2015 report estimated global growth at 3.5 per cent in 2015 and 3.8 per cent in 2016 with widely varying prospects across the major countries and regions. Growth in emerging market economies has been projected to be weaker due to lower commodity

and oil price while growth prospects for advance economies is improving owing to the rise in the disposable income from lower oil prices, continuous support from facilitative monetary policy stands and more moderate fiscal adjustments. The decline in oil prices could boost activity to more than expected levels.

Indian economy will outgrow China and its BRICS peers with a GDP growth of 7.5 per cent as per the IMF report. The oil price fall will benefit Indian economy. The Government initiatives for infrastructure development should give boost to the demand including steel demand. With the implementation of smart city project, demand of steel is likely to grow further.

Though steel sector is going through a recessionary phase due to lower demand and higher imports, the steel demand is expected to grow in future.

World crude steel production reached 1,662 MT for the year 2014, up by 1.2% compared to 2013. Annual production for Asia was 1,132.3 MT of crude steel in 2014, an increase of 1.4% compared to 2013. India's crude steel production in 2014 is 83.2 MT as against 81.3 MT in 2013, an increase of 2.3% on 2013.

The production through EAF route should go up in view of its various advantages, primarily from the point of view of low emission of carbon dioxide. This development augurs well for the growth of Graphite Electrode demand in future years, inspite of reducing specific consumption of electrodes per tonne of steel produced, as a result of improvement in manufacturing technology of steel as well as electrodes.

With its competitive cost structure, strong technical product features and a well diversified customer base, the Company has established its presence in the global Graphite Electrode industry as a potential global player and this has significantly enabled the Company to penetrate aggressively, the growing market for large diameter UHP Graphite Electrodes.

It is expected that the domestic demand for steel and as a corollary for Graphite Electrodes may increase marginally. Faced with unfavourable business conditions, the global players have turned to the Asian markets and are following an aggressive pricing policy to capture volumes. This is likely to affect the Company's domestic volumes as also the profit margins.

(v) Risks and Concerns

It is undeniable that business projections have an inherent element of uncertainty of unknown elements like sudden reversal of positive trends leading to economic slowdown resulting in possible negative growth for steel, automotive and infrastructure industries slowing down which in turn may adversely impact the prospects for our industry.

Graphite Electrode demand solely depends on EAF steel production. Any shift towards BF steel production will impact demand of Graphite Electrodes.

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

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

Exports to specific regions may get severely affected by trade barriers in the form of crippling import duties or anti dumping duties or countervailing duties or sanctions as the case may be and our export volumes to specific markets could get majorly affected by such protectionist/ restrictive impositions. Devaluation or appreciation of currency may impact business prospects. Low crude oil priced may lead to reduced developmental activities in Middle East region resulting into weaker demand for steel & electrodes. Recent devaluation of Japanese Yen and Euro made imports in India attractive in comparison to domestic products.

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

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

The Company has a mixed exposure of exports, imports and foreign currency debt portfolio. So, volatility in foreign currency market directly impacts the company's prospects. Inherent natural hedge of various balancing exposures may mitigate the risk up to an extent. It is perhaps difficult to recall a more challenging environment than of surviving the volatility in the present foreign currency market.

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

(vi) Internal control systems and their adequacy

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

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

Revenue from Operations recorded Rs. 1,571.36 crore as against Rs. 1,844.89 crore in the previous year.

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

RBI had reduced repo rate twice by 0.25 per cent each in January, 2015 and March, 2015 and is presently at 7.50 per cent. Softening of inflation rate, improvement in current account deficit and growing growth concerns have been the prime factors for reversal of RBI's stance. However, the benefit has not trickled down to the borrowers. The year also witnessed considerable appreciation of rupee against non USD currencies whereby making export and domestic markets highly competitive for the Company.

Profit after tax was Rs. 82.19 crore as against Rs. 170.92 crore in the previous year. Profit before tax was lower at Rs. 129.44 crore as compared to Rs. 253.92 crore in the previous year mainly on following counts - (a) reduction in sales volume in the export market. (b) Lower realization in both domestic and export market (c) lower investment income; However the Company continued to reap operational benefits with higher production from cost effective new facilities.

Borrowing at Rs. 248 crore was lower than Rs. 341 crore of the previous year as a result the Finance Cost decreased to Rs. 12.23 crore from Rs. 16.96 crore in previous year.

Capital expenditure during the year amounted to Rs. 31.66 crore as against Rs. 33.01 crore in the previous year. The Company is a net foreign exchange earner.

The Company had maintained a proper mix of foreign currency and rupee borrowings, keeping in view the overall forex exposure with an objective to optimize cost.

ICRA has reaffirmed the long term rating at [ICRA] 'AA+' (pronounced ICRA double A plus) which indicates that the outlook on the long term rating is stable. The short-term debt programme rating has been reaffirmed at [ICRA] 'A1+' (pronounced ICRA A one plus). This rating indicates highest-credit-quality. The retention of these

ratings reflects the continuance of significant improvement in the Company's financial risk profile.

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

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

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

The Training & Development Programmes encompassing the competency building initiatives amongst employees continues to be an ongoing process. Besides, the leadership building at senior and middle management level, and the succession planning for critical positions continue to be a focus area. The involvement of employees in the operational initiatives at the manufacturing plants of the Company continues to be high. Besides, Company has engaged services of a competent consultancy organisation for the purpose of resource optimisation & restructuring. The SAP HR payroll module and other Information Technology developments, provide the data analysis, and business opportunities based on the real time sharing of information and integration of systems, leading to efficient decision making process and impacting the internal communication positively in our growing enterprise.

The total number of permanent employees in the Company is 2083 as on 31st March, 2015.

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

Pollution Matter - Bangalore

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

Research & Development

The R&D commitment towards continuous improvement and development of technology has consistently supported the company in becoming one of the low cost producers in the Graphite Electrode and carbon material producing industry.

R&D initiatives are in the area of raw materials,

productivity, process development, reduction in carbon emission, etc.

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

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

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

Holding Company

Pursuant to the amalgamation of promoter group investment companies with Emerald Company Ltd. (ECL) (also a promoter group Company), the equity shareholding of ECL in the Company exceeded 50% during the year. As such, the Company has become a subsidiary of ECL.

Subsidiary Companies

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

The overseas subsidiaries recorded a turnover of € 38.74 mn as compared to € 36.62 mn in the previous year.

On the backdrop of prolonged economic slowdown, German subsidiaries did not do well due to low demand in Europe, increase in production costs and reduction in prices by competitors to capture volumes in the dwindling market. Despite these unfavourable factors the loss for the year was reduced to € 2.26 mn as against € 9.45 mn in the previous year.

The Company earned by way of Royalty Rs. 2.98 crore during the year, as against Rs. 2.95 crore in the previous year, from overseas subsidiary.

Statement containing salient features of the financial statements of subsidiaries is enclosed as **Annexure A** to the Consolidated Financial Statement and have not been repeated here for the sake of brevity.

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

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

Audit Committee

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

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

Information pursuant to Section 134 of the Companies Act, 2013

- a. Extract of the annual return as provided under Section 92(3) of Companies Act, 2013 is enclosed – **Annexure 1**
- b. Four meetings of the Board of Directors of the Company were held during the year on 9th May, 2014, 12th August, 2014, 10th November, 2014 and 13th February, 2015.
- c. All the Independent Directors of the company have furnished declarations that they satisfy the requirement of Section 149 (6) of the Companies Act, 2013.
- d. Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed – **Annexure 2**
- e. There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and by Company Secretary in practice in the secretarial audit report and hence no explanations or comments by the Board are required.
- f. Particulars of loans, guarantees or investments under Section 186 of Companies Act, 2013 is enclosed – **Annexure 3**
- g. Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Companies Act, 2013 is enclosed – **Annexure 4**
- h. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed – **Annexure 5**
- i. Risk management policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through half yearly risk mitigation reports / Operations Report. There are no current risks which threaten the existence of the Company.

j. Corporate Social Responsibility (CSR)

As part of its CSR activities, the Company intends to initiate projects aimed at promoting education including special education and employment enhancing vocational skills and livelihood enhancement projects, either directly or through B D Bangur Endowment. The CSR policy has been displayed on company website www.graphiteindia.com and can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx

The Board on the CSR Committee's recommendation and looking into the practical aspects of not being able to spend big money in a particular time frame, had in November, 2014 allocated an initial amount Rs. 50 lakhs towards the aforesaid activities. However, due to very limited period thereafter, no expenditure was incurred. It is intended to carry forward the unspent amount of Rs. 5.11 crore approx. to be spent during the financial year 2015-16.

The CSR annual report is attached separately and forms part of this report – **Annexure 6**

- k. Formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors on the basis of a set of criterias framed and approved by the Nomination & Remuneration Committee / Board.
- l. The Company has adopted a Vigil Mechanism which has been posted on the Company's website and can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx
- m. The Company does not accept deposits from public.
- n. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

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

DIRECTORS

Mr. P. K. Khaitan, Mr. S. Goenka, Dr. R. Srinivasan, Mr. N. S. Damani, Mr. A. V. Lodha, Mr. N. Venkataramani, all existing directors of the Company were appointed as Independent Directors for a period of five years from 1st April, 2014 by the members of the Company in the 39th Annual General Meeting (AGM) held on 12.08.2014, pursuant to the provisions of Section 149 & 152 of Companies Act 2013.

Mr. Balaji Rao and Mr. S. Goenka had resigned as

directors of the Company on 12.08.2014 and 18.08.2014 respectively. The Board has placed on record its sincere appreciation of the valuable services rendered by Mr. Balaji Rao and Mr. S. Goenka during their long tenure as directors of the Company.

Mr. Gaurav Swarup and Mrs. Renu Challu who were appointed as additional directors on 25th August, 2014 by the Board of Directors of the Company, hold office up to the date of the ensuing AGM. Proposals for both of them being appointed as Independent Directors for a period of five years from the date of ensuing AGM are included in the notice covering the 40th AGM for approval of the members of the Company.

Mr. J. D. Curravala retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment. No director is related inter-se to any other director of the Company.

Key Managerial Personnel

The Board in the meeting held on 9th May 2014 noted that the following Officials of the company (viz) Mr. M. B. Gadgil - Executive Director, Mr. K. C. Parakh - CFO and Mr. B. Shiva - Company Secretary would function as Key Managerial Personnel.

Familiarisation Programme for Independent Directors

Details of the familiarization programme for Independent Directors have been posted on the Company's website and can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx

Recognition/Award

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

- from EEPC : Top Exporter Award for 2012-13 Silver Trophy from Eastern Region.
- from Export-Import Forum : Top Global Electrode Producers in the World.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care

for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

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

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

Corporate Governance Report

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

Auditors

Price Waterhouse, Chartered Accountants, existing Auditors of the Company were appointed for a period of three years by the members of the Company in the 39th AGM held on 12th August, 2014. Their appointment for the second year to audit the accounts for the financial year beginning on 1st April, 2015 to 31st March, 2016 requires ratification by the members. They are eligible and available for re-appointment.

Cost Auditors

The Company had appointed following Cost Auditors for FY 2014-15 who conducted cost audit as detailed below:

Shome & Banerjee	Electrode plants at Durgapur and Bangalore including captive power generation facilities
DBK & Associates	Electrode, IGE and GRP plants at Nashik including captive power generation facility
B G Chowdhury & Co.	Coke division at Barauni

N Radhakrishnan & Co.	1.5 MW Link Canal Power plant at Mandya
Mani & Co.	Powmex Steels division at Titilagarh

Consolidated Cost Audit Report for FY 2013-14 was filed with the Ministry of Corporate Affairs, Government of India on 19.09.2014. The due date for filing the reports was 27.09.2014.

The Company has appointed following Cost Auditors for FY 2015-16 -

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

Secretarial Audit Report

The Board appointed M/s. P S & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for FY 2014-15. The Secretarial Audit Report is annexed herewith – **Annexure 10**

Acknowledgement

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

On behalf of the Board

Kolkata
May 14, 2015

K. K. Bangur
Chairman

ANNEXURE 1**Form No. MGT 9****EXTRACT OF ANNUAL RETURN as on financial year ended 31st March, 2015****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS**

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover of the company #
1	Manufacturing of Graphite Electrodes and Miscellaneous Graphite Products & Impervious Graphite Equipment and Spares	23994 - Manufacture of graphite products other than electrical articles	83.80%

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

On the basis of Gross Turnover

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Emerald Company Ltd. 31, Chowringhee Road, Kolkata 700 016	U99999WB1940PLC128211	Holding	58.16	2(46)
2	Carbon Finance Ltd. 31, Chowringhee Road, Kolkata 700016	U51909WB1992PLC055850	Subsidiary	100	2(87)(ii)
3	Graphite International B V, Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	—	Subsidiary	100	2(87)(ii)
4	Graphite COVA GmbH, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	—	Subsidiary	100	2(87)(ii)
5	Bavaria Electrodes GmbH, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	—	Subsidiary	100	2(87)(ii)
6	Bavaria Carbon Specialities GmbH, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	—	Subsidiary	100	2(87)(ii)
7	Bavaria Carbon Holdings GmbH, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	—	Subsidiary	100	2(87)(ii)

ANNEXURE to the Directors' Report

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A.	Promoters										
(1)	Indian										
a)	Individual/HUF	982562	2005	984567	0.50	982562	2005	984567	0.50		
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00		
c)	State Govt.	0	0	0	0.00	0	0	0	0.00		
d)	Bodies Corporates	116312814	250	116313064	59.53	116900230	250	116900480	59.83	0.30	Increase
e)	Bank/FI	0	0	0	0.00	0	0	0	0.00		
f)	Any other	0	0	0	0.00	0	0	0	0.00		
	SUB TOTAL:(A) (1)	117295376	2255	117297631	60.03	117882792	2255	117885047	60.33	0.30	Increase
(2)	Foreign										
a)	NRI- Individuals	186261	0	186261	0.10	186261	0	186261	0.10		
b)	Other-Individuals	0	0	0	0.00	0	0	0	0.00		
c)	Bodies Corp.	9415450	0	9415450	4.82	9415450	0	9415450	4.82		
d)	Banks/FI	0	0	0	0.00	0	0	0	0.00		
e)	Any other	0	0	0	0.00	0	0	0	0.00		
	SUB TOTAL (A) (2)	9601711	0	9601711	4.92	9601711	0	9601711	4.92		
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	126897087	2255	126899342	64.95	127484503	2255	127486758	65.25	0.30	Increase
B.	PUBLIC SHAREHOLDING										
(1)	Institutions										
a)	Mutual Fund UTI	934712	54269	988981	0.51	3362403	54269	3416672	1.75	1.24	Increase
b)	Banks/FI	30429	31695	62124	0.03	171053	26795	197848	0.10	0.07	Increase
c)	Central Govt	0	0	0	0.00	0	0	0	0.00		
d)	State Govt.	0	0	0	0.00	0	0	0	0.00		
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00		
f)	Insurance Companies	5821416	1750	5823166	2.98	6751415	1750	6753165	3.46	0.48	Increase
g)	FIs	30690386	20713	30711099	15.72	24800624	20713	24821337	12.70	-3.02	Decrease
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00		
i)	Others (specify)	0	0	0	0.00	0	0	0	0.00		
	SUB TOTAL (B)(1):	37476943	108427	37585370	19.24	35085495	103527	35189022	18.01	-1.23	Decrease
(2)	Non Institutions										
a)	Bodies Corporates										
i)	Indian	11522186	77577	11599763	5.94	11263763	80740	11344503	5.81	-0.13	Decrease
ii)	Overseas	0	0	0	0.00	0	0	0			
b)	Individuals										
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	11750938	2807257	14558195	7.45	11865092	2661855	14526947	7.44	-0.01	Decrease
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	2249368	0	2249368	1.15	1053778	0	1053778	0.54	-0.61	Decrease
c)	Others (specify)										
	Clearing Member	75928	0	75928	0.04	49100	0	49100	0.03	-0.01	Decrease
	Foreign Nationals	0	37530	37530	0.02	0	37530	37530	0.02		
	Non Resident Indians (REPAT)	1918564	259841	2178405	1.12	1878663	254841	2133504	1.09	-0.03	Decrease
	Non Resident Indians (NON Repat)	163249	6951	170200	0.09	164861	5181	170042	0.09		Decrease
	Other Directors	4750	6200	10950		4750	6200	10950			
	Relatives of Directors	333	2800	3133		333	2800	3133			
	Trusts	7378	32	7410	0.00	878	32	910	0.00		Decrease
	Foreign Portfolio Investor (Corporate)	0	0	0	0.00	3369417	0	3369417	1.72	1.72	Increase
	SUB TOTAL:(B) (2)	27692694	3198188	30890882	15.81	29650635	3049179	32699814	16.74	0.93	Increase
	Total Public Shareholding (B) = (B) (1) + (B) (2)	65169637	3306615	68476252	35.05	64736130	3152706	67888836	34.75	-0.30	Decrease
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00		
	Grand Total (A+B+C)	192066724	3308870	195375594	100.00	192220633	3154961	195375594	100.00		

ANNEXURE to the Directors' Report

IV. (ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
	Indian Promoters							
1	Likhami Leasing Limited	55870000	28.60	0	0	0.00	0	-28.60
2	Emerald Company Limited	20584781	10.54	0	113629585	58.16	0	47.62
3	The Bond Company Limited	18260710	9.35	0	0	0.00	0	-9.35
4	H L Investment Company Limited	14183400	7.26	0	0	0.00	0	-7.26
5	Guardian Leasing Limited	2642373	1.35	0	0	0.00	0	-1.35
6	G K W Limited	2000000	1.02	0	2000000	1.02	0	0.00
7	SCL Investments Private Limited	1410000	0.72	0	0	0.00	0	-0.72
8	Shree Laxmi Agents Limited	884000	0.45	0	884000	0.45	0	0.00
9	Carbo-Ceramics Limited	386645	0.20	0	386645	0.20	0	0.00
10	D.C. Mercantile Private Limited	90905	0.05	0	0	0.00	0	-0.05
11	The Bond Company Limited	250	0.00	0	250	0.00	0	0.00
12	Krishna Kumar Bangur	509550	0.26	0	509550	0.26	0	0.00
13	Krishna Kumar Bangur	830	0.00	0	830	0.00	0	0.00
14	Krishna Kumar Bangur	335	0.00	0	335	0.00	0	0.00
15	Krishna Kumar Bangur	170	0.00	0	170	0.00	0	0.00
16	Manjushree Bangur	248391	0.13	0	248391	0.13	0	0.00
17	Manjushree Bangur	670	0.00	0	670	0.00	0	0.00
18	Divya Bangur	169333	0.09	0	169333	0.09	0	0.00
19	Rukmani Devi Bangur	55288	0.03	0	55288	0.03	0	0.00
	Foreign Promoters					0.00		0.00
1	Kiwi Investments Ltd.	9415450	4.82	0	9415450	4.82	0	0.00
2	Aparna Daga	186261	0.10	0	186261	0.10	0	0.00
	Total	126899342	64.95		127486758	65.25		0.30

Note :- Likhami Leasing Ltd., The Bond Co.Ltd., H. L. Investment Co. Ltd., Guardian Leasing Ltd., SCL Investments Ltd. & D C Mercantile Pvt. Ltd. have been amalgamated with Emerald Co. Ltd. during 2014-15 accordingly shares held by them were transferred to Emerald Co. Ltd.

ANNEXURE to the Directors' Report

IV. (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	Likhami Leasing Limited				
	As at 01/04/2014	55870000	28.60		
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-55870000	-28.60	0	0.00
	As at 31/03/2015			0	0.00
2.	Emerald Company Ltd.		0.00		0.00
	As at 01/04/2014	20584781	10.54		0.00
	17/10/2014 - transfer	50000	0.03	20634781	10.56
	20/10/2014 - transfer	25131	0.01	20659912	10.57
	21/10/2014 - transfer	2630	0.00	20662542	10.58
	22/10/2014 - transfer	2607	0.00	20665149	10.58
	23/10/2014 - transfer	400	0.00	20665549	10.58
	30/10/2014 - Pursuant to merger of 6 group companies	92671438	47.43	113336987	58.01
	29/01/2014 - transfer	54684	0.03	113391671	58.04
	30/01/2015 - transfer	130000	0.07	113521671	58.10
	02/02/2015 - transfer	107914	0.06	113629585	58.16
	As at 31/03/2015	113629585	58.16		
3.	The Bond Company Limited				
	As at 01/04/2014	18260710	9.35		
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-18260710	-9.35	0	0.00
	As at 31/03/2015			0	0.00
4.	H L Investment Company Ltd.				
	As at 01/04/2014	14183400	7.26		
	27/03/2014 - transfer	7587	0.00	14190987	7.26
	16/05/2014 - transfer	160000	0.08	14350987	7.35
	30/05/2014 -transfer	46463	0.02	14397450	7.37
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-14397450	-7.37	0	0
	As at 31/03/2015		0.00	0	0
5.	Guardian Leasing Limited				
	As at 01/04/2014	2642373	1.35		
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-2642373	-1.35	0	0.00
	As at 31/03/2015			0	0.00
6.	G K W Limited				
	As at 01/04/2014	2000000	1.02		
	As at 31/03/2015			2000000	1.02
7.	SCL Investments Pvt.Ltd.				
	As at 01/04/2014	1410000	0.72		
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-1410000	-0.72	0	0.00
	As at 31/03/2015			0	0.00
8.	Shree Laxmi Agents Limited				
	As at 01/04/2014	884000	0.45		
	As at 31/03/2015		0.00	884000	0.45

ANNEXURE to the Directors' Report

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9.	Carbo-Ceramics Limited				
	As at 01/04/2014	386645	0.20		
	As at 31/03/2015			386645	0.20
10.	D.C. Mercantile Pvt.Ltd.				
	As at 01/04/2014	90905	0.05		
	30/10/2014 - Pursuant to merger with Emerald Co.Ltd.	-90905	-0.05	0	0.00
	As at 31/03/2015			0	0.00
11.	The Bond Company Limited				
	As at 01/04/2014	250			
	As at 31/03/2015			250	
12.	Krishna Kumar Bangur				
	As at 01/04/2014	509550	0.26		
	As at 31/03/2015			509550	0.26
13.	Krishna Kumar Bangur				
	As at 01/04/2014	830	0.00		
	As at 31/03/2015			830	0.00
14.	Krishna Kumar Bangur				
	As at 01/04/2014	335	0.00		
	As at 31/03/2015			335	0.00
15.	Krishna Kumar Bangur				
	As at 01/04/2014	170	0.00		
	As at 31/03/2015			170	0.00
16.	Manjushree Bangur				
	As at 01/04/2014	248391	0.13		
	As at 31/03/2015			248391	0.13
17.	Manjushree Bangur				
	As at 01/04/2014	670	0.00		
	As at 31/03/2015			670	0.00
18.	Divya Bangur				
	As at 01/04/2014	169333	0.09		
	As at 31/03/2015			169333	0.09
19.	Rukmani Devi Bangur				
	As at 01/04/2014	55288	0.03		
	As at 31/03/2015			55288	0.03
20.	Kiwi Investments Ltd.				
	As at 01/04/2014	9415450	4.82		
	As at 31/03/2015			9415450	4.82
21.	Aparna Daga				
	As at 01/04/2014	186261	0.10		
	As at 31/03/2015			186261	0.10

ANNEXURE to the Directors' Report

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	Fidelity North Star Fund				
	As at 01/04/2014	8733337	4.47		
	As at 31/03/2015			8733337	4.47
2.	Edgbaston Asian Equity Trust				
	As at 01/04/2014	3337106	1.71		
	11/04/2014 - Transfer	44683	0.02	3381789	1.73
	15/08/2014 - Transfer	147638	0.08	3529427	1.81
	12/09/2014 - Transfer	56742	0.03	3586169	1.84
	19/09/2014 - Transfer	85916	0.04	3672085	1.88
	10/10/2014 - Transfer	4342	0.00	3676427	1.88
	17/10/2014 - Transfer	59588	0.03	3736015	1.91
	07/11/2014- Transfer	48494	0.02	3784509	1.94
	14/11/2014 - Transfer	258287	0.13	4042796	2.07
	12/12/2014 - Transfer	100536	0.05	4143332	2.12
	19/12/2014 - Transfer	7045	0.00	4150377	2.12
	31/12/2014 - Transfer	38847	0.02	4189224	2.14
	16/01/2015 - Transfer	35981	0.02	4225205	2.16
	23/01/2015 - Transfer	111014	0.06	4336219	2.22
	27/02/2015 - Transfer	78807	0.04	4415026	2.26
	06/03/2015 - Transfer	19824	0.01	4434850	2.27
	13/03/2015 - Transfer	319961	0.16	4754811	2.43
	As at 31/03/2015			4754811	2.43
3.	Life Insurance Corporation of India				
	As at 01/04/2014	3650377	1.87		
	As at 31/03/2015			3650377	1.87
4.	CD Equifinance Pvt Ltd.				
	As at 01/04/2014	3814307	1.95		
	20/06/2014 - Transfer	-8600	0.00	3805707	1.95
	04/07/2014 - Transfer	-20900	-0.01	3784807	1.94
	11/07/2014 - Transfer	-43286	-0.02	3741521	1.92
	12/09/2014 - Transfer	-17160	-0.01	3724361	1.91
	14/11/2014 - Transfer	-20337	-0.01	3704024	1.90
	21/11/2014 - Transfer	-5000	0.00	3699024	1.89

ANNEXURE to the Directors' Report

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	05/12/2014 - Transfer	-10123	-0.01	3688901	1.89
	12/12/2014 - Transfer	-6498	0.00	3682403	1.88
	31/12/2014 - Transfer	-224268	-0.11	3458135	1.77
	02/01/2015 - Transfer	-54560	-0.03	3403575	1.74
	09/01/2015 - Transfer	-10000	-0.01	3393575	1.74
	23/01/2015 - Transfer	-3200	0.00	3390375	1.74
	20/02/2015 - Transfer	-39961	-0.02	3350414	1.71
	As at 31/03/2015			3350414	1.71
5.	SBI Mutual Fund				
	As at 01/04/2014	0	0.00		
	13/06/2014 - Transfer	223000	0.11	223000	0.11
	03/10/2014 -Transfer	17000	0.01	240000	0.12
	14/11/2014 -Transfer	1134345	0.58	1374345	0.70
	19/12/2014 - Transfer	1343369	0.69	2717714	1.39
	31/12/2014 -Transfer	75000	0.04	2792714	1.43
	02/01/2015 -Transfer	228648	0.12	3021362	1.55
	09/01/2015 - Transfer	258111	0.13	3050825	1.56
	16/01/2015 - Transfer	56889	0.03	3107714	1.59
	20/02/2015 -Transfer	91865	0.05	3199579	1.64
	27/02/2015 -Transfer	35	0.00	3199614	1.64
	27/03/2015 - Transfer	41851	0.02	3241465	1.66
	31/03/2015 - Transfer	31136	0.02	3272601	1.68
	As at 31/03/2015			3272601	1.68
6.	The New India Assurance Co. Ltd				
	As at 01/04/2014	2055891	1.05		
	31/12/2014-Transfer	33511	0.02	2089402	1.07
	02/01/2015 -Transfer	10151	0.01	2099553	1.07
	09/01/2015 -Transfer	42255	0.02	2141808	1.10
	16/01/2015 -Transfer	111850	0.06	2253658	1.15
	23/01/2015 - Transfer	153965	0.08	2407623	1.23
	30/01/2015 - Transfer	137883	0.07	2545506	1.30
	06/02/2015 - Transfer	115130	0.06	2660636	1.36
	13/02/2015 - Transfer	74913	0.04	2735549	1.40
	20/02/2015 - Transfer	30795	0.02	2766344	1.42
	27/02/2015 - Transfer	44867	0.02	2811211	1.44

ANNEXURE to the Directors' Report

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	06/03/2015 - Transfer	57500	0.03	2868711	1.47
	13/03/2015 - Transfer	112578	0.06	2981289	1.53
	20/03/2015 - Transfer	74601	0.04	3055890	1.56
	As at 31/03/2015			3055890	
7.	Retail Employees Superannuation Pty. Ltd as Trustee for Retail Employees Superannuation Trust				
	As at 01/04/2014	2488635	1.27		
	As at 31/03/2015			2488635	1.27
8.	Patton International Ltd				
	As at 01/04/2014	2082380	1.07		
	25/07/2014 - Transfer	-7380	0.00	2075000	1.06
	As at 31/03/2015			2075000	1.06
9.	Fidelity Puritan Trust Fidelity Low-Priced Stock Fund				
	As at 01/04/2014	2200000	1.13		
	10/10/2014 - Transfer	-16188	-0.01	2183812	1.12
	17/10/2014 - Transfer	-141581	-0.07	2042231	1.05
	24/10/2014 - Transfer	-35936	-0.02	2006295	1.03
	31/10/2014 - Transfer	-50600	-0.03	1955695	1.00
	07/11/2014 - Transfer	-87600	-0.04	1868095	0.96
	14/11/2014 - Transfer	-68095	-0.03	1800000	0.92
	As at 31/03/2015			1800000	0.92
10.	Bellona Finvest Ltd				
	As at 01/04/2014	1748449	0.89		
	As at 31/03/2015			1748449	0.89

ANNEXURE to the Directors' Report

IV. (v) Shareholding of Directors & Key Managerial Personnel

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Directors				
1.	Mr. Krishna Kumar Bangur				
	As at 01/04/2014	509550	0.26		
	As at 31/03/2015			509550	0.26
	Mr. Krishna Kumar Bangur				
	As at 01/04/2014	830	0.00		
	As at 31/03/2015			830	0.00
	Mr. Krishna Kumar Bangur				
	As at 01/04/2014	335	0.00		
	As at 31/03/2015			335	0.00
	Mr. Krishna Kumar Bangur				
	As at 01/04/2014	170	0.00		
	As at 31/03/2015			170	0.00
2.	Mr. P K Khaitan				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
3.	Mr. N S Damani				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
4.	Mr. A V Lodha				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
5.	Dr. R Srinivasan				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
6.	Mr. Gaurav Swarup				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
7.	Mrs. Renu Challu				
	As at 01/04/2014	0	0.00		
	As at 31/03/2015			0	0.00
8.	Mr. J D Curravala				
	As at 01/04/2014	4750	0.00		
	As at 31/03/2015			4750	0.00
9.	Mr. N Venkataramani				
	As at 01/04/2014	4200	0.00		
	As at 31/03/2015			4200	0.00
10.	Mr. M.B.Gadgil				
	As at 01/04/2014	2000	0.00		
	As at 31/03/2015			2000	0.00
	Key Managerial Personnel				
11.	Mr. K C Parakh				
	As at 01/04/2014	1178	0.00		
	As at 31/03/2015			1178	0.00
12.	Mr. B. Shiva				
	As at 01/04/2014	416	0.00		
	As at 31/03/2015			416	0.00

ANNEXURE to the Directors' Report

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2014)				
i) Principal Amount	23,506.01	10,602.50	—	34,108.51
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	65.98	27.73	—	93.71
Total (i + ii + iii)	23,571.99	10,630.23	—	34,202.22
Change in Indebtedness during the financial year				
- Addition	—	—	—	—
- Reduction	2,252.79	7,026.68	—	9,279.47
Net Change	(2,252.79)	(7,026.68)	—	(9,279.47)
Indebtedness at the end of the financial year (31/03/2015)				
i) Principal Amount	21,253.22	3,575.82	—	24,829.04
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	39.98	2.96	—	42.94
Total (i + ii + iii)	21,293.20	3,578.78	—	24,871.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. in lakhs)
		Mr. M.B.Gadgil - Whole-time Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82.82	82.82
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	15.37	15.37
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of Profit -Others, please specify	60.00	60.00
5.	Others, please specify		
	Total (A)	158.19	158.19
	Ceiling as per the Act		

ANNEXURE to the Directors' Report

B. Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Names of Directors										Total Amount (Rs. in Lakhs)
		Mr. K.K. Bangur	Mr. P.K. Khaitan	Mr. N.S. Damani	Mr. A.V. Lodha	Dr. R. Srinivasan	Mrs. Renu Challu	Mr. J.D. Curavala	Mr. Garav Swarup	Mr. N. Venkataramani	Mr. D.J. Balaji Rao	
1.	Independent Directors											
	Fees for attending board/ committee meeting	—	2.40	0.60	2.40	2.40	0.40	—	0.40	1.80	0.40	10.80
	Commission	—	2.00	2.00	3.00	3.00	2.00	—	2.00	15.00	—	29.00
	Others	—	—	—	—	—	—	—	—	—	—	—
	Total (1)	—	4.40	2.60	5.40	5.40	2.40	—	2.40	16.80	0.40	39.80
2.	Other Non-Executive Directors											
	Fees for attending board/ committee meeting	1.60	—	—	—	—	—	1.60	—	—	—	3.20
	Commission	103.00	—	—	—	—	—	3.00	—	—	—	106.00
	Others	—	—	—	—	—	—	—	—	—	—	—
	Total (2)	104.60	—	—	—	—	—	4.60	—	—	—	109.20
	Total B = (1 + 2)	104.60	4.40	2.60	5.40	5.40	2.40	4.60	2.40	16.80	0.40	149.00
	Total Managerial Remuneration											135.00
	Overall Ceiling as per the Act											137.83

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs. in Lakhs)
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	30.31	33.47	63.78
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	1.35	1.02	2.37
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of Profit - Others, please specify				
5.	Others, please specify				
	Total (A)	—	31.66	34.49	66.15

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

NOMINATION AND REMUNERATION POLICY

The objectives of this Policy include the following:

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

DEFINITIONS

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

"Director" means a Director of the Company.

"Key Managerial Personnel" or "KMP" means-

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

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

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

Independent Directors

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

Appointment criteria and qualifications

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

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

Evaluation:

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

Evaluation of Directors:

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

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

Evaluation of KMP and Senior Management Personnel

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

Criteria for evaluating performance of Other Employees

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

ANNEXURE to the Directors' Report

REMUNERATION OF DIRECTORS AND KMP

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

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

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

Sitting Fees:

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

Remuneration to Senior Management Personnel:

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

Remuneration to Other Employees

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

BOARD DIVERSITY

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

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

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

ANNEXURE 3

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

Name of the Entity	Nature of Relationship	Amount (Rs. in lakhs)	Particulars of Loans, Guarantees and Investments
Graphite International B.V. (GIBV)	Wholly-owned Subsidiary	11,588.48	Fully Paid-up Shares
Carbon Finance Limited	Wholly-owned Subsidiary	3,003.76	Fully Paid-up Equity Shares
Graphite Cova GmbH	Wholly-owned Subsidiary of GIBV	16,144.80	Guarantee given in favour of Loan taken by Graphite Cova GmbH
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	247.66	Fully Paid-up Class A Equity Shares
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	312.34	Fully Paid-up 0.01% Class A Redeemable Preference Shares

ANNEXURE 4**FORM AOC - 2**

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

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

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General Meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

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

Sl No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Graphite Cova GmbH, Wholly-owned Subsidiary	Sale of Goods	Ongoing	Rs. 8,260.17 lakhs	10th November 2014	Nil
2.	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs. 596.11 lakhs	10th November 2014	Nil
3.	Graphite Cova GmbH, Wholly-owned Subsidiary	Royalty Income	Ongoing	Certain Percentage of sales of graphite electrodes including coated graphite electrodes amounting to Rs. 298.24 lakhs	10th November 2014	Nil
4.	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee Received / Receivable	Valid up to 30th September 2017	Certain Percentage of Corporate Guarantee amount utilized amounting to Rs. 111.89 lakhs	10th November 2014	Nil
5.	Graphite Cova GmbH, Wholly-owned Subsidiary	Reimbursement of Claims	Ongoing	Rs. 26.48 lakhs	10th November 2014	Nil
6.	Carbon Finance Limited	Payment of Rent	Ongoing	Rs. 104.89 lakhs	9th May 2014	Nil
7.	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee given	Valid up to 30th September 2017	Rs. 16144.80 lakhs	15th Dec 2014	NA
8.	Khaitan & Co, Mumbai, Firm in which a Director is a Partner	Professional Fees	Ongoing	Rs. 45.77 lakhs	9th May 2014	NA
9.	Khaitan & Co LLP, New Delhi/ Kolkata, Firm in which a Director is a Partner	Professional Fees	Ongoing	Rs. 34.68 lakhs	9th May 2014	NA

On behalf of the Board

Kolkata
May 14, 2015

K. K. Bangur
Chairman

ANNEXURE 5**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of energy-****a) Energy conservation measures taken**

- Installation of Variable Voltage Variable Frequency Drive (VVVFD) in Rotex Screener.
- Changing from liquid fuel usage to CBM.
- Replacing steam with hot water in closed loop for cleaning of assembled parts.
- Saving on electrical energy by use of LED lighting and CFL lighting in place of mercury vapor lamps.
- Graphite furnaces redesigned & packing techniques reformed for better quality & energy saving.
- Transportation of raw material started through railway rakes thereby eliminating the usage of road transport and, thus saving on country's fuel consumption.
- Replaced inefficient drives by modern and efficient drives.
- Use of smaller compressor selectively during periods of lower requirements of compressed air.
- Use of electrical tools in place of pneumatic tools.

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

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

c) Additional investment proposals on energy conservation.

- Installation of one more energy efficient baking furnace in progress.
- Installation of one more energy efficient mixing plant in progress.
- Invested for installation & commissioning of Modern drives replacing old inefficient drives.
- Up-gradation of Heat Exchanger.

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

- Positive validation of Graphitized Rail wheel mould blanks.
- Graphitization of high density Electrodes.
- Qualification of Mark-III Variant Brake disc for LCA.
- Development of Mark-IV Brake discs for LCA.
- Development of CFC (Carbon Fiber Composites).

ii) The benefits derived as result of above efforts

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

iii) No technology was imported during last three years.**iv) Expenditure incurred on Research and Development - Rs. 12.95 Lakhs.**

(C) Foreign Exchange earnings – Rs. 701.82 crore

Foreign Exchange outgo – Rs. 372.85 crore

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

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

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

As per the CSR Policy of the Company, projects / activities would be carried out in the following areas-

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

The policy can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx under the head "Corporate Governance".

2. **The Composition of the CSR Committee:** Mr. K K Bangur (Chairman), Mr. N Venkataramani and Mr. M B Gadgil
3. **Average net profit of the Company for last three financial years (2011-2012 to 2013-2014):** Rs. 255.37crore.
4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** Rs. 5.11 crore
5. **Details of CSR spend during the financial year:**

- (a) **Total amount to be spent for the financial year:** The CSR policy was approved by the Board on 11th November, 2014. Since only a few months remained for the financial year to end, scaling up activities to levels which would require big spends was not possible. As such, the Board had on the CSR Committee's recommendation allocated Rs. 50 lacs towards activities involving projects for educational and employment enhancement vocational skills for the year, this being the initial year.

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the state or district where projects or programs were undertaken	Amount outlay (Budget) projects or program wise	Amount spent on the projects of programs Direct expenditure on programs or projects	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing Agency*
				(Rs.)	(Rs.)	(Rs.)	(Rs.)

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Scaling the activities through B D Bangur Endowment are on and are expected to be long term in nature. Due to limited period available after the allocation was made, no expenditure was incurred. The unspent amount of Rs. 5.11 crore will be carried forward for implementation during FY 2015-16.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, would be in compliance with CSR objectives and Policy of the Company

For Graphite India Limited

M B Gadgil
Executive Director

14th May, 2015

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

K K Bangur
Chairman of Corporate Social Responsibility Committee

ANNEXURE 7**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under:

Sl. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2014-15	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees
		Rs. Lakhs		
1	Krishna Kumar Bangur (Non-Executive Chairman)	104.60	-48%	22.64
2	Pradip Kumar Khaitan (Non-Executive Director)	4.40	5%	0.95
3	Nandan Surajratan Damani (Non-Executive Director)	2.60	-32%	0.56
4	Aditya Vikram Lodha (Non-Executive Director)	5.40	-10%	1.17
5	Raghavachari Srinivasan (Non-Executive Director)	5.40	-7%	1.17
6	Jemi Dorabji Curavala (Non-Executive Director)	4.60	-21%	1.00
7	Nayankankuppam Venkatramani (Non-Executive Director)	16.80	-37%	3.64
8	Gaurav Swarup (Non-Executive Director)	2.40	#	#
9	Renu Challu (Non-Executive Director)	2.40	#	#
10	D J Balaji Rao (Non-Executive Director)	0.40	*	*
11	Sanjiv Goenka (Non-Executive Director)	—	*	*
12	Makarand Bhalachandra Gadgil (Whole-time Director)	168.58	-3%	36.49
13	Kamal Chand Parakh (Chief Financial Officer)	39.17	12%	Not Applicable
14	Shiva Balan (Company Secretary)	38.43	10%	Not Applicable

Details not given as Gaurav Swarup and Renu Challu were not Directors in the Financial Year 2013-14.

* Details not given as D J Balaji Rao and Sanjiv Goenka were Directors only for part of the Financial Year 2014-15 i.e. upto 12th August 2014 and 18th August 2014 respectively.

- (ii) During the financial year, the median remuneration of employees decreased by 1%.
- (iii) There were 2,083 permanent employees on the rolls of Company as on March 31, 2015.
- (iv) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2015 decreased by 49% whereas the decrease in median remuneration was 1%.
- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 1% from Rs. 244.50 lakhs in 2013-14 to Rs. 246.18 lakhs in 2014-15 whereas the Profit before Tax decreased by 49% from Rs. 25,392 lakhs to Rs. 12,944 lakhs.

ANNEXURE to the Directors' Report

(vi) a) Variations in the market capitalisation of the Company:

	Share Price (Rs.)	Market Capitalisation (Rs. in Crore)	Decrease in Market Capitalisation (Rs. in Crore)
As on 31st March 2014	89.05	1739.82	
As on 31st March 2015	83.05	1622.59	117.23

b) Variations in price earnings ratio:

As on 31st March 2014 - 10.18

As on 31st March 2015 - 19.73

c) Percentage increase in the market quotation of the shares in comparison to the rate at which the Company came out with the last public offer:

Last Public offer was in 1977 - Issued at face value - Rs.10/-

Market price (Face value Rs. 2/-) as on 31.3.2015 (NSE) - Rs. 83.05

% increase - 4052.50%

(vii) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2014-15 was 6% whereas the increase in the managerial remuneration for the same financial year was 1%.

(viii) Variable pay in the form of commission is paid to directors, taking into account the performance of each director on the basis of criteria framed for performance evaluation and time and effort devoted by a director in the business affairs of the Company.

(ix) Ratio of Remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable.

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

ANNEXURE 8

STATEMENT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Employed throughout the Financial Year

Name	Designation	Remuneration (Rs. in lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
Mr. M. B. Gadgil	Whole-time Director	168.58	Contractual	B. Tech (Mech.), MBA (Operation Research)	39	06.02.1978	62	Motor Industries Company Limited, Bangalore Asst. Officer - Materials Planning

Notes:

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

ANNEXURE 9**REPORT ON CORPORATE GOVERNANCE****I. Corporate Governance Philosophy**

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

II. Board of Directors**Composition, category, other directorships, other Committee Positions held as on 31st March, 2015**

The strength of the Board of Directors as on 31st March, 2015 was ten comprising the non-executive Chairman (promoter director), one Executive Director, six non-executive directors of whom five are independent and two additional directors appointed by the Board on 25th August, 2014 (who would acquire the status of Independent Directors on their appointment by the members in the ensuing AGM of the Company).

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

INED – Independent Non-Executive Director

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

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

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

Four meetings of the Board of Directors were held during the year on 9th May, 2014, 12th August, 2014, 10th November, 2014 and 13th February, 2015. The requisite information as per Annexure X forming part of Clause 49 of the Listing Agreement has been made available to the Board. The Board periodically has reviewed compliance reports of all laws applicable to the Company, prepared by the Company and appropriate steps taken by the Company, where applicable.

Attendance Record

Names of Directors	Number of Board Meetings during April, 2014 to March, 2015		Attended last Annual General Meeting (AGM) held on 12th August, 2014
	Held	Attended	
K K Bangur	4	4	Yes
N S Damani	4	2	Yes

ANNEXURE to the Directors' Report

Names of Directors	Number of Board Meetings during April, 2014 to March, 2015		Attended last Annual General Meeting (AGM) held on 12th August, 2014
	Held	Attended	
A V Lodha	4	4	Yes
R Srinivasan	4	4	Yes
P K Khaitan	4	4	Yes
Sanjiv Goenka (refer note 1)	4	—	No
D J Balaji Rao (refer note 1)	4	2	Yes
Gaurav Swarup (refer note 2)	4	2	—
Renu Challu (Mrs) (refer note 2)	4	2	—
N Venkataramani	4	4	Yes
J D Curavala	4	4	Yes
M B Gadgil	4	4	Yes

Notes:

- (1) Mr. D J Balaji Rao and Mr. Sanjiv Goenka resigned as directors on 12th August, 2014 and 18th August, 2014 respectively.
- (2) Mr. Gaurav Swarup and Mrs. Renu Challu were appointed additional directors by the Board of Directors on 25th August, 2014. They will attain the status of Independent Director on their appointment by the members in the ensuing AGM of the Company.

Code of Conduct

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

III. Audit Committee

Composition and Scope of Activity

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

The terms of reference of the Audit Committee include the powers as laid down in Clause 49 III (C), the role as stipulated in Clause 49 III (D) and review of information as laid in Clause 49(III) (E) of the Listing Agreement with the Stock Exchanges. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

Committee Meetings held and attendance during the year

Four meetings of the Audit Committee were held during the year on 9th May, 2014, 12th August, 2014, 10th November, 2014 and 13th February, 2015.

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

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

ANNEXURE to the Directors' Report

The Executive Director and Sr. Vice President (Finance) remained present at all meetings of the Committee.

The Audit Committee invites, as and when it considers appropriate, the statutory auditors and the internal auditors to be present at the meetings of the Committee.

An Audit Committee meeting was held on 9th May, 2014 to review and approve the draft annual accounts of financial year 2013-2014 for recommendation to the Board. The Audit Committee had also reviewed the unaudited quarterly results during the year before recommending the same to the Board of Directors for adoption and required publication.

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

The Chairman of the Audit Committee, Mr. A V Lodha attended the last Annual General Meeting (AGM) held on 12th August, 2014.

IV. Nomination and Remuneration Committee

The "Nomination & Remuneration Committee" (NRC) comprise Mr. P. K. Khaitan as its Chairman with Mr. A V Lodha and Dr. R Srinivasan as its members. The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013 and Clause 49 (IV) of the Listing Agreement.

Name	Position in NRC	Meetings	
		Held	Attended
P K Khaitan	Chairman	3	3
Dr. R Srinivasan	Member	3	3
A V Lodha	Member	3	3

Remuneration Policy

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

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

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

Name	Salary	Contribution to Provident and Other Funds	Other Benefits	Ex-gratia	Commission*	Sitting Fees *	No. of Shares held as on 31st March, 2015*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
K K Bangur	—	—	—	—	10300000	160000	510885@
N S Damani	—	—	—	—	200000	60000	—
A V Lodha	—	—	—	—	300000	240000	—
Dr. R Srinivasan	—	—	—	—	300000	240000	—
P K Khaitan	—	—	—	—	200000	240000	—
Sanjiv Goenka	—	—	—	—	—	—	—
D J Balaji Rao	—	—	—	—	—	40000	—

ANNEXURE to the Directors' Report

Name	Salary	Contribution to Provident and Other Funds	Other Benefits	Ex-gratia	Commission*	Sitting Fees *	No. of Shares held as on 31st March, 2015*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
N Venkataramani	—	—	—	—	1500000	180000	4200
J D Curravala	—	—	—	—	300000	160000	4750
Gaurav Swarup	—	—	—	—	200000	40000	—
Renu Challu (Mrs.)	—	—	—	—	200000	40000	—
M B Gadgil	5030667	1632246	3082163	1112500	6000000	—	2000

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

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

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

Severance Fees Three months salary in lieu of notice

Stock Option No stock option has been given.

V. Stakeholders' Relationship Committee

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

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

During the year, 30 complaints were received from the shareholders, all of which were attended to. The details of shareholders grievances are placed before the Committee. Four meetings of the Committee were held during the year.

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

VI. General Body Meetings

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

AGM	Year	Venue	Date	Time
39th	2013-2014	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	12.08.2014	2.00 p.m.
38th	2012-2013	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	05.08.2013	11.00 a.m.
37th	2011-2012	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	03.08.2012	10.00 a.m.

ANNEXURE to the Directors' Report

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
39th	Yes	(i) Consent u/s 180(1) (a) of Companies Act, 2013 for creating mortgage and / or charge on Company's assets upto a limit of Rs.2000 crore. (ii) Consent u/s 180(1) (c) of Companies Act, 2013 for borrowing moneys not exceeding Rs.2000 crore. (iii) Consent u/s 94 of Companies Act, 2013 for keeping Register of Members, debentureholder etc. with Index, annual returns etc. at the office of the Registrars & Share Transfer agents in Mumbai.
38th	None	
37th	Yes	Payment of remuneration by way of commission to non-executive directors, u/s 309 of the Companies Act, 1956

All special resolutions pertaining to the 39th AGM mentioned above, were passed through e-voting process. Option to members to vote through physical ballot forms was also provided. Mrs. Swati Bajaj, Partner, M/s. P S & Associates, Kolkata was appointed as the Scrutinizer for the purpose of scrutinizing the e-voting process and ascertaining the results. Details of voting pattern are as under -

	No. of votes cast in favour		No. of votes cast against		No. of votes abstained		Total votes cast
	No	% of total voting cast	No	% of total voting cast	No	% of total voting cast	
Consent u/s 180 (1) (a) of Companies Act, 2013 – Creation of charge / mortgage upto Rs. 2000 crore	15,55,72,523	99.997	4,701	0.003	2	—	15,55,77,226
Consent u/s 180 (1) (c) of Companies Act, 2013 – Borrowings upto Rs. 2000 crore	15,55,72,444	99.997	4,782	0.003	—	—	15,55,77,226
Consent u/s 94 of Companies Act, 2013 – Keeping Register of Members etc. in the office of Registrars & Share Transfer Agents in Mumbai	15,55,73,249	99.997	3,877	0.003	100	—	15,55,77,226

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

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

Resume and other information regarding the directors being appointed/ seeking reappointment as required by Clause 49 VIII (E) (1) of the Listing Agreement has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

VII. Disclosure

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

ANNEXURE to the Directors' Report

The related party relationships and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures specified under the Companies Act, 2013 disclosed in Note No. 46 to the Standalone Financial Statements for the year ended 31st March, 2015 may be referred.

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

- B. In terms of Clause 49 (VIII) (D) (2) of the Listing Agreement, the senior management have disclosed to the Board that they have no personal interest in material financial and commercial transactions of the Company, that may have a potential conflict with the interest of the Company at large.
- C. During the last three years, there were no strictures or penalties imposed by SEBI, Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.
- D. The Company has adopted a Whistle Blower Policy (Vigil Mechanism) which has been posted on the Company's website and can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx under the head "Corporate Governance". No personnel has been denied access to the audit committee.
- E. (i) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.
(ii) Non-Mandatory requirements
 - a. The Company maintains a Chairman office at its expense. Reimbursement of expenses incurred in performance of his duties are made.
 - b. The audit report on the financial statements of the Company for the previous year has no qualifications.
 - c. The Company has separate persons to the post of Chairman and Executive Director.
 - d. The Internal Auditor can report directly to the Audit Committee.
 - e. Half yearly declaration of financial performance including summary of significant events in last six months are not sent to each household of shareholders.

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

VIII. Means of Communication

In compliance with the requirements of Clause 41 of the Listing Agreement, the Company regularly intimates unaudited quarterly results as well as audited financial results to the stock exchanges immediately after the same are approved by the Board. Further, coverage is given for the benefit of the shareholders and investors by publication of the financial results in the Business Standard and Aajkal. The Company's results are displayed on the Website www.graphiteindia.com. Details relating the quarterly performance are disseminated to the shareholders through earnings presentation on the Company's, BSE & NSE websites.

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

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

The Management Discussion and Analysis Section setting out particulars in accordance with Clause 49 (VIII) (D) (1) of the Listing Agreement has been included in the Directors' Annual Report to the Shareholders.

IX. General Shareholder Information

AGM Date, Time and Venue	11th August, 2015 at 4.00 p.m. at Kala Mandir, Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017
Financial Year	1st April to 31st March
Date of Book Closure	Wednesday, 5th August, 2015 to Tuesday 11th August, 2015 (both days inclusive)
Dividend Payment Date	By 26th August, 2015
Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001

ANNEXURE to the Directors' Report

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

The Company has paid the listing fees for the period April, 2015 to March, 2016 to BSE & NSE.

Stock Code

509488 on Bombay Stock Exchange Limited GRAPHITE on National Stock Exchange

Demat ISIN Number for NSDL and CDSL

INE 371A01025

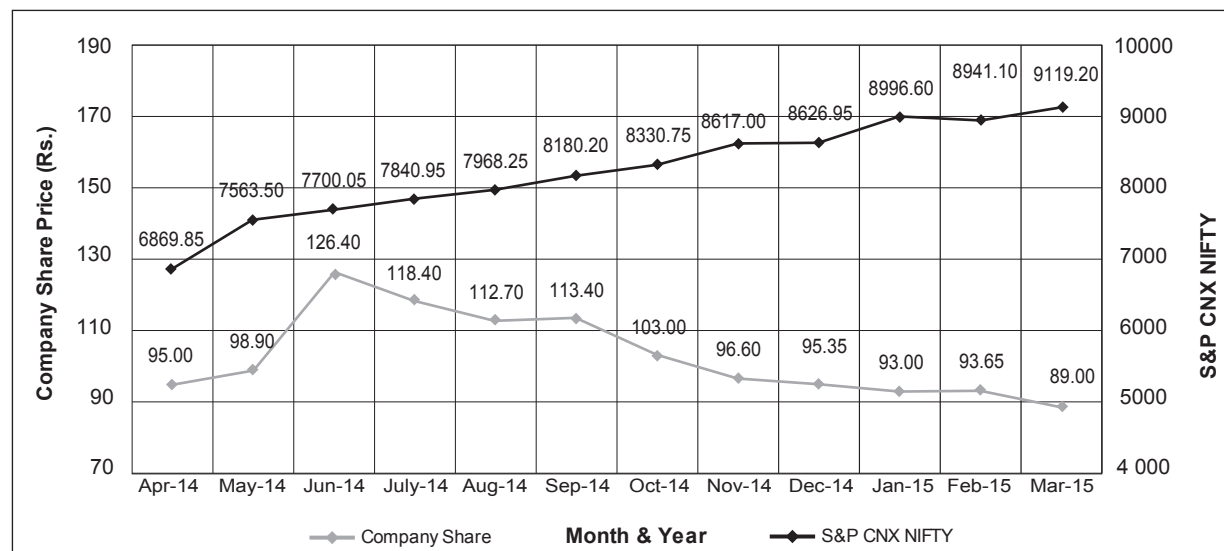
High, Low of market price of the Company's shares traded on National Stock Exchange of India Limited is furnished below:

Period	High	Low	Period	High	Low
	Rs	Rs		Rs	Rs
April, 2014	95.00	82.20	October, 2014	103.00	87.05
May, 2014	98.90	75.00	November, 2014	96.60	82.10
June, 2014	126.40	82.00	December, 2014	95.35	80.10
July, 2014	118.40	99.55	January, 2015	93.00	77.00
August, 2014	112.70	91.10	February, 2015	93.65	77.25
September, 2014	113.40	94.50	March, 2015	89.00	80.05

S&P CNX NIFTY

Period		High	Period		High
April	2014	6869.85	October	2014	8330.75
May	2014	7563.50	November	2014	8617.00
June	2014	7700.05	December	2014	8626.95
July	2014	7840.95	January	2015	8996.60
August	2014	7968.25	February	2015	8941.10
September	2014	8180.20	March	2015	9119.20

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



ANNEXURE to the Directors' Report

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

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

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

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2015

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1 – 500	97344	94.5896	4655709	2.383
501 – 1000	2848	2.7674	2274203	1.164
1001 – 2000	1351	1.3128	2017949	1.0329
2001 – 3000	483	0.4693	1221265	0.6251
3001 – 4000	217	0.2109	771773	0.395
4001 – 5000	201	0.1953	951374	0.4869
5001 – 10000	224	0.2177	1649140	0.8441
10001 – 30000	137	0.1331	2296912	1.1756
30001 – 50000	31	0.0301	1212189	0.6204
50001 – 100000	24	0.0233	1718039	0.8794
100001 and above	52	0.0505	176607041	90.3936
Total	102912	100.00	195375594	100.00
No. of shareholders in Physical mode	66933	65.03	3154961	1.61
Electronic Mode	35979	34.97	192220633	98.39
Total	102912	100.00	195375594	100.00

Shareholding Pattern as on 31st March, 2015

Category	No. of Shares	%
Promoters Holding		
Promoters		
Indian Promoters	117885047	60.34
Foreign Promoters	9601711	4.91
Persons acting in concert	—	—
Sub-Total	127486758	65.25

ANNEXURE to the Directors' Report

Category	No. of Shares	%
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	3416672	1.75
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6951013	3.56
FII's	28190754	14.43
Sub-Total	38558439	19.74
Others		
Private Corporate Bodies	11393603	5.83
Indian Public	15595718	7.98
NRI / OCBs	2341076	1.20
Any Other	—	—
Sub-Total	29330397	15.01
Grand Total	195375594	100.00
Total Foreign Shareholding		
Foreign Promoters	9601711	4.91
FII's	28190754	14.43
NRIs / OCBs	2341076	1.20
Total	40133541	20.54

Dematerialisation of shares and liquidity

As on 31st March 2015, 192,220,633 shares of the Company representing 98.39% of the total shares are in dematerialised form.

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

Outstanding GDRs / ADRs/ Warrants/ Convertible Instruments

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

Plant Locations

Graphite	P.O. Sagarbhanga Colony, Dist –Burdwan, Durgapur -713211, West Bengal, Phone : (0343) 2556642-45/ 2557743 88 MIDC Industrial Area Satpur, Nashik - 422 007, Phone : (0253) 2203300 Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Coke	Village- Phulwaria, National Highway 28, P O & Dist. Barauni - 851 112, Bihar, Phone : (06279) 232252 / 232844
Impervious Graphite Equipment	C-7 MIDC Industrial Area, Ambad, Nashik - 422 010, Phone : (0253) 2302100
Glass Reinforced Pipes/ Tanks	Gut No. 523/524, Village Gonde, Taluka – Igatpuri, Nashik - 422 403 Phone : (02553) 229400
Powmex Steels	AT - Turla, PO – Jagua, PS – Titilagarh, District Bolangir, Odisha - 767066 Phone : (06655) 220504 / 220505

ANNEXURE to the Directors' Report

Power	Chunchanakatte, K R Nagar Taluk, Dist - Mysore, Karnataka - 571 617 Phone : (08223) 281116 Link Canal Mini Hydel Plant, Peehalli, Arekere Hobli, Srirangapatna Taluk, Mandya Dist Karnataka - 571415 Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300 88 MIDC Industrial Area, Satpur, Nashik - 422 007, Phone : (0253) 2203300
R & D Centre	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Sales Office	407 Ashoka Estate, 24, Barakhamba Road, New Delhi - 110 001 Phone : (011) 23314364 / 65

Address for Correspondence

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

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

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

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

On behalf of the Board

Kolkata
May 14, 2015

K. K. Bangur
Chairman

Declaration

All the Board Members and the Senior management Personnel have as on 31.03.15 affirmed their compliance of the "Code of Conduct for Directors/Senior Management Personnel dated 09.05.2014" in terms of Clause 49(II)(E)(2) of the Listing Agreement.

Kolkata
May 14, 2015

M. B. Gadgil
Executive Director, Graphite India Limited

**AUDITORS' CERTIFICATE
REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Graphite India Limited

We have examined the compliance of conditions of Corporate Governance by Graphite India Limited, for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Price Waterhouse
Firm Registration Number - 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 57572

Place: Kolkata
Date: May 14, 2015

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Graphite India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Graphite India Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report :
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

ANNEXURE to the Directors' Report

3. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India: **Presently not applicable on the Company**
 - (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
6. We further report that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
7. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that:

During the audit period, the Company has become a subsidiary of Emerald Company Limited. This is pursuant to a Scheme of Amalgamation as sanctioned by the Hon'ble High Court at Calcutta vide order dated 16.5.2014 (effective 3.7.14), wherein, 6 other companies (who held shares in the Company) amalgamated with Emerald Co. Ltd. Transfer of the Company's shares (47.432%) being held by the transferor companies to Emerald Co. Ltd was completed on 29.10.14. With Emerald Co. Ltd. already holding 10.54% shares in the Company, the Company has become a subsidiary of Emerald Company Limited as a result of the merger.

For M/s. P S & Associates

Swati Bajaj
Partner

Place : Kolkata
Date : 28.04.2015

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAPHITE INDIA LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Graphite India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Statement, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered

Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements – Refer Note 36 to the financial statements;
 - ii. The Company did not have any material foreseeable losses on long-term contracts as at March 31, 2015. The Company did not have any derivative contracts as at March 31, 2015;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 14, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the Members of Graphite India Limited on the Standalone Financial Statements for the year ended March 31, 2015.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company

is generally regular in depositing undisputed statutory dues in respect of service tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	16.00	1996-97, 1999-00, 2010-11 to 2012-13	Assistant / Deputy Commissioner of Central Excise
		16.04	2008-09, 2010-11 and 2011-12	Additional Commissioner of Central Excise
		266.53	2010-11 to 2012-13	Commissioner, Central Excise
		733.99	1999-2000 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		19.28	2000-01	High Court
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.07	2009-10	Deputy Commissioner of Sales Tax
		25.13	2005-06 to 2007-08	Additional Commissioner of Commercial Taxes
		54.76	2003-04	Joint Commissioner of Commercial Taxes
		0.90	2011-12	Additional Commissioner, Commercial Division (Appeal)
		46.70	2007-08	Joint Commissioner of Sales Tax (Appeal)
		187.33	2002-03, 2003-04, 2005-06 to 2008-09	Sales Tax Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax and Penalty	24.36	2011-12	Additional Commissioner of Sales Tax
		85.07	2005-06 and 2006-07	Senior Joint Commissioner (Appeals), Corporate Division, Commercial Taxes

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Karnataka Value Added Tax Act, 2003	Value Added Tax and Interest	7.87	2008-09	Assistant Commissioner of Commercial Taxes
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.77	2008-09	Commercial Tax Officer
Customs Act, 1962	Customs Duty, Interest and Penalty	3.77	1988-89	Chief Metropolitan Magistrate
		855.99	2005-06 to 2007-08	Commissioner of Customs
		293.27	1991-92, 1996 to 2000, 2007-08 and 2008-09	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax, Interest and Penalty	62.81	2006-07 to 2014-15	Assistant / Deputy Commissioner, Central Excise
		96.20	2008-09 to 2014-15	Additional Commissioner
		115.26	2006-07 to 2014-15	Commissioner (Appeals)
		26.41	2004-05 to 2008-09	Joint Commissioner
		103.55	2004-05 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
		104.77	2005-06 to 2007-08	High Court
Income-tax Act, 1961	Income Tax and Interest	3,269.89	2009-10 and 2010-11	Commissioner of Income Tax (Appeals)

(c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata
May 14, 2015

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Pinaki Chowdhury
Partner
Membership Number 57572

		(Rs. in Lakhs)	
	Note	As at 31st March, 2015	As at 31st March, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	3,907.68	3,907.68
Reserves and Surplus	3	1,71,452.94	1,69,683.14
		<u>1,75,360.62</u>	<u>1,73,590.82</u>
Non-current Liabilities			
Long-term Borrowings	4	4,172.00	10,016.67
Deferred Tax Liabilities (Net)	5	8,211.68	8,966.73
Other Long-term Liabilities	6	0.70	47.05
		<u>12,384.38</u>	<u>19,030.45</u>
Current Liabilities			
Short-term Borrowings	7	14,399.04	20,085.17
Trade Payables	8	18,681.25	22,575.66
Other Current Liabilities	9	13,654.44	12,642.75
Short-term Provisions	10	10,270.41	14,038.86
		<u>57,005.14</u>	<u>69,342.44</u>
TOTAL		<u>2,44,750.14</u>	<u>2,61,963.71</u>
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	58,912.77	63,582.86
Intangible Assets	11	169.00	226.29
Capital Work-in-progress		958.60	338.29
		<u>60,040.37</u>	<u>64,147.44</u>
Non-current Investments	12	21,305.67	15,756.26
Long-term Loans and Advances	13	2,058.08	766.79
Other Non-current Assets	14	12.26	1.52
		<u>83,416.38</u>	<u>80,672.01</u>
Current Assets			
Current Investments	15	26,700.56	34,266.42
Inventories	16	85,498.69	88,300.11
Trade Receivables	17	38,788.37	42,338.43
Cash and Bank Balances	18	1,134.04	2,397.18
Short-term Loans and Advances	19	7,583.18	11,900.63
Other Current Assets	20	1,628.92	2,088.93
		<u>1,61,333.76</u>	<u>1,81,291.70</u>
TOTAL		<u>2,44,750.14</u>	<u>2,61,963.71</u>
The accompanying Notes are an integral part of these Financial Statements.			
This is the Balance Sheet referred to in our report of even date.			
For PRICE WATERHOUSE Firm Registration Number - 301112E Chartered Accountants (Pinaki Chowdhury) Partner Membership No. 57572 Kolkata - 14th May, 2015			
K. C. Parakh Sr. Vice President-Finance			
B. Shiva Company Secretary			
M. B. Gadgil Executive Director			
K. K. Bangur Chairman			

		(Rs. in Lakhs)	
	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations (Gross)	21	1,57,135.74	1,84,488.72
Less: Excise Duty		7,413.86	7,681.13
Revenue from Operations (Net)		1,49,721.88	1,76,807.59
Other Income	22	3,074.02	4,020.94
Total Revenue		1,52,795.90	1,80,828.53
Expenses			
Cost of Materials Consumed	23	69,400.44	79,811.09
Changes in Inventories of Finished Goods and Work-in-progress	24	(1,969.80)	(2,069.19)
Employee Benefits Expense	25	13,846.70	13,473.10
Finance Costs	26	1,222.63	1,696.29
Depreciation and Amortisation Expense	27	3,874.62	5,359.97
Other Expenses	28	52,916.96	57,165.73
Total Expenses		1,39,291.55	1,55,436.99
Profit before Exceptional Item and Tax		13,504.35	25,391.54
Exceptional Item - Loss (Refer Note 44)		560.00	—
Profit before Tax		12,944.35	25,391.54
Tax Expense			
Current Tax		4,712.40	8,837.00
Deferred Tax		12.60	(537.00)
Profit for the Year		8,219.35	17,091.54
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (Previous Year - Rs. 2/-)]	29		
Basic (Rs.)		4.21	8.75
Basic before Exceptional Item (Rs.)		4.49	8.75
Diluted (Rs.)		4.21	8.75
Diluted before Exceptional Item (Rs.)		4.49	8.75
The accompanying Notes are an integral part of these Financial Statements.			
This is the Profit and Loss Statement referred to in our report of even date.			
For PRICE WATERHOUSE Firm Registration Number - 301112E Chartered Accountants (Pinaki Chowdhury) Partner Membership No. 57572 Kolkata - 14th May, 2015			
K. C. Parakh Sr. Vice President-Finance B. Shiva Company Secretary M. B. Gadgil Executive Director K. K. Bangur Chairman			

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
A. Cash Flows from Operating Activities:		
Profit before Tax	12,944.35	25,391.54
Adjustments for:		
Depreciation and Amortisation Expense	3,874.62	5,359.97
Loss on Disposal of Tangible Fixed Assets (Net)	30.93	12.21
Bad Debts/Advances Written Off	151.72	106.50
Provision for Diminution in Value of Long-term Investments	560.00	—
Provision for Doubtful Debts	158.41	328.70
Provision for Mark-to-market Losses on Derivatives / (Written Back)	(38.26)	38.26
Net Gain on Disposal of Long-term Investments	(116.32)	(785.21)
Net Gain on Disposal of Current Investments	(1,410.46)	(1,822.93)
Interest Income	(615.48)	(325.35)
Finance Costs	1,222.63	1,696.29
Provision for Doubtful Debts Written Back	(85.89)	(112.52)
Liabilities no Longer Required Written Back	(351.80)	(407.80)
Foreign Exchange Loss (Net)	77.37	2,498.46
Operating Profit before Working Capital Changes	16,401.82	31,978.12
Changes in Working Capital:		
Increase/(Decrease) in Trade Payables	(3,835.82)	6,088.22
Increase/(Decrease) in Provisions	(139.64)	458.20
Increase/(Decrease) in Other Current Liabilities	(768.80)	1,997.37
Decrease in Other Long-term Liabilities	(46.35)	(127.08)
Decrease in Trade Receivables	3,417.33	8,298.96
Decrease in Inventories	2,801.42	9,470.35
Decrease in Loans and Advances	4,126.51	5,671.21
(Increase)/Decrease in Other Current Assets	438.88	(5.32)
(Increase)/Decrease in Other Non-current Assets	(8.19)	2.60
Cash Generated from Operations	22,387.16	63,832.63
Income-tax Paid (Net of Refunds)	(5,005.64)	(7,727.11)
NET CASH FROM OPERATING ACTIVITIES	17,381.52	56,105.52
B. Cash Flows from Investing Activities:		
Purchase of Tangible/ Intangible Assets	(3,166.49)	(1,489.34)
Proceeds on Disposal of Tangible Fixed Assets	63.60	49.09
Investments in a Subsidiary Company	—	(4,219.53)
Purchase of Long-term Investments	—	(3,688.96)
Purchase of Current Investments	(51,512.81)	(50,587.69)
Sale/ Redemption of Current Investments	53,119.72	38,706.49
Sale/ Redemption of Long-term Investments	1,376.32	6,948.88
Interest Received	641.34	263.76
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	521.68	(14,017.30)

(Rs. in Lakhs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
C. Cash Flows from Financing Activities:		
Dividends Paid	(6,815.51)	(6,798.28)
Dividend Distribution Tax Paid	(1,162.14)	(1,162.14)
Finance Costs Paid	(1,273.40)	(1,704.33)
Repayment of Long-term Borrowings	(4,144.51)	(4,125.63)
Short-term Borrowings-Receipts/(Payments)	(5,763.50)	(26,502.18)
NET CASH USED IN FINANCING ACTIVITIES	(19,159.06)	(40,292.56)
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	—	1.62
Net Cash Inflow / (Outflow)	(1,255.86)	1,797.28
Cash and Cash Equivalents - Opening	2,389.90	592.62
Cash and Cash Equivalents - Closing	1,134.04	2,389.90
	(1,255.86)	1,797.28
Cash and Cash Equivalents comprise:		
Cash on Hand	28.10	13.33
Cheques, Drafts on Hand	8.12	13.65
Balances with Banks*	1,097.82	2,362.92
Total	1,134.04	2,389.90
* Includes the following balances which are not available for use by the Company		
Unpaid Dividend Accounts	332.29	309.65

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' specified under the Act.
2. Previous year's figures have been regrouped /rearranged, wherever necessary to conform to current year's classification.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner

Membership No. 57572
Kolkata - 14th May, 2015

K. C. Parakh
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation**

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non - current classification of assets and liabilities.

B. Use of Estimates

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

C. Fixed Assets

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

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

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

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

D. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Act (Also refer Note 37). Leasehold land is amortised on straight-line basis over the primary lease period. Intangible assets (Computer Software) are amortised on a straight-line basis over a period of five years.

E. Impairment

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

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

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

F. Investments

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

G. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

H. Foreign Currency Transactions as applicable under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'

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

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

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

I. Derivative Contracts

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

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

J. Revenue

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

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

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

K. Construction Contracts

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

L. Borrowing Costs

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

M. Research & Development Expenditure

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

N. Employee Benefits**a) Short-term Employee Benefits :**

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

b) Post Employment Benefit Plans :

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

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

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

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

O. Provisions and Contingent Liabilities

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

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

P. Taxation

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

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

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

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

Q. Leases

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

R. Segment Reporting

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

		(Rs. in Lakhs)
	As at 31st March, 2015	As at 31st March, 2014
2. Share Capital		
Authorised		
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Rs. 2/- each	<u>4,000.00</u>	<u>4,000.00</u>
Issued, Subscribed and Paid-up		
19,53,75,594 (Previous Year - 19,53,75,594) Equity Shares of Rs. 2/- each		
Fully Paid-up	3,907.51	3,907.51
Add: Forfeited Shares	0.17	0.17
	<u>3,907.68</u>	<u>3,907.68</u>

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

2.2 (a) Details of Equity Shares held by the holding company and by subsidiary / associate of the holding company :

	Number of Shares	Number of Shares
Emerald Company Limited (ECL); the Holding Company [Refer (b) below]	11,36,29,585	—
Shree Laxmi Agents Limited; a Subsidiary of ECL	8,84,000	—
Carbo Ceramics Limited; an Associate of ECL	3,86,645	—

(b) The Company has become a subsidiary of ECL pursuant to a Scheme of Amalgamation of The Bond Company Limited, Guardian Leasing Limited, Likhmi Leasing Limited, H.L. Investment Company Limited, Tandem Fiscal Services Limited, Uttam Fiscal Services Limited, D.C. Mercantile Private Limited and SCL Investments Private Limited with ECL as sanctioned by the Hon'ble High Court at Calcutta vide Order passed during the current year. The certified copies of the aforesaid Order have been filed with the Registrar of Companies on 3rd July, 2014 (Effective Date of the Scheme).

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

Name of Shareholder	Number of Shares	Number of Shares
Emerald Company Limited	11,36,29,585 (58.16%)	2,05,84,781 (10.54%)
Likhmi Leasing Limited	—	5,58,70,000 (28.60%)
The Bond Company Limited	—	1,82,60,960 (9.35%)
H.L. Investment Company Limited	—	1,41,83,400 (7.26%)

2.4 Aggregate number of Equity Shares allotted in 2009-10 as fully paid-up pursuant to a Scheme of Arrangement/ Amalgamation without payments being received in cash.

1,98,88,336	1,98,88,336
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	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
3. Reserves and Surplus		
Capital Reserve : As per Last Accounts	<u>45.86</u>	<u>45.86</u>
	<u>45.86</u>	<u>45.86</u>
Capital Redemption Reserve : As per Last Accounts	<u>575.00</u>	<u>575.00</u>
	<u>575.00</u>	<u>575.00</u>
Securities Premium Account : As per Last Accounts	<u>20,097.65</u>	<u>20,097.65</u>
	<u>20,097.65</u>	<u>20,097.65</u>
General Reserve (Note 3.1 below)		
Balance as at the Beginning of the Year	1,29,076.20	1,19,076.20
Add: Transferred from Surplus in Profit and Loss Statement during the Year	—	10,000.00
Less: Adjustment of Net Book Value of certain Fixed Assets as per Schedule II of the Act (Net of Tax) (Refer Note 37)	(1,746.57)	—
Balance as at the End of the Year	<u>1,27,329.63</u>	<u>1,29,076.20</u>
Surplus in Profit and Loss Statement		
Balance as at the Beginning of the Year	19,888.43	20,797.18
Add: Profit for the Year	8,219.35	17,091.54
Amount Available for Appropriation	<u>28,107.78</u>	<u>37,888.72</u>
Less : Appropriations		
Transferred to General Reserve	—	10,000.00
Proposed Dividend on Equity Shares [Rs. 2.00 per Share (Previous Year - Rs. 3.50 per Share)]	3,907.51	6,838.15
Dividend Distribution Tax on Proposed Dividend	<u>795.47</u>	<u>1,162.14</u>
Balance as at the End of the Year	<u>23,404.80</u>	<u>19,888.43</u>
	<u>1,71,452.94</u>	<u>1,69,683.14</u>

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

4. Long-term Borrowings

Secured

Foreign Currency Term Loans from a Bank	4,172.00	10,016.67
(Secured by way of first charge on certain moveable fixed assets, both present and future, of the Company)		
	<u>4,172.00</u>	<u>10,016.67</u>

Terms of Repayment -

- (a) Total loan amount of Rs. 4,172.00 Lakhs (USD 6.67 Million) [Previous Year - Rs. 8,013.34 Lakhs (USD 13.33 Million)] is repayable on February, 2016. Interest is payable on quarterly basis at Libor plus 1.85% p.a. Current maturity of the loan amounting to Rs. 4,172.00 Lakhs (Previous Year - Rs. 4,006.67 Lakhs) has been disclosed in Note 9.
- (b) Total loan amount of Rs. 6,258.00 Lakhs (USD 10 Million) [Previous Year - Rs. 6,010.00 Lakhs (USD 10 Million)] is repayable in 3 equal annual installments commencing from August, 2015. Interest is payable on quarterly basis at Libor plus 2.10% p.a. Current maturity of the loan amounting to Rs.2,086.00 Lakhs (Previous Year - Rs. Nil) has been disclosed in Note 9.

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation @	<u>9,337.99</u>	<u>9,779.41</u>
Deferred Tax Assets		
Expenses Allowable for Tax Purpose on Payment	978.06	605.19
Provision for Doubtful Debts	148.25	120.95
Unamortised Expenditure Allowable for Tax Purpose in Subsequent Years	—	86.54
	<u>1,126.31</u>	<u>812.68</u>
	<u>8,211.68</u>	<u>8,966.73</u>
@ After considering Rs. 767.65 Lakhs (Previous Year - Rs. Nil) being tax effect arising from adjustment of Net Book Value of certain Fixed Assets in the General Reserve (Refer Note 37).		
6. Other Long-term Liabilities		
Trade Payables	—	46.35
Security Deposits	<u>0.70</u>	<u>0.70</u>
	<u>0.70</u>	<u>47.05</u>
7. Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks	10,823.22	9,482.67
(Secured by first charge by way of hypothecation of certain stocks and book debts, both present and future, and secured by creation of second charge by way of mortgage/charge on certain other movable and immovable assets of the Company, both ranking pari-passu amongst the related chargeholders)		
Unsecured		
Loans Repayable on Demand from Banks	<u>3,575.82</u>	<u>10,602.50</u>
	<u>14,399.04</u>	<u>20,085.17</u>
7.1 Balance outstanding as at 31st March, 2015 in respect of Commercial Paper was Rs. Nil (Previous Year - Rs. Nil). Maximum amount outstanding at any time during the year was Rs. 5,000.00 Lakhs (Previous Year - Rs. 5,000.00 Lakhs).		
8. Trade Payables		
Trade Payables		
Acceptances	3,345.53	5,330.94
Others (Refer Note 40)	<u>15,335.72</u>	<u>17,244.72</u>
	<u>18,681.25</u>	<u>22,575.66</u>

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
9. Other Current Liabilities		
Current Maturities of Long-term Debt (Refer Note 4)	6,258.00	4,006.67
Interest Accrued but not Due on Borrowings	42.94	93.71
Unpaid Dividends*	332.29	309.65
Other Payables		
Dues Payable to Government Authorities	3,200.73	2,750.46
Capital Liabilities	215.86	365.36
Advances from Customers	581.60	2,350.22
Billing in Excess of Revenue	212.50	—
Deposits	31.97	31.97
Claims / Charges Payable	768.54	731.69
Employee Benefits Payable	1,865.75	1,744.75
Fractional Entitlement Due for Refund to Shareholders	9.26	9.27
Remuneration Payable to Non-executive Directors	135.00	249.00
	<u>13,654.44</u>	<u>12,642.75</u>

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

10. Short-term Provisions		
Provisions for Employee Benefits	1,664.04	1,802.57
Other Provisions		
Mark-to-market Losses on Derivatives	—	38.26
Current Tax [Net of Advance Tax - Rs. 63,605.87 Lakhs (Previous Year - Rs. 58,600.24 Lakhs)]	3,897.24	4,190.48
Wealth Tax [Net of Advance Tax - Rs. 71.54 Lakhs (Previous Year - Rs. 65.44 Lakhs)]	6.15	7.26
Proposed Dividend on Equity Shares	3,907.51	6,838.15
Dividend Distribution Tax on Proposed Dividend	795.47	1,162.14
	<u>10,270.41</u>	<u>14,038.86</u>

11. Fixed Assets**11.1 Reconciliation of Gross and Net Carrying Amount of Each Class of Assets**

Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2014	Additions during the Year	Adjustments during the Year [Refer Note 11.2 below]	Disposals during the Year	As at 31st March, 2015	Up to 31st March, 2014	Adjustments during the Year [Refer Note 11.3 below]	For the Year [Refer Note 37]	On Disposals	Up to 31st March, 2015	As at 31st March, 2015
Tangible Assets											
Freehold Land	2,239.70	—	—	—	2,239.70	—	—	—	—	—	2,239.70
Leasehold Land	119.31	—	—	—	119.31	40.18	—	1.86	—	42.04	77.27
Buildings	25,407.75	78.54	161.22	4.98	25,642.53	7,195.84	339.26	910.23	4.93	8,440.40	17,202.13
Plant and Equipment	94,132.45	863.78	389.95	900.29	94,485.89	51,889.59	2,049.93	2,702.60	862.53	55,779.61	38,706.28
Furniture and Fixtures	659.33	138.25	—	10.09	787.49	506.98	41.56	34.62	10.17	572.99	214.50
Vehicles	860.48	28.86	—	135.97	753.37	427.04	14.09	91.88	77.31	455.70	297.67
Office Equipment	740.57	88.89	—	55.18	774.28	517.64	69.38	69.63	57.58	599.07	175.21
Machinery Spares	68.19	—	—	53.52	14.67	67.65	—	—	52.99	14.66	0.01
Total	1,24,227.78	1,198.32	551.17	1,160.03	1,24,817.24	60,644.92	2,514.22	3,810.82	1,065.51	65,904.47	58,912.77
Intangible Assets											
Computer Software - Acquired	549.64	6.51	—	—	556.15	323.35	—	63.80	—	387.15	169.00
Total	549.64	6.51	—	—	556.15	323.35	—	63.80	—	387.15	169.00
Grand Total	1,24,777.42	1,204.83	551.17	1,160.03	1,25,373.39	60,968.27	2,514.22	3,874.62	1,065.51	66,291.62	59,081.77

(Rs. in Lakhs)

Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2013	Additions during the Year	Adjustments during the Year [Refer Note 11.2 below]	Disposals during the Year	As at 31st March, 2014	Up to 31st March, 2013	Adjustments during the Year	For the Year	On Disposals	Up to 31st March, 2014	As at 31st March, 2014
Tangible Assets											
Freehold Land	2,239.70	—	—	—	2,239.70	—	—	—	—	—	2,239.70
Leasehold Land	119.31	—	—	—	119.31	38.36	—	1.82	—	40.18	79.13
Buildings	24,830.19	35.55	542.01	—	25,407.75	6,412.34	—	783.50	—	7,195.84	18,211.91
Plant and Equipment	91,981.62	1,024.74	1,310.96	184.87	94,132.45	47,621.39	—	4,405.69	137.49	51,889.59	42,242.86
Furniture and Fixtures	653.62	10.56	—	4.85	659.33	494.28	—	16.78	4.08	506.98	152.35
Vehicles	818.71	75.26	—	33.49	860.48	381.79	—	67.60	22.35	427.04	433.44
Office Equipment	697.99	59.94	—	17.36	740.57	500.19	—	32.80	15.35	517.64	222.93
Machinery Spares	68.19	—	—	—	68.19	67.65	—	—	—	67.65	0.54
Total	1,21,409.33	1,206.05	1,852.97	240.57	1,24,227.78	55,516.00	—	5,308.19	179.27	60,644.92	63,582.86
Intangible Assets											
Computer Software - Acquired	368.31	181.33	—	—	549.64	271.57	—	51.78	—	323.35	226.29
Total	368.31	181.33	—	—	549.64	271.57	—	51.78	—	323.35	226.29
Grand Total	1,21,777.64	1,387.38	1,852.97	240.57	1,24,777.42	55,787.57	—	5,359.97	179.27	60,968.27	63,809.15

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

11.3 Represents adjustment due to revision in useful lives of fixed assets as per Schedule II to the Act (Refer Note 37).

12. Non-current Investments

	Unit Face Value	Number	As at 31st March, 2015	(Rs. in Lakhs) As at 31st March, 2014
Long - term [Refer Note 1(F)]				
Trade Investments				
Unquoted				
Investments in Equity Instruments				
In Subsidiary Company				
Fully Paid-up Shares				
Graphite International B.V.	Euro 1	1,73,00,000	11,588.48	1,73,00,000 11,588.48
In Other Body Corporate				
Fully Paid-up Equity Shares				
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)				
Class A Equity Shares	Rs.10	24,76,558	247.66	24,76,558 247.66
Investments in Preference Shares				
In Other Body Corporate				
Fully Paid-up Preference Shares				
Sai Wardha Power Limited* (formerly Wardha Power Company Limited)				
0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	312.34	31,23,442 312.34
Other than Trade Investments				
Unquoted				
Investments in Equity Instruments				
In Subsidiary Company				
Fully Paid-up Equity Shares				
Carbon Finance Limited	Rs.10	53,00,000	3,003.76	53,00,000 3,003.76
In Government Securities				
6 Year National Savings Certificate (Deposited with Sales Tax Authority)			0.06	0.06
Investments in Mutual Funds				
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative (Refer Note 12.3)	Rs. 10	52,50,000.000	525.00	— —
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan (Refer Note 12.2)	Rs. 10	50,00,000.000	500.00	— —
HDFC FMP 370D March 2014 (1) Regular - Growth (Refer Note 12.3)	Rs. 10	80,00,000.000	800.00	— —
HDFC FMP 370D August 2013 (2) Regular - Growth (Refer Note 12.3)	Rs. 10	50,00,000.000	500.00	— —
Reliance Fixed Horizon Fund - XXIV - Series 15 - Growth Plan (Refer Note 12.2)	Rs. 10	58,10,000.000	581.00	— —
HDFC-FMP-540D-December 2013 - 1 - Regular - Growth	Rs. 10	—	—	60,39,628.000 603.96
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth (Refer Note 12.2)	Rs. 10	1,26,83,215.429	1,268.32	— —
ICICI Prudential FMP Series 73 - 366 Days Plan A Regular Plan - Cumulative (Refer Note 12.2)	Rs. 10	1,09,42,600.000	1,094.26	— —
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth (Refer Note 12.2)	Rs. 10	65,57,940.000	655.79	— —
ICICI Prudential FMP Series 73 - 366 Days Plan B Regular Plan - Cumulative (Refer Note 12.2)	Rs. 10	78,90,000.000	789.00	— —
			21,865.67	15,756.26
Less : Provision for Diminution in Value of Investments*			(560.00)	—
			21,305.67	15,756.26
Aggregate Amount of Unquoted Investments			21,865.67	15,756.26
Net Asset Value of Units of Mutual Funds			7,564.80	622.05

12.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 43.

12.2 Reclassified from current to long-term on exercise of extension option of maturity provided by the respective schemes during the year.

12.3 Reclassified from current to non-current on exercise of extension option of maturity provided by the respective schemes during the year.

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
13. Long-term Loans and Advances		
Unsecured, Considered Good :		
Capital Advances	1,219.09	27.24
Security Deposits	671.33	566.09
Other Loans and Advances		
Loans to Employees*	156.47	171.30
Prepaid Expenses	11.19	2.16
	<u>2,058.08</u>	<u>766.79</u>
*Includes amount due from an Officer of the Company	—	4.13

14. Other Non-current Assets

Unsecured, Considered Good :		
Fixed Deposits with Banks (with Maturity of more than Twelve Months) (Lodged with Government Authority / Others)	9.59	1.40
Accrued Interest on Fixed Deposits	2.67	0.12
	<u>12.26</u>	<u>1.52</u>

15. Current Investments

5. Current Investments			(Rs. in Lakhs)		
	Unit Face Value	Number	As at 31st March, 2015	Number	As at 31st March, 2014
Unquoted [Refer Note 1(F)]					
Investments in Mutual Funds					
HDFC Monthly Income Plan-Long Term-Growth	Rs. 10	45,28,407.250	1,360.00	26,19,515.389	700.00
HSBC Monthly Income Plan-Savings Plan-Growth	Rs. 10	30,86,246.563	715.00	30,86,246.563	715.00
Reliance Monthly Income Plan - Growth Plan Growth Option	Rs. 10	51,64,324.701	1,510.00	23,23,177.177	600.00
ICICI Prudential MIP-25-Regular Plan-Growth	Rs. 10	38,96,517.600	960.00	33,70,990.102	800.00
HDFC Short Term Plan-Growth	Rs. 10	41,06,621.271	998.15	41,05,623.363	950.00
Franklin India Short Term Income Plan-Growth (Formerly Templeton India Short Term Income Plan-Growth)	Rs. 1,000	52,076.267	1,426.59	21,253.168	500.00
Reliance Short Term Fund-Growth Plan-Growth Option	Rs. 10	70,92,615.918	1,718.16	70,88,609.621	1,550.46
Reliance Regular Savings Fund-Debt Plan-Inst Growth Plan	Rs. 10	30,33,352.819	512.97	21,07,392.734	350.00
Franklin India Income Opportunities Fund-Growth (Formerly Templeton India Income Opportunities Fund-Growth)	Rs. 10	2,37,07,915.101	3,361.00	2,37,07,915.101	3,361.00
Franklin India Corporate Bond Opportunities Fund - Growth (Formerly Templeton India Corporate Bond Opportunities Fund - Growth)	Rs. 10	1,12,57,877.382	1,500.00	49,11,494.863	500.00
Reliance Dynamic Bond Fund - Growth Plan - Growth Option	Rs. 10	1,21,34,552.743	1,948.94	95,01,643.484	1,448.94
ICICI Prudential Income Opportunities Fund-Regular Plan-Growth	Rs. 10	—	—	34,90,145.248	549.30
Reliance Income Fund - Growth Plan - Bonus Option	Rs. 10	—	—	34,30,570.961	375.00
IDFC Yearly Series Interval Fund Regular Plan - Series III - Growth	Rs. 10	60,00,000.000	600.00	60,00,000.000	600.00
HDFC Cash Management Fund - Savings - Growth	Rs. 10	—	—	90,24,116.952	2,400.00
IDFC Ultra Short Term Fund-Growth-Regular Plan	Rs. 10	—	—	73,03,658.009	1,300.00
IDFC Dynamic Bond Fund - Growth - Regular Plan	Rs. 10	35,13,604.678	500.00	35,13,604.678	500.00
IDFC Super Saver Income Fund - Investment Plan - Growth - Regular Plan	Rs. 10	21,26,773.202	611.19	21,26,773.202	611.19
DSP BlackRock Strategic Bond Fund - Institutional Plan - Growth	Rs. 1,000	29,027.132	400.00	29,027.132	400.00
DSP BlackRock Short Term Fund - Regular Plan - Growth	Rs. 10	32,15,415.059	710.73	43,45,128.384	875.16
UTI Bond Fund - Growth	Rs. 10	13,95,946.172	500.00	13,95,946.172	500.00
Templeton India Income Builder Account Plan A - Growth	Rs. 10	—	—	12,34,775.222	500.00
Reliance Fixed Horizon Fund -XXIV- Series 3 - Growth Plan (Refer Note 15.2)	Rs. 10	—	—	50,00,000.000	500.00
Reliance Fixed Horizon Fund -XXIV- Series 15 - Growth Plan (Refer Note 15.2)	Rs. 10	—	—	58,10,000.000	581.00
DSP BlackRock MIP-Regular Plan-Growth	Rs. 10	21,19,173.861	500.00	21,19,173.861	500.00
DSP BlackRock-FMP-Series 130-12M	Rs. 10	—	—	70,70,000.000	707.00
ICICI Prudential FMP Series 72 - 366 Days Plan I Regular Plan - Cumulative	Rs. 10	—	—	1,00,00,000.000	1,000.00
Reliance Yearly Interval Fund - Series 1 - Growth Plan	Rs. 10	91,96,755.384	1,000.00	91,96,755.384	1,000.00
IDFC Fixed Term Plan Series 65 Regular Plan-Growth	Rs. 10	—	—	1,50,00,000.000	1,500.00
DSP BlackRock FMP - Series 144 - 12M - Regular - Growth	Rs. 10	—	—	1,50,00,000.000	1,500.00
ICICI Prudential FMP Series 73- 366 Days Plan B Regular Plan - Cumulative (Refer Note 15.2)	Rs. 10	—	—	78,90,000.000	789.00
ICICI Prudential FMP Series 73- 366 Days Plan A Regular Plan - Cumulative (Refer Note 15.2)	Rs. 10	—	—	1,09,42,600.000	1,094.26
DSP BlackRock FMP - Series 149 - 12M - Regular - Growth (Refer Note 15.2)	Rs. 10	—	—	1,26,83,215.429	1,268.32

						(Rs. in Lakhs)	
	Unit Face Value	Number	As at 31st March, 2015	Number	As at 31st March, 2014		
DSP BlackRock FMP - Series 146 - 12M - Regular - Growth (Refer Note 15.2)	Rs. 10	—	—	65,57,940.000	655.79		
DSP BlackRock Dynamic Asset Allocation Fund - Reg - Growth	Rs. 10	66,76,858.218	750.00	—	—		
ICICI Prudential Long Term - Regular Plan-Growth	Rs. 10	41,72,144.494	700.00	—	—		
HDFC Corporate Debt Opportunities Fund - Regular - Growth	Rs. 10	62,46,595.812	700.00	—	—		
Birla Sun Life Short Term Fund - Growth - Regular Plan	Rs. 10	9,64,048.696	500.00	—	—		
Birla Sun Life Dynamic Bond Fund - Retail Growth - Regular Plan	Rs. 10	20,59,834.060	500.00	—	—		
ICICI Prudential Short Term - Regular Plan - Growth Option	Rs. 10	23,19,186.097	613.87	—	—		
HDFC Floating Rate Income Fund-Short-Term Plan-Wholesale Option-Growth	Rs. 10	44,69,153.900	1,000.00	—	—		
SBI Magnum Income Fund - Regular - Growth	Rs. 10	14,86,705.876	500.00	—	—		
Current Portion of Long-term Investments							
ICICI Prudential FMP Series 68 - 369 Days Plan I Regular Plan - Cumulative (Refer Note 15.3)	Rs. 10	—	—	52,50,000.000	525.00		
HDFC FMP 370D August 2013 (2) Regular - Growth (Refer Note 15.3)	Rs. 10	—	—	50,00,000.000	500.00		
ICICI Prudential FMP Series 73- 368 Days Plan M Regular Plan - Cumulative	Rs. 10	—	—	66,00,000.000	660.00		
HDFC FMP 370D March 2014 (1) Regular - Growth (Refer Note 15.3)	Rs. 10	—	—	80,00,000.000	800.00		
HDFC FMP 369D March 2014 (3) - Regular - Growth	Rs. 10	—	—	60,00,000.000	600.00		
HDFC-FMP-540D-December 2013 - I - Regular - Growth	Rs. 10	60,39,628.000	603.96	—	—		
			26,700.56		34,266.42		
Aggregate Amount of Unquoted Investments			26,700.56		34,266.42		
Net Asset Value of Units of Mutual Funds			29,860.01		35,577.80		
15.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 43.							
15.2 Reclassified from current to long-term on exercise of extension option of maturity provided by the respective schemes during the year.							
15.3 Reclassified from current to non-current on exercise of extension option of maturity provided by the respective schemes during the year.							
						As at 31st March, 2015	As at 31st March, 2014
16. Inventories							
- At Lower of Cost and Net Realisable Value							
Raw Materials [Includes in transit - Rs. 2,998.77 Lakhs (Previous Year - Rs. 4,223.19 Lakhs)]						32,340.23	37,205.43
Work-in-progress [Includes in transit - Rs. 745.46 Lakhs (Previous Year - Rs. 174.38 Lakhs)]						36,199.18	38,951.78
Finished Goods [Includes in transit - Rs. 2,565.51 Lakhs (Previous Year - Rs. 1,565.93 Lakhs)]						15,279.57	10,557.17
Stores and Spares [Includes in transit - Rs. 25.23 Lakhs (Previous Year - Rs. 76.93 Lakhs)]						1,609.68	1,517.90
Loose Tools						70.03	67.83
						85,498.69	88,300.11
17. Trade Receivables							
Unsecured :							
Debts Outstanding for a Period exceeding Six Months from the Date they are Due for Payment -							
Considered Good						1,024.89	717.92
Considered Doubtful						428.36	351.88
						1,453.25	1,069.80
Less: Provision for Doubtful Debts						(428.36)	(351.88)
						1,024.89	717.92
Other Debts -							
Considered Good						37,763.48	41,620.51
Considered Doubtful						—	3.96
						37,763.48	41,624.47
Less: Provision for Doubtful Debts						—	(3.96)
						37,763.48	41,620.51
						38,788.37	42,338.43

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	765.53	2,053.27
Unpaid Dividend Accounts @	332.29	309.65
Cheques, Drafts on Hand	8.12	13.65
Cash on Hand	28.10	13.33
	<u>1,134.04</u>	<u>2,389.90</u>
Other Bank Balances		
Fixed Deposit Accounts (with Maturity of more than Three Months but less than Twelve Months)	—	7.28
(Lodged with Government Authority / Others)		
	<u>1,134.04</u>	<u>2,397.18</u>
@ Earmarked for payment of Unclaimed Dividend		
18.1 Fixed Deposits with Banks with Maturity of more than Twelve Months included in Note 14	<u>9.59</u>	<u>1.40</u>
19. Short - term Loans and Advances		
Unsecured, Considered Good :		
Advance/Deposits with Government Authorities	5,471.52	9,956.85
Advance to Suppliers/Service Providers	1,179.91	1,112.96
Prepaid/Advance for Expenses	621.76	370.64
Loans/Advances to Employees*	122.20	140.54
Claims Receivable/Charges Recoverable	93.86	174.73
Security and Other Deposits	93.93	144.91
	<u>7,583.18</u>	<u>11,900.63</u>
*Includes amount due from an Officer of the Company	—	3.54
20. Other Current Assets		
Unsecured, Considered Good :		
Receivables from a Related Party		
Subsidiary	219.63	167.33
Accrued Interest on Deposits		
with Banks	1.57	8.07
with Others	37.49	59.40
Export Entitlement Receivable	1,370.23	1,854.13
	<u>1,628.92</u>	<u>2,088.93</u>

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
21. Revenue from Operations (Gross)		
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	1,19,737.00	1,48,374.66
Carbon Paste	2,693.70	3,067.87
Calcined Petroleum Coke	2,727.17	2,913.02
Electricity	172.76	139.19
Impervious Graphite Equipment and Spares	10,239.22	10,833.94
GRP/FRP Pipes and Tanks	8,553.16	6,261.37
High Speed Steel	8,380.56	6,820.13
Alloy Steel	584.13	735.43
Others	1,694.07	1,328.83
	<u>1,54,781.77</u>	<u>1,80,474.44</u>
Sale of Services		
Processing / Service Charges	233.83	261.80
Installation Charges	94.69	43.73
	<u>328.52</u>	<u>305.53</u>
Other Operating Revenues		
Export Entitlement	1,727.21	3,413.55
Royalty	298.24	295.20
	<u>2,025.45</u>	<u>3,708.75</u>
	<u>1,57,135.74</u>	<u>1,84,488.72</u>
22. Other Income		
Interest Income		
On Loans and Deposits	72.73	113.59
From Customers	324.32	211.76
From Income - tax Authority	218.43	—
Net Gain on Disposal of Long-term Investments	116.32	785.21
Net Gain on Disposal of Current Investments	1,410.46	1,822.93
Guarantee Fee	111.89	61.95
Liabilities no Longer Required Written Back	351.80	407.80
Provision for Doubtful Debts Written Back	85.89	112.52
Provision for Mark-to-market Losses on Derivatives Written Back	38.26	—
Net Gain on Foreign Currency Transactions and Translation	—	277.13
Other Non-operating Income	343.92	228.05
	<u>3,074.02</u>	<u>4,020.94</u>
23. Cost of Materials Consumed		
Opening Inventory	37,205.43	48,733.87
Add : Purchases	64,535.24	68,282.65
	<u>1,01,740.67</u>	<u>1,17,016.52</u>
Less : Closing Inventory	32,340.23	37,205.43
Cost of Materials Consumed	<u>69,400.44</u>	<u>79,811.09</u>

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
23.1 Details of Materials Consumed		
Raw Petroleum Coke	3,985.72	4,296.14
Calcined Petroleum Coke	41,318.25	52,845.98
Pitch	11,748.15	11,873.10
Extrusion Oil	193.29	219.92
Fibreglass	1,841.81	1,409.68
Resin Chemicals	3,470.39	3,558.67
Melting Scrap	2,759.72	2,400.90
Ferro Alloys, Fluxes and Other Materials	2,429.50	2,115.97
Stearic Acid	119.83	109.94
Iron & Ferric Oxide	233.25	231.41
Steel	60.52	58.70
Sand	246.07	221.16
Others	993.94	469.52
	<u>69,400.44</u>	<u>79,811.09</u>
	As at 31st March, 2015	As at 31st March, 2014
23.2 Details of Inventory		
Raw Petroleum Coke	35.36	474.23
Calcined Petroleum Coke	30,100.43	33,946.54
Pitch	557.42	626.18
Extrusion Oil	19.79	29.75
Fibreglass	159.82	416.40
Resin Chemicals	79.97	71.65
Melting Scrap	635.92	661.17
Ferro Alloys, Fluxes and Other Materials	385.14	337.60
Stearic Acid	29.82	17.27
Iron & Ferric Oxide	27.63	35.47
Steel	17.39	15.81
Sand	16.88	17.06
Others	274.66	556.30
	<u>32,340.23</u>	<u>37,205.43</u>
	Year ended 31st March, 2015	Year ended 31st March, 2014
24. Changes in Inventories of Finished Goods and Work-in-progress		
Finished Goods		
Closing Stock	15,279.57	10,557.17
Deduct: Opening Stock	<u>10,557.17</u>	<u>8,993.69</u>
	<u>(4,722.40)</u>	<u>(1,563.48)</u>
Work-in-progress		
Closing Stock	36,199.18	38,951.78
Deduct: Opening Stock	<u>38,951.78</u>	<u>38,446.07</u>
	<u>2,752.60</u>	<u>(505.71)</u>
	<u>(1,969.80)</u>	<u>(2,069.19)</u>

(Rs. in Lakhs)

24.1 Details of Inventory

Finished Goods

	As at 31st March, 2015	As at 31st March, 2014
Graphite Electrodes and Miscellaneous Graphite Products	14,079.22	8,783.58
Carbon Paste	307.46	229.27
Electricity	27.94	26.34
Impervious Graphite Equipment and Spares	240.89	583.64
GRP/FRP Pipes and Tanks	117.49	533.03
High Speed Steel	499.15	377.15
Alloy Steel	7.42	24.16
	15,279.57	10,557.17

Work-in-progress

Graphite Electrodes and Miscellaneous Graphite Products	30,606.69	33,080.60
Calcined Petroleum Coke	370.72	297.40
Impervious Graphite Equipment and Spares	2,309.24	2,653.47
GRP/FRP Pipes and Tanks	165.22	234.87
High Speed Steel	2,622.26	2,524.38
Alloy Steel	107.77	142.66
Others	17.28	18.40
	36,199.18	38,951.78

	Year ended 31st March, 2015	Year ended 31st March, 2014
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25. Employee Benefits Expense

Salaries and Wages	12,056.42	11,380.64
Contribution to Provident and Other Funds (Refer Note 42)	1,119.47	1,392.50
Staff Welfare Expenses	670.81	699.96
	13,846.70	13,473.10

26. Finance Costs

Interest Expense on

Borrowings from Banks	903.62	1,257.79
Others	255.29	374.31
Other Borrowing Costs	63.72	64.19
	1,222.63	1,696.29

27. Depreciation and Amortisation Expense

Depreciation on Tangible Assets (Refer Note 37)	3,808.96	5,306.37
Amortisation of Leasehold Land	1.86	1.82
Amortisation of Intangible Assets	63.80	51.78
	3,874.62	5,359.97

		(Rs. in Lakhs)
	Year ended 31st March, 2015	Year ended 31st March, 2014
28. Other Expenses		
Consumption of Stores and Spare Parts	12,889.52	12,617.24
Power and Fuel	22,078.54	24,429.27
Rent	180.10	171.18
Repairs to Buildings	358.04	456.37
Repairs to Machinery	1,530.53	1,473.75
Repairs to Others	316.05	285.66
Insurance	425.19	539.36
Rates and Taxes	792.33	819.77
Freight and Transport	5,346.33	5,174.08
Commission to Selling Agents	1,456.64	4,008.05
Travelling and Conveyance	624.48	592.15
Payment to Auditors (Refer Note 39)	55.16	50.35
Directors' Remuneration (Other than Executive Director)	149.00	260.40
Excise Duty on Stocks etc. (Refer Note 28.2)	77.34	19.99
Bad Debts/Advances Written Off	151.72	106.50
Provision for Doubtful Debts	158.41	328.70
Processing Charges	269.20	212.57
Contractors' Labour Charges	2,856.31	2,230.24
Loss on Disposal of Tangible Fixed Assets [Net of Profit on Disposal of Tangible Fixed Assets Rs. 7.82 Lakhs (Previous Year - Rs. 1.13 Lakhs)]	30.93	12.21
Net Loss on Foreign Currency Transactions and Translation	753.23	—
Miscellaneous Expenditure	2,417.91	3,377.89
	52,916.96	57,165.73
28.1 Consumption of Stores and Spare Parts includes:		
Packing Materials	1,439.63	1,196.75
Loose Tools	258.05	238.29
28.2 Represents the aggregate amount of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
29. Earnings per Equity Share		
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of Each Equity Share (Rs.)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders Profit for the Year	8,219.35	17,091.54
(vi) Basic Earnings per Equity Share (Rs.) [(v)/(iii)]	4.21	8.75
(vii) Profit after Tax Available for Equity Shareholders (Before Exceptional Item) (Refer Note 29.1 below)	8,779.35	17,091.54
(viii) Basic Earnings per Equity Share before Exceptional Item (Rs.) [(vii)/(iii)]	4.49	8.75
(B) Diluted		
(i) Dilutive Potential Equity Shares	—	—
(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	4.21	8.75
(iii) Diluted Earnings per Equity Share before Exceptional Item (Rs.) [Same as (A)(viii) above]	4.49	8.75
29.1 Profit after Tax Available for Equity Shareholders (Before Exceptional Item) :		
Profit for the Year	8,219.35	17,091.54
Add : Exceptional Item (Net of Tax - Rs. Nil) (Refer Note 44)	560.00	—
	8,779.35	17,091.54

		(Rs. in Lakhs)	
	2014-15	2013-14	
30. C.I.F. Value of Imports			
Raw Materials	34,119.34	39,714.19	
Components and Spare Parts	541.36	607.26	
Capital Goods	41.20	101.83	
31. Expenditure in Foreign Currency on Account of			
Travelling	204.94	181.65	
Commission	1,064.33	1,151.31	
Export Sales Expenses	508.53	1,803.11	
Interest	334.51	473.18	
Professional Fees	70.79	107.68	
Bank Charges	38.93	43.72	
Others	25.79	35.81	
	2014-15	2013-14	
	%	%	
32. Consumption of			
Raw Materials			
Imported	40,123.32	57.81	51,760.93
Indigenous	29,277.12	42.19	28,050.16
	69,400.44	100.00	79,811.09
Stores and Spare Parts			
Imported	300.21	2.33	720.82
Indigenous	12,589.31	97.67	11,896.42
	12,889.52	100.00	12,617.24
33. Amount Remitted in Foreign Currency			
(a) On Account of Dividend (Rs. in Lakhs)	334.88	334.74	
Total Number of Shareholders	15	14	
Total Number of Shares of Rs. 2/- each held by the Shareholders on which the Dividends were Due	95,67,880	95,63,950	
The Year to which such Dividends relate	2013-14	2012-13	
(b) On Account of Dividend (Rs. in Lakhs)	—	0.90	
Total Number of Shareholders	—	1	
Total Number of Shares of Rs. 2/- each held by the Shareholders on which the Dividends were Due	—	3,930	
The Year to which such Dividends relate	—	2006-07 to 2012-13	
34. Earnings in Foreign Currency			
Export of Goods on F.O.B. Basis	69,730.34	52,925.45	
Royalty	298.24	295.20	
Guarantee Fee	111.89	61.95	
Service Charges	41.59	45.61	
Sale of Carbon Credit	—	29.51	

	(Rs. in Lakhs)
	As at 31st March, 2015
	As at 31st March, 2014
35. Commitments -	
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes Rs. 21.53 Lakhs (Previous Year - Rs. Nil) relating to acquisition of intangible assets]	4,065.32
(ii) Export obligations against Advance Licenses	—
	335.76
	1,083.33

36. Contingent Liabilities -

(i) Claims against the Company not acknowledged as debts:		
(a) Disputed Excise Duty	1,023.12	1,023.12
(b) Disputed Customs Duty	1,163.01	1,163.01
(c) Disputed Service Tax	509.06	2,516.07
(d) Disputed Sales Tax / Value Added Tax	656.09	516.54
(e) Disputed Entry Tax	383.50	360.08
(f) Disputed Income Tax	120.90	880.47
(g) Labour Related Matters	585.63	503.69
(h) Other Matters (Property, Rental, etc.)	316.58	49.23
(ii) Guarantee		
Corporate Guarantees given to banks to secure the financial assistance/ accommodation extended to Subsidiary Companies	16,144.80	6,195.75
(iii) In respect of Contingent Liabilities mentioned in Note 36(i) above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above Contingent Liabilities.		

37. Effective 1st April, 2014, the estimated useful lives of fixed assets have been revised in keeping with the provisions of Schedule II to the Companies Act, 2013. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is lower and the profit before tax is higher by Rs. 1,033.39 Lakhs and the net book value aggregating Rs. 1,746.57 Lakhs [net of deferred tax Rs. 767.65 Lakhs] relating to assets, where the revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance of General Reserve (Note 3) as on 1st April, 2014.

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

Particulars	Year ending 31st March, 2016	After Year ending 31st March, 2016
Decrease in depreciation expense	1,074.67	406.16

38. Fixed Assets including Capital Work-in-progress includes Pre-operative expenses : Salaries and Wages Rs. Nil (Previous Year – Rs. 6.50 Lakhs), Power and Fuel Rs. Nil (Previous Year - Rs. 14.56 Lakhs), Rates and Taxes Rs. 7.45 Lakhs (Previous Year – Rs. Nil), Insurance Rs. 3.16 Lakhs (Previous Year – Rs. Nil), Travelling and Conveyance Rs. 2.65 Lakhs (Previous Year – Rs. Nil), Contractors' Labour Charges Rs. Nil (Previous Year - Rs. 5.18 Lakhs) and Miscellaneous Expenses Rs. 0.17 Lakhs (Previous Year – Rs. Nil).

	(Rs. in Lakhs)	
39. Payment to Auditors (Note 28) include –	2014-15	2013-14
(i) Payment to Statutory Auditors		
As Auditor		
As Audit Fee - Standalone Financial Statements	29.00	24.00
As Audit Fee - Consolidated Financial Statements	6.00	6.00
For Certificate and Other Matters	12.30	12.55
Reimbursement of Out-of-pocket Expenses	1.00	0.85
Service Tax and Education Cess	5.97	5.36
	54.27	48.76
Less: Cenvat Credit of Service Tax and Education Cess Availed	5.97	5.36
	48.30	43.40
(ii) Cost Auditors		
As Fee	6.20	6.20
For Certificate and Other Matters	0.35	0.48
Reimbursement of Out-of-pocket Expenses	0.27	0.23
Service Tax and Education Cess	0.81	0.56
	7.63	7.47
Less: Cenvat Credit of Service Tax and Education Cess Availed	0.77	0.52
	6.86	6.95
Total	55.16	50.35

40. Information relating to Micro and Small Enterprises (MSEs)-

	As at 31st March, 2015	As at 31st March, 2014
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier		
Principal	46.28	329.31
Interest	—	0.09
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	14.99	—
Interest	0.89	—
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	178.85	119.89
Interest	0.63	0.78
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year [including Rs. Nil (Previous Year - Rs. 0.09 Lakhs) being interest outstanding as at the beginning of the accounting year]	0.59	0.87
(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	0.63	0.78

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.

(Rs. in Lakhs)

41. Particulars relating to Construction Contracts –

	<u>2014-15</u>	<u>2013-14</u>
(a) Contract revenues recognised as revenue	3,491.05	23.38
	As at 31st March, 2015	As at 31st March, 2014
(b) Other information relating to Contract Work-in-progress		
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	6,574.68	3,283.68
(ii) The amount of customer advances	9.42	318.13
(iii) The amount of retentions due from customers	674.05	—
(iv) Gross amount due from customers for contract work as an asset	86.00	320.69
(v) Gross amount due to customers for contract work as a liability	191.04	—

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

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Fund Trusts, administered and managed by the Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(N)(b) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company for the year ended 31st March, 2015:

	<u>2014-15</u>	<u>2013-14</u>
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
Present Value of Obligation at the beginning of the year	2,506.36	1,963.64
Current Service Cost	182.96	161.63
Interest Cost	206.69	162.53
Actuarial Losses	122.48	430.91
Benefits Paid	(288.29)	(212.35)
Present Value of Obligation at the end of the year	2,730.20	2,506.36
(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	1,992.02	1,659.21
Expected Return on Plan Assets	181.73	145.18
Actuarial Gains	13.22	14.65
Contributions	598.06	315.33
Benefits Paid	(288.29)	(212.35)
Fair Value of Plan Assets at the end of the year	2,426.74	1,922.02
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
Present Value of Obligation at the end of the year	2,730.20	2,506.36
Fair Value of Plan Assets at the end of the year	2,426.74	1,922.02
(Liabilities) recognised in the Balance Sheet	(303.46)	(584.34)

	(Rs. in Lakhs)				
	2014-15	2013-14			
(d) Expense recognised in the Profit and Loss Statement:					
Current Service Cost	182.96	161.63			
Interest Cost	206.69	162.53			
Expected Return on Plan Assets	(181.73)	(145.18)			
Actuarial Losses (Net)	109.26	416.26			
Total Expense recognised @	317.18	595.24			
@ Recognised under 'Contribution to Provident and Other Funds' in Note 25.					
(e) Category of Plan Assets:					
Fund with LIC	2,424.31	1,912.82			
Others (including bank balances)	2.43	9.20			
Total	2,426.74	1,922.02			
(f) Actual Return on Plan Assets	194.95	159.83			
(g) Principal Actuarial Assumptions:					
Discount Rate	7.75%	8.75%			
Salary Escalation	7.00%	8.00%			
Expected Return on Assets	8.75%	8.75%			
(h) Other Disclosures:	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Obligation at the end of the year	2,730.20	2,506.36	1,963.64	1,621.75	1,344.64
Fair Value of Plan Assets at the end of the year	2,426.74	1,922.02	1,659.21	1,429.51	1,334.98
Surplus/(Deficit) at the end of the year	(303.46)	(584.34)	(304.43)	(192.24)	(9.66)
Experience Adjustments on Plan Assets [Gain/(Loss)]	13.22	2.98	20.55	1.56	(0.36)
Experience Adjustments on Obligation [(Gain)/Loss]	125.69	226.65	236.64	203.06	184.41

Notes:

- (a) The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.
- (b) The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

(B) Provident Fund

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

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 21.70 Lakhs (Previous Year - Rs. 21.30 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs. 31.25 Lakhs (Previous Year - Rs. 41.63 Lakhs) 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 relevant information available as per the Actuary's Report -

	<u>2014-15</u>	<u>2013-14</u>
Principal Actuarial Assumptions		
Discount Rate	7.87 / 7.80%	8.74 / 8.38%
Expected Return on Exempted Fund	8.87 / 8.78%	8.18 / 8.64%
Return on EPFO	8.75%	8.75%

(II) Post Employment Defined Contribution Plans

During the year, an amount of Rs. 771.04 Lakhs (Previous Year - Rs. 755.63 Lakhs) has been recognised as expenditure towards defined contribution plans of the Company.

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

	(Rs. in Lakhs)	
	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Current Investments		
In Units of Mutual Funds (Refer Note 15.2)	<u>26,096.60</u>	<u>31,181.42</u>
Long-term Investments		
Fully Paid-up Shares in Graphite International B.V.	11,588.48	11,588.48
Fully Paid-up Equity Shares in Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	247.66	247.66
Fully Paid-up Equity Shares in Carbon Finance Limited	3,003.76	3,003.76
Fully Paid-up Redeemable Preference Shares in Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	312.34	312.34
In Government Securities	0.06	0.06
In Units of Mutual Funds (Refer Note 12.2)	<u>7,317.33</u>	<u>3,688.96</u>
	<u>22,469.63</u>	<u>18,841.26</u>
Less: Provision for Diminution in Value of Investments	<u>(560.00)</u>	<u>—</u>
Total Long-term Investments	<u>21,909.63</u>	<u>18,841.26</u>
Total Investments (Current and Long-term)	<u>48,006.23</u>	<u>50,022.68</u>
Disclosed Under :		
Non-current Investments (Refer Note 12)	21,305.67	15,756.26
Current Investments (Refer Note 15)	26,700.56	34,266.42
Total	<u>48,006.23</u>	<u>50,022.68</u>

44. Exceptional Item represents provision for diminution in value of long-term investments (Refer Note 12).

45. Segment Information**A. Primary Segment Reporting (by Business Segments)****i) The composition of business segments is as under:**

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

ii) Composition of Geographical Segments

The geographical segments considered for disclosure are as follows:

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

iii) Segment Revenues, Results and Other Information as at / for the year ended 31st March, 2015 –**(Rs. in Lakhs)**

	Graphite and Carbon		Steel		Others		Total of Reportable Segments	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue from Operations (Gross)								
External Sales	1,37,324.91	1,66,780.12	8,964.69	7,555.56	8,820.69	6,444.29	1,55,110.29	1,80,779.97
Inter Segment Sales	33.45	17.06	—	—	5.02	5.59	38.47	22.65
Other Operating Revenues	2,014.41	3,680.22	7.50	17.57	3.54	10.96	2,025.45	3,708.75
Segment Revenues	1,39,372.77	1,70,477.40	8,972.19	7,573.13	8,829.25	6,460.84	1,57,174.21	1,84,511.37
Segment Results	14,246.43	29,402.29	654.72	1,200.10	627.27	(217.25)	15,528.42	30,385.14
Segment Assets	1,80,586.45	1,92,053.20	22,497.19	21,205.36	4,169.94	7,468.00	2,07,253.58	2,20,726.56
Segment Liabilities	23,427.84	28,263.73	2,004.46	766.40	1,270.55	3,006.52	26,702.85	32,036.65
Capital Expenditure	2,129.81	2,941.50	3.63	27.40	32.09	6.80	2,165.53	2,975.70
Depreciation and Amortisation	3,392.24	4,494.04	74.62	574.58	253.58	176.54	3,720.44	5,245.16
Non-cash Expenses other than Depreciation and Amortisation	228.81	361.71	11.51	3.58	103.43	81.22	343.75	446.51

Reconciliation of Reportable Segments with the Financial Statements -

	Revenues		Results / Net Profit		Assets		Liabilities *	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Total of Reportable Segments	1,57,174.21	1,84,511.37	15,528.42	30,385.14	2,07,253.58	2,20,726.56	26,702.85	32,036.65
Corporate - Unallocated / Others (Net)	—	—	(1,361.44)	(3,297.31)	37,496.56	41,237.15	42,686.67	56,336.24
Inter Segment Sales	(38.47)	(22.65)	—	—	—	—	—	—
Finance Costs	—	—	(1,222.63)	(1,696.29)	—	—	—	—
Tax Expense	—	—	(4,725.00)	(8,300.00)	—	—	—	—
	1,57,135.74	1,84,488.72	8,219.35	17,091.54	2,44,750.14	2,61,963.71	69,389.52	88,372.89

* Excluding Shareholders' Funds

B. Secondary Segment (Geographical)

	India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment Revenues (Gross)	81,034.62	76,184.46	76,101.12	1,08,304.26	1,57,135.74	1,84,488.72
Segment Assets	2,07,253.58	2,20,726.56	—	—	2,07,253.58	2,20,726.56
Capital Expenditure	2,165.53	2,975.70	—	—	2,165.53	2,975.70

46. Related Party Disclosures:

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

(i) Related Parties –

Name	Relationship
(a) Where control exists:	
Emerald Company Limited (ECL) [Refer Note 2.2(b)]	Holding Company
Bavaria Carbon Holdings GmbH	Subsidiary
Bavaria Carbon Specialities GmbH	Subsidiary
Bavaria Electrodes GmbH	Subsidiary
Carbon Finance Limited	Subsidiary
Graphite Cova GmbH	Subsidiary
Graphite International B.V.	Subsidiary
(b) Others with whom transactions have taken place during the year:	
Carbo Ceramics Limited [Refer Note 2.2(b)]	Fellow Subsidiary (up to 11th March, 2015)
Shree Laxmi Agents Limited [Refer Note 2.2(b)]	Fellow Subsidiary
Likhami Leasing Limited [Refer Note 2.2(b)]	A Shareholder holding 28.60% Equity Shares of the Company
Mr. K. K. Bangur	Individual owning an interest in the voting power of ECL that gives him control over the Company
Mrs. Manjushree Bangur, Ms. Divya Bangur, Mrs. Aparna Daga and Mrs. Rukmani Devi Bangur	Relatives of the above individual
GKW Limited	Enterprise over which Mr. K. K. Bangur is able to exercise significant influence
Mr. M. B. Gadgil, Executive Director	Key Management Personnel

(ii) Particulars of transactions during the year ended 31st March, 2015 –

(Rs. in Lakhs)

	<u>2014-15</u>	<u>2013-14</u>
(A) Holding Company		
Dividend Paid		
Emerald Company Limited	3,963.97	—
[including dividend paid to other entities which have been amalgamated with ECL pursuant to a Scheme of Amalgamation - Refer Note 2.2(b)]		
(B) Subsidiary Companies		
(a) Sale of Goods		
Graphite Cova GmbH	8,260.17	4,633.05
(b) Purchase of Raw Materials		
Graphite Cova GmbH	578.61	1,014.80
(c) Purchase of Stores and Spare Parts		
Graphite Cova GmbH	17.50	29.05
(d) Royalty Income		
Graphite Cova GmbH	298.24	295.20
(e) Guarantee Fee Income		
Graphite Cova GmbH	111.89	61.95
(f) Rent Expense		
Carbon Finance Limited	104.89	93.41
(g) Recoveries/(Reimbursement) of Expenses (Net)		
Graphite Cova GmbH	(26.48)	(10.88)

Particulars of transactions during the year ended 31st March, 2015 (contd.)		(Rs. in Lakhs)	
		<u>2014-15</u>	<u>2013-14</u>
(h) Investments in Shares			
Graphite International B.V.		—	4,219.53
(i) Corporate Guarantee given on behalf of			
Graphite Cova GmbH		16,144.80	—
(j) Corporate Guarantee released which was given on behalf of			
Graphite International B.V. & its subsidiaries		6,195.75	—
(C) Fellow Subsidiaries			
Dividend Paid			
Carbo Ceramics Limited		13.53	—
Shree Laxmi Agents Limited		30.94	—
(D) A Shareholder holding 28.60 % Equity Shares of the Company			
Dividend Paid			
Likhami Leasing Limited [Refer Note 2.2(b)]		—	1,955.45
(E) Individual owning an interest in the voting power of ECL that gives him control over the Company			
Mr. K. K. Bangur			
(a) Sitting Fees		1.20	—
(b) Remuneration		103.00	—
(c) Dividend Paid		17.83	—
(F) Relatives of individual owning an interest in the voting power of ECL			
Dividend Paid			
Mrs. Manjushree Bangur		8.69	—
Ms. Divya Bangur		5.93	—
Mrs. Aparna Daga		6.52	—
Mrs. Rukmani Devi Bangur		1.94	—
(G) Enterprise over which Mr. K. K. Bangur is able to exercise significant influence			
GKW Limited			
Dividend Paid		70.00	—
(H) Key Management Personnel			
Mr. M. B. Gadgil			
(a) Remuneration		168.58	174.62
(b) Dividend Paid		0.07	0.07
(iii) Balance outstanding at the year end -			
		<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
(a) Trade Receivables			
Graphite Cova GmbH		2,424.79	1,354.00
(b) Investments in Shares			
Graphite International B.V.		11,588.48	11,588.48
Carbon Finance Limited		3,003.76	3,003.76
(c) Other Current Assets			
Graphite Cova GmbH		219.63	167.33
(d) Trade Payables			
Graphite Cova GmbH		346.87	529.79
(e) Other Current Liabilities			
Mr. K. K. Bangur		103.00	—
Mr. M. B. Gadgil		81.43	99.18
Graphite Cova GmbH		7.90	58.28

Balance outstanding at the year end (contd.)

(Rs. in Lakhs)

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
(f) Outstanding Corporate Guarantees in favour of Graphite International B.V. & its subsidiaries, i.e., Graphite Cova GmbH, Bavaria Electrodes GmbH, Bavaria Carbon Holdings GmbH and Bavaria Carbon Specialities GmbH	—	6,195.75
Graphite Cova GmbH	16,144.80	—
47. The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rentals for the year debited to the Profit and Loss Statement amount to Rs. 122.80 Lakhs (Previous Year - Rs. 110.21 Lakhs).		
48. Pending completion of the relevant formalities of transfer of certain assets and liabilities of Powmex Steels Undertaking of GKW Limited (GKW) acquired pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta vide Order of 22nd May, 2009, such assets and liabilities remain included in the books of the Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).		

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

(in Million)

Particulars		<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Interest Rate Swap	USD	—	13.33

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

Receivables	USD	16.47	10.02
	Euro	5.23	6.69
	CAD	0.97	0.63
Payables	USD	6.79	10.24
	Euro	0.64	0.92
	CAD	0.25	0.06
Loans	USD	24.38	29.48
	Euro	4.00	2.52

(c) Mark-to-market losses

(Rs. in Lakhs)

Particulars	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Mark-to-market losses provided for	—	38.26

50. Research and Development Expenditure of revenue nature of Rs. 12.95 Lakhs (Previous Year - Rs. 13.85 Lakhs).**51.** Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's classification.

Signatures to Notes 1 to 51.

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)

Partner

Membership No. 57572
Kolkata - 14th May, 2015

K. C. Parakh
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

FINANCIAL DATA**GRAPHITE INDIA LIMITED**

(Based on Schedule III of Companies Act, 2013)

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

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

Financial / Performance Ratios

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAPHITE INDIA LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Graphite India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); {refer Note 31(a) to the attached consolidated financial statements}, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated

state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs. 30,757.75 Lakhs and net assets of Rs. 14,925.38 Lakhs as at March 31, 2015, total revenue of Rs. 30,450.52 Lakhs, net profit of Rs. 4,269.49 Lakhs and net cash flows amounting to Rs. 1,363.02 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and the subsidiary company incorporated in India {Refer Note 31(a) to the consolidated financial statements}, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the

Holding Company and the report of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements.
 - The Group did not have any material foreseeable losses on long-term contracts as at March 31, 2015. The Group did not have any derivative contracts as at March 31, 2015.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2015. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Kolkata
May 14, 2015

Pinaki Chowdhury
Partner
Membership Number 57572

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the Members of Graphite India Limited on the Consolidated Financial Statements for the year ended March 31, 2015.

- i. (a) The Holding Company incorporated in India is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- (b) The fixed assets of the Holding Company incorporated in India have been physically verified by the Management of the Holding Company during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the fixed assets of the subsidiary have been physically verified by the Management of the aforesaid subsidiary at reasonable intervals and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management of the Holding Company incorporated in India during the year. In respect of inventory of the aforesaid Holding Company lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company incorporated in India are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Holding Company incorporated in India is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company as compared to the book records were not material.

Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary does not have any inventory and as such Clauses 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable to the subsidiary.
- iii. The Holding Company incorporated in India has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (iii)(b) of the Order are not applicable to the aforesaid Holding Company. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii)(a) and (iii)(b) of the Order are not applicable to the aforesaid subsidiary.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, there is an adequate internal control system commensurate with the size of the subsidiary and the nature of its business for the purchase of fixed assets and sale of services and the activities of the subsidiary do not involve purchase of inventory and sale of goods. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the report of the other auditors on the aforesaid subsidiary, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Holding Company incorporated in India has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has not accepted deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Holding Company incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for the subsidiary.
- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company incorporated in India, examined by us, the Holding Company is generally

regular in depositing undisputed statutory dues in respect of service tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has been generally regular in depositing during the year, the undisputed statutory dues, including income tax, service tax and other material statutory dues, as applicable,

with the appropriate authorities and there were no provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, value added tax and cess payable by the subsidiary during the year.

- (b) According to the information and explanations given to us and the records of the Holding Company incorporated in India, examined by us, there are no dues of wealth-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	16.00	1996-97, 1999-00, 2010-11 to 2012-13	Assistant / Deputy Commissioner of Central Excise
		16.04	2008-09, 2010-11 and 2011-12	Additional Commissioner of Central Excise
		266.53	2010-11 to 2012-13	Commissioner, Central Excise
		733.99	1999-2000 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		19.28	2000-01	High Court
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.07	2009-10	Deputy Commissioner of Sales Tax
		25.13	2005-06 to 2007-08	Additional Commissioner of Commercial Taxes
		54.76	2003-04	Joint Commissioner of Commercial Taxes
		0.90	2011-12	Additional Commissioner, Commercial Division (Appeal)
		46.70	2007-08	Joint Commissioner of Sales Tax (Appeal)
		187.33	2002-03, 2003-04, 2005-06 to 2008-09	Sales Tax Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax and Penalty	24.36	2011-12	Additional Commissioner of Sales Tax
		85.07	2005-06 and 2006-07	Senior Joint Commissioner (Appeals), Corporate Division, Commercial Taxes
Karnataka Value Added Tax Act, 2003	Value Added Tax and Interest	7.87	2008-09	Assistant Commissioner of Commercial Taxes
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	0.77	2008-09	Commercial Tax Officer
Customs Act, 1962	Custom Duty, Interest and Penalty	3.77	1988-89	Chief Metropolitan Magistrate
		855.99	2005-06 to 2007-08	Commissioner of Customs
		293.27	1991-92, 1996 to 2000, 2007-08 and 2008-09	Customs, Excise & Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax, Interest and Penalty	62.81	2006-07 to 2014-15	Assistant / Deputy Commissioner, Central Excise
		96.20	2008-09 to 2014-15	Additional Commissioner
		115.26	2006-07 to 2014-15	Commissioner (Appeals)
		26.41	2004-05 to 2008-09	Joint Commissioner
		103.55	2004-05 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
		104.77	2005-06 to 2007-08	High Court
Income-tax Act, 1961	Income Tax and Interest	3,269.89	2009-10 and 2010-11	Commissioner of Income Tax (Appeals)

Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited on account of any dispute.

- (c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company incorporated in India have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, no amounts were required to be transferred by the subsidiary to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Holding Company incorporated in India has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has neither accumulated losses as at the end of the financial year nor it has incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- ix. According to the records of the Holding Company incorporated in India, examined by us and the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has not taken any loan from any financial institution or bank or against debentures during the year and as such Clause 3(ix) of the Order is not applicable to the subsidiary.

- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Holding Company incorporated in India for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Holding Company. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company incorporated in India have been applied, on an overall basis, for the purposes for which they were obtained. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary has not taken any term loan and as such clause 3(xi) of the Order is not applicable to the subsidiary.
- xii. During the course of our examination of the books and records of the Holding Company incorporated in India carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, we/the other auditors have neither come across any instance of material fraud on or by the aforesaid Holding Company and its subsidiary, noticed or reported during the year, nor have we/the other auditors been informed of any such case by the respective Managements of the aforesaid Holding Company and its subsidiary.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Kolkata
May 14, 2015

Pinaki Chowdhury
Partner
Membership Number 57572

**CONSOLIDATED BALANCE SHEET of
Graphite India Limited and its subsidiaries as at 31st March, 2015**

		(Rs. in Lakhs)	
	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,907.68	3,907.68
Reserves and Surplus	3	1,70,730.00	1,72,020.31
		<u>1,74,637.68</u>	<u>1,75,927.99</u>
Non-current Liabilities			
Long-term Borrowings	4	4,172.00	10,023.24
Deferred Tax Liabilities (Net)	5	8,211.68	8,966.73
Other Long-term Liabilities	6	0.70	47.05
Long-term Provisions	7	315.20	293.65
		<u>12,699.58</u>	<u>19,330.67</u>
Current Liabilities			
Short-term Borrowings	8	26,238.56	32,287.94
Trade Payables	9	20,934.63	24,160.41
Other Current Liabilities	10	14,704.82	13,876.93
Short-term Provisions	11	10,289.53	14,060.91
		<u>72,167.54</u>	<u>84,386.19</u>
TOTAL		<u>2,59,504.80</u>	<u>2,79,644.85</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	63,690.45	69,266.22
Intangible Assets	12	287.69	365.75
Capital Work-in-progress		958.60	338.29
		<u>64,936.74</u>	<u>69,970.26</u>
Non-current Investments	13	10,230.18	4,208.08
Long-term Loans and Advances	14	2,441.75	2,137.70
Other Non-current Assets	15	12.26	1.52
		<u>77,620.93</u>	<u>76,317.56</u>
Current Assets			
Current Investments	16	26,700.56	34,266.42
Inventories	17	99,171.69	1,03,543.43
Trade Receivables	18	43,260.96	47,226.16
Cash and Bank Balances	19	3,148.56	3,048.68
Short-term Loans and Advances	20	8,192.81	13,320.57
Other Current Assets	21	1,409.29	1,922.03
		<u>1,81,883.87</u>	<u>2,03,327.29</u>
TOTAL		<u>2,59,504.80</u>	<u>2,79,644.85</u>
The accompanying Notes are an integral part of these Consolidated Financial Statements.			
This is the Consolidated Balance Sheet referred to in our report of even date.			
For PRICE WATERHOUSE			
Firm Registration Number - 301112E			
Chartered Accountants			
(Pinaki Chowdhury)			
Partner			
Membership No. 57572	K. C. Parakh	B. Shiva	M. B. Gadgil
Kolkata - 14th May, 2015	Sr. Vice President-Finance	Company Secretary	Executive Director
			K. K. Bangur
			Chairman

**CONSOLIDATED PROFIT AND LOSS STATEMENT of
Graphite India Limited and its subsidiaries for the year ended 31st March, 2015**

		(Rs. in Lakhs)	
	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations (Gross)	22	1,78,479.63	2,08,609.04
Less: Excise Duty		7,413.86	7,681.13
Revenue from Operations (Net)		1,71,065.77	2,00,927.91
Other Income	23	3,510.35	4,466.92
Total Revenue		1,74,576.12	2,05,394.83
Expenses			
Cost of Materials Consumed	24	76,078.49	87,639.07
Changes in Inventories of Finished Goods and Work-in-progress	25	(496.74)	2,733.71
Employee Benefits Expense	26	20,804.08	20,277.44
Finance Costs	27	1,582.71	2,388.99
Depreciation and Amortisation Expense	28	4,354.33	5,810.31
Other Expenses	29	61,004.78	65,267.01
Total Expenses		1,63,327.65	1,84,116.53
Profit before Exceptional Item and Tax		11,248.47	21,278.30
Exceptional Item - Loss (Refer Note 38)		560.00	—
Profit before Tax		10,688.47	21,278.30
Tax Expense for the Current Year			
Current Tax		5,057.47	9,058.57
Deferred Tax		12.60	(537.00)
Tax Expense - Write Back relating to Earlier Years (Net)		(140.94)	(231.95)
Profit for the Year		5,759.34	12,988.68
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (Previous Year - Rs. 2/-)]	30		
Basic (Rs.)		2.95	6.65
Basic before Exceptional Item (Rs.)		3.23	6.65
Diluted (Rs.)		2.95	6.65
Diluted before Exceptional Item (Rs.)		3.23	6.65
The accompanying Notes are an integral part of these Consolidated Financial Statements.			
This is the Consolidated Profit and Loss Statement referred to in our report of even date.			
For PRICE WATERHOUSE Firm Registration Number - 301112E Chartered Accountants (Pinaki Chowdhury) Partner Membership No. 57572 Kolkata - 14th May, 2015			
K. C. Parakh Sr. Vice President-Finance			
B. Shiva Company Secretary			
M. B. Gadgil Executive Director			
K. K. Bangur Chairman			

**CONSOLIDATED CASH FLOW STATEMENT of Graphite India Limited
and its subsidiaries for the year ended 31st March, 2015**

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
A. Cash Flows from Operating Activities:		
Profit before Tax	10,688.47	21,278.30
Adjustments for:		
Depreciation and Amortisation Expense	4,354.33	5,810.31
Loss on Disposal of Tangible Fixed Assets (Net)	27.29	10.17
Bad Debts/Advances Written Off	152.41	128.65
Provision for Doubtful Debts	158.41	328.70
Provision for Diminution in Value of Long-term Investments	560.00	—
Provision for Mark-to-market Losses on Derivatives / (Written Back)	(38.26)	55.73
Net Gain on Disposal of Long-term Investments	(256.15)	(846.24)
Net Gain on Disposal of Current Investments	(1,410.46)	(1,822.93)
Interest Income	(636.88)	(328.40)
Finance Costs	1,582.71	2,388.99
Provision for Doubtful Debts Written Back	(85.89)	(112.52)
Liabilities no Longer Required Written Back	(383.97)	(412.21)
Foreign Exchange Loss (Net)	77.37	2,498.46
Effect of Changes in Foreign Currency Translation	—	(143.30)
Operating Profit before Working Capital Changes	14,789.38	28,833.71
Changes in Working Capital:		
Increase/(Decrease) in Trade Payables	(2,152.92)	4,374.69
Increase/(Decrease) in Provisions	(69.92)	468.22
Increase/(Decrease) in Other Current Liabilities	(669.65)	2,059.70
Decrease in Other Long-term Liabilities	(46.35)	(127.08)
Decrease in Trade Receivables	2,314.40	5,645.82
Decrease in Inventories	2,862.99	20,484.86
Decrease in Loans and Advances	4,812.99	5,277.48
Decrease in Other Current Assets	491.18	162.01
(Increase)/Decrease in Other Non-current Assets	(8.19)	2.60
Cash Generated from Operations	22,323.91	67,182.01
Income-tax Paid (Net of Refunds)	(5,250.37)	(9,193.79)
NET CASH FROM OPERATING ACTIVITIES	17,073.54	57,988.22
B. Cash Flows from Investing Activities:		
Purchase of Tangible / Intangible Assets	(2,662.93)	(2,457.78)
Proceeds on Disposal of Tangible Fixed Assets	68.32	51.16
Purchase of Long-term Investments	(3,491.09)	(5,931.96)
Sale/Redemption of Long-term Investments	4,534.55	8,488.85
Purchase of Current Investments	(51,512.81)	(50,587.69)
Sale/Redemption of Current Investments	53,119.72	38,706.49
Interest Received	663.14	267.34
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	718.90	(11,463.59)

**CONSOLIDATED CASH FLOW STATEMENT of Graphite India Limited
and its subsidiaries for the year ended 31st March, 2015**

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
C. Cash Flows from Financing Activities:		
Dividends Paid	(6,815.51)	(6,798.28)
Dividend Distribution Tax Paid	(1,162.14)	(1,162.14)
Finance Costs Paid	(1,633.48)	(2,448.58)
Repayment of Long-term Borrowings	(4,156.63)	(4,627.41)
Short-term Borrowings-Receipts/(Payments)	(3,575.12)	(30,307.55)
NET CASH USED IN FINANCING ACTIVITIES	(17,342.88)	(45,343.96)
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	(342.40)	195.30
Net Cash Inflow	107.16	1,375.97
Cash and Cash Equivalents - Opening	3,041.40	1,665.43
Cash and Cash Equivalents - Closing	3,148.56	3,041.40
	107.16	1,375.97
Cash and Cash Equivalents comprise:		
Cash on Hand	30.35	18.81
Cheques, Drafts on Hand	8.12	13.65
Balances with Banks*	3,110.09	3,008.94
Total	3,148.56	3,041.40
* Includes the following balances which are not available for use by the Group		
Unpaid Dividend Accounts	332.29	309.65

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard- 3 on Cash Flow Statements specified under the Act.
2. Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classification.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner

Membership No. 57572
Kolkata - 14th May, 2015

K. C. Parakh
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

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

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

B. Use of Estimates

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

C. Fixed Assets

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

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

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

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

D. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Act (Also refer Note 34). Leasehold land is amortised on straight-line basis over the primary lease period. Intangible assets (Computer Software) are amortised on a straight-line basis over a period of five years.

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

E. Impairment

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

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

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

F. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on

which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less write down for any diminution, other than temporary, in carrying value. Current investments are carried at lower of cost and fair value.

G. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

H. Foreign Currency Transactions as applicable under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'

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

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

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

I. Derivative Contracts

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

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

J. Revenue

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

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

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

K. Construction Contracts

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

L. Borrowing Costs

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

M. Research & Development Expenditure

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

N. Employee Benefits

(a) Short-term Employee Benefits:

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

(b) Post Employment Benefit Plans:

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

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

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

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

O. Provisions and Contingent Liabilities

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

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

P. Taxation

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

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

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

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

Q. Leases

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

R. Segment Reporting

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

S. Consolidation

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

		(Rs. in Lakhs)	
		As at 31st March, 2015	As at 31st March, 2014
2. Share Capital			
Authorised			
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Rs. 2/- each		<u>4,000.00</u>	<u>4,000.00</u>
Issued, Subscribed and Paid-up			
19,53,75,594 (Previous Year - 19,53,75,594) Equity Shares of Rs. 2/- each			
Fully Paid-up		<u>3,907.51</u>	<u>3,907.51</u>
Add: Forfeited Shares		<u>0.17</u>	<u>0.17</u>
		<u>3,907.68</u>	<u>3,907.68</u>
2.1	The Parent Company has one class of Equity Shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts in proportion to their shareholding.		
2.2	(a) Details of Equity Shares held by the holding company of Graphite India Limited and by subsidiary / associate of the holding company:		
		Number of Shares	Number of Shares
Emerald Company Limited (ECL); the Holding Company [Refer (b) below]		11,36,29,585	—
Shree Laxmi Agents Limited; a Subsidiary of ECL		8,84,000	—
Carbo Ceramics Limited; an Associate of ECL		3,86,645	—
(b) The Parent Company has become a subsidiary of ECL pursuant to a Scheme of Amalgamation of The Bond Company Limited, Guardian Leasing Limited, Likhmi Leasing Limited, H.L. Investment Company Limited, Tandem Fiscal Services Limited, Uttam Fiscal Services Limited, D.C. Mercantile Private Limited and SCL Investments Private Limited with ECL as sanctioned by the Hon'ble High Court at Calcutta vide Order passed during the current year. The certified copies of the aforesaid Order have been filed with the Registrar of Companies on 3rd July, 2014 (Effective Date of the Scheme).			
2.3	Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company :		
Name of Shareholder		Number of Shares	Number of Shares
Emerald Company Limited		11,36,29,585	2,05,84,781
		(58.16%)	(10.54%)
Likhmi Leasing Limited		—	5,58,70,000
		—	(28.60%)
The Bond Company Limited		—	1,82,60,960
		—	(9.35%)
H.L. Investment Company Limited		—	1,41,83,400
		—	(7.26%)
2.4	Aggregate number of Equity Shares allotted in 2009-10 as fully paid-up pursuant to a Scheme of Arrangement/ Amalgamation without payments being received in cash.		
		1,98,88,336	1,98,88,336

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
3. Reserves and Surplus		
Capital Reserve : As per Last Accounts	<u>45.86</u>	<u>45.86</u>
	<u>45.86</u>	<u>45.86</u>
Capital Redemption Reserve : As per Last Accounts	<u>575.00</u>	<u>575.00</u>
	<u>575.00</u>	<u>575.00</u>
Securities Premium Account : As per Last Accounts	<u>20,097.65</u>	<u>20,097.65</u>
	<u>20,097.65</u>	<u>20,097.65</u>
Reserve Fund (Note 3.1 below)		
Balance as at the Beginning of the Year	342.67	306.79
Add: Transferred from Surplus in Consolidated Profit and Loss Statement during the Year	<u>87.08</u>	<u>35.88</u>
Balance as at the End of the Year	<u>429.75</u>	<u>342.67</u>
General Reserve (Note 3.2 below)		
Balance as at the Beginning of the Year	1,29,076.20	1,19,076.20
Add: Transferred from Surplus in Consolidated Profit and Loss Statement during the Year	—	10,000.00
Less: Adjustment of Net Book Value of certain Fixed Assets as per Schedule II of the Act (Net of Tax) (Refer Note 34)	<u>(1,746.57)</u>	<u>—</u>
Balance as at the End of the Year	<u>1,27,329.63</u>	<u>1,29,076.20</u>
Foreign Currency Translation Adjustment Account [Refer Note 1(S)(iv)]		
Balance as at the Beginning of the Year	(88.15)	158.27
Add: Adjustment for the Year	<u>(600.10)</u>	<u>(246.42)</u>
Balance as at the End of the Year	<u>(688.25)</u>	<u>(88.15)</u>
Surplus in Consolidated Profit and Loss Statement		
Balance as at the Beginning of the Year	21,971.08	27,018.57
Add: Profit for the Year	<u>5,759.34</u>	<u>12,988.68</u>
Amount Available for Appropriation	<u>27,730.42</u>	<u>40,007.25</u>
Less: Appropriations		
Transferred to General Reserve	—	10,000.00
Transferred to Reserve Fund	<u>87.08</u>	<u>35.88</u>
Proposed Dividend on Equity Shares [Rs. 2.00 per Share (Previous Year - Rs. 3.50 per Share)]	<u>3,907.51</u>	<u>6,838.15</u>
Dividend Distribution Tax on Proposed Dividend	<u>795.47</u>	<u>1,162.14</u>
Balance as at the End of the Year	<u>22,940.36</u>	<u>21,971.08</u>
	<u>1,70,730.00</u>	<u>1,72,020.31</u>

3.1 Reserve Fund has been created in the books of a subsidiary in accordance with the requirements of Section 45-IC of Reserve Bank of India Act, 1934.

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
4. Long-term Borrowings		
Secured		
Term Loans		
From a Bank [Refer (a) and (b) below]	4,172.00	10,016.67
(Secured by way of first charge on certain moveable fixed assets, both present and future, of the Parent Company)		
From Others	—	6.57
(Secured by equipment financed)		
	<u>4,172.00</u>	<u>10,023.24</u>
Terms of Repayment -		
(a) Total loan amount of Rs. 4,172.00 Lakhs (USD 6.67 Million) [Previous Year - Rs. 8,013.34 Lakhs (USD 13.33 Million)] is repayable on February, 2016. Interest is payable on quarterly basis at Libor plus 1.85% p.a. Current maturity of the loan amounting to Rs. 4,172.00 Lakhs (Previous Year - Rs. 4,006.67 Lakhs) has been disclosed in Note 10.		
(b) Total loan amount of Rs. 6,258.00 Lakhs (USD 10 Million) [Previous Year - Rs. 6,010.00 Lakhs (USD 10 Million)] is repayable in 3 equal annual installments commencing from August, 2015. Interest is payable on quarterly basis at Libor plus 2.10% p.a. Current maturity of the loan amounting to Rs.2,086.00 Lakhs (Previous Year - Rs. Nil) has been disclosed in Note 10.		
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation @	9,337.99	9,779.41
Deferred Tax Assets		
Expenses Allowable for Tax Purpose on Payment	978.06	605.19
Provision for Doubtful Debts	148.25	120.95
Unamortised Expenditure Allowable for Tax Purpose in Subsequent Years	—	86.54
	<u>1,126.31</u>	<u>812.68</u>
	<u>8,211.68</u>	<u>8,966.73</u>
@ After considering Rs. 767.65 Lakhs (Previous Year - Rs. Nil) being tax effect arising from adjustment of Net Book Value of certain Fixed Assets in the General Reserve (Refer Note 34).		
6. Other Long-term Liabilities		
Trade Payables	—	46.35
Security Deposits	0.70	0.70
	<u>0.70</u>	<u>47.05</u>
7. Long-term Provisions		
Provisions for Employee Benefits	315.20	293.65
	<u>315.20</u>	<u>293.65</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
8. Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks	10,823.22	21,685.44
(Secured by first charge by way of hypothecation of certain stocks and book debts, both present and future, and secured by creation of second charge by way of mortgage/charge on certain other movable and immovable assets of the Parent Company, both ranking pari-passu amongst the related chargeholders)		
Unsecured		
Loans Repayable on Demand from Banks	15,415.34	10,602.50
	26,238.56	32,287.94
9. Trade Payables		
Acceptances	3,345.53	5,330.94
Others	17,589.10	18,829.47
	20,934.63	24,160.41
10. Other Current Liabilities		
Current Maturities of Long-term Debt	6,263.35	4,019.62
Interest Accrued but not Due on Borrowings	42.94	93.71
Unpaid Dividends	332.29	309.65
Other Payables		
Dues Payable to Government Authorities	3,312.07	2,938.53
Capital Liabilities	215.86	365.36
Advances from Customers	650.33	2,456.00
Billing in Excess of Revenue	212.50	—
Deposits	44.03	46.78
Claims / Charges Payable	1,307.15	1,249.77
Employee Benefits Payable	2,180.04	2,139.24
Fractional Entitlement Due for Refund to Shareholders	9.26	9.27
Remuneration Payable to Non-executive Directors	135.00	249.00
	14,704.82	13,876.93
11. Short-term Provisions		
Provisions for Employee Benefits	1,664.04	1,807.15
Other Provisions		
Mark-to-market Losses on Derivatives	—	55.73
Current Tax (Net of Advance Tax)	3,916.36	4,190.48
Wealth Tax (Net of Advance Tax)	6.15	7.26
Proposed Dividend on Equity Shares	3,907.51	6,838.15
Dividend Distribution Tax on Proposed Dividend	795.47	1,162.14
	10,289.53	14,060.91

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

12. Fixed Assets

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

Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2014	Additions during the Year	Adjustments during the Year (Refer Note 12.3 below)	Disposals during the Year	As at 31st March, 2015	Up to 31st March, 2014	Adjustments during the Year (Refer Note 12.2 below)	For the Year [Refer Note 34]	On Disposals/ Adjustments (Refer Note 12.4 below)	Up to 31st March, 2015	As at 31st March, 2015
Tangible Assets											
Freehold Land	2,799.37	2.84	(89.90)	—	2,712.31	—	—	—	—	—	2,712.31
Leasehold Land	119.31	—	—	—	119.31	40.18	—	1.86	—	42.04	77.27
Buildings	27,689.07	83.75	44.41	4.98	27,812.25	7,594.65	339.26	962.32	52.28	8,843.95	18,968.30
Plant and Equipment	1,05,901.86	1,107.01	(1,864.94)	902.13	1,04,241.80	60,591.69	2,049.93	3,020.80	2,537.20	63,125.22	41,116.58
Furniture and Fixtures	659.33	138.25	—	10.09	787.49	506.98	41.56	34.62	10.17	572.99	214.50
Vehicles	998.44	33.35	(26.20)	135.97	869.62	501.06	14.09	106.43	92.95	528.63	340.99
Office Equipment	1,658.26	140.91	(177.20)	55.18	1,566.79	1,325.40	69.38	126.47	214.97	1,306.28	260.51
Machinery Spares	68.19	—	—	53.52	14.67	67.65	—	—	52.99	14.66	0.01
Total	1,39,893.83	1,506.11	(2,113.83)	1,161.87	1,38,124.24	70,627.61	2,514.22	4,252.50	2,960.56	74,433.77	63,690.47
Intangible Assets											
Goodwill (arising on consolidation)	63.14	—	—	—	63.14	—	—	—	—	—	63.14
Patent (Note 12.5 below)	8.25	—	(1.53)	—	6.72	8.25	—	—	1.53	6.72	—
Trademark (Note 12.5 below)	41.32	—	(7.67)	—	33.65	41.32	—	—	7.67	33.65	—
Computer Software (Note 12.5 below)	711.61	36.94	(34.04)	—	714.51	409.00	—	101.83	20.87	489.96	224.55
Total	824.32	36.94	(43.24)	—	818.02	458.57	—	101.83	30.07	530.33	287.69
Grand Total	1,40,718.15	1,543.05	(2,157.07)	1,161.87	1,38,942.26	71,086.18	2,514.22	4,354.33	2,990.63	74,964.10	63,978.16

Description	GROSS BLOCK - AT COST					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 31st March, 2013	Additions during the Year	Adjustments during the Year (Refer Note 12.3 below)	Disposals during the Year	As at 31st March, 2014	Up to 31st March, 2013	Adjustments during the Year	For the Year	On Disposals/ Adjustments (Refer Note 12.4 below)	Up to 31st March, 2014	As at 31st March, 2014
Tangible Assets											
Freehold Land	2,715.68	8.15	75.54	—	2,799.37	—	—	—	—	—	2,799.37
Leasehold Land	119.31	—	—	—	119.31	38.36	—	1.82	—	40.18	79.13
Buildings	27,007.89	40.32	640.86	—	27,689.07	6,723.46	—	837.27	(33.92)	7,594.65	20,094.42
Plant and Equipment	1,01,641.81	1,263.43	3,181.56	184.94	1,05,901.86	54,665.20	—	4,713.16	(1,213.33)	60,591.69	45,310.17
Furniture and Fixtures	653.62	10.56	—	4.85	659.33	494.28	—	16.78	4.08	506.98	152.35
Vehicles	934.71	75.26	21.96	33.49	998.44	430.88	—	83.05	12.87	501.06	497.38
Office Equipment	1,449.84	85.95	142.64	20.17	1,658.26	1,137.03	—	85.31	(103.06)	1,325.40	332.86
Machinery Spares	68.19	—	—	—	68.19	67.65	—	—	—	67.65	0.54
Total	1,34,591.05	1,483.67	4,062.56	243.45	1,39,893.83	63,556.86	—	5,737.39	(1,333.36)	70,627.61	69,266.22
Intangible Assets											
Goodwill (arising on consolidation)	63.14	—	—	—	63.14	—	—	—	—	—	63.14
Patent (Note 12.5 below)	6.94	—	1.31	—	8.25	6.94	—	—	(1.31)	8.25	—
Trademark (Note 12.5 below)	34.74	—	6.58	—	41.32	34.74	—	—	(6.58)	41.32	—
Computer Software (Note 12.5 below)	496.94	190.21	24.46	—	711.61	325.56	—	72.92	(10.52)	409.00	302.61
Total	601.76	190.21	32.35	—	824.32	367.24	—	72.92	(18.41)	458.57	365.75
Grand Total	1,35,192.81	1,673.88	4,094.91	243.45	1,40,718.15	63,924.10	—	5,810.31	(1,351.77)	71,086.18	69,631.97

(Rs. in Lakhs)

12.2 Represents adjustments due to revision in useful lives of fixed assets as per Schedule II to the Act (Refer Note 34).

12.3 Includes exchange differences arising on long-term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets amounting to Rs. 551.17 Lakhs (Previous Year - Rs. 1,852.97 Lakhs) and net of foreign exchange adjustments on consolidation of foreign subsidiaries amounting to Rs. 2,665.00 Lakhs (Previous Year- inclusive of Rs.2,209.59 Lakhs) in respect of Tangible Assets and Rs. 43.24 Lakhs (Previous Year-inclusive of Rs. 32.35 Lakhs) in respect of Intangible Assets.

12.4 Includes Rs. 1,894.28 Lakhs (Previous Year - net of Rs. 1,515.50 Lakhs) in respect of Tangible Assets and Rs. 30.07 Lakhs (Previous Year - net of Rs. 18.39 Lakhs) in respect of Intangible Assets on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

12.5 Represents acquired assets.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
13. Non-current Investments		
Long-term [Refer Note 1(F)]		
Unquoted		
Fully Paid-up Equity Shares in a company*	247.66	247.66
Fully Paid-up Redeemable Preference Shares in a company*	312.34	312.34
In Government Securities		
- 6 Year National Savings Certificate (Deposited with Sales Tax Authority)	0.06	0.06
In Units of Mutual Funds (Refer Note 13.2)	10,230.12	3,648.02
	10,790.18	4,208.08
Less : Provision for Diminution in Value of Investments*	(560.00)	—
	10,230.18	4,208.08
Aggregate Amount of Unquoted Investments	10,790.18	4,208.08
Net Asset Value of Units of Mutual Funds	11,134.58	3,759.16
13.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', Refer Note 37.		
13.2 Includes Rs. 4,888.37 Lakhs (Previous Year- Rs. Nil) reclassified from current to long-term and Rs.1,825.00 Lakhs (Previous Year-Rs. Nil) reclassified from current to non-current on exercise of extension option of maturity provided by the respective schemes during the year.		
14. Long-term Loans and Advances		
Unsecured, Considered Good:		
Capital Advances	1,602.74	1,397.17
Security Deposits	671.35	567.07
Other Loans and Advances		
Loans to Employees	156.47	171.30
Prepaid Expenses	11.19	2.16
	2,441.75	2,137.70
15. Other Non-current Assets		
Unsecured, Considered Good:		
Fixed Deposits with Banks with Maturity of More than Twelve Months (Lodged with Government Authority / Others)	9.59	1.40
Accrued Interest on Fixed Deposits	2.67	0.12
	12.26	1.52
16. Current Investments		
Unquoted		
At Lower of Cost and Fair Value		
In Units of Mutual Funds (Refer Note 16.2)	26,096.60	31,181.42
At Cost		
In Units of Mutual Funds (Current Portion of Long-term Investments) (Refer Note 16.3)	603.96	3,085.00
	26,700.56	34,266.42
Aggregate Amount of Unquoted Investments	26,700.56	34,266.42
Net Asset Value of Units of Mutual Funds	29,860.01	35,577.80
16.1 For classification of investments in accordance with Accounting Standard (AS) 13 - 'Accounting for Investments', refer Note 37.		
16.2 Net of Rs. 4,888.37 Lakhs (Previous Year -Rs. Nil) reclassified from current to long-term on exercise of extension option of maturity provided by the respective schemes during the year.		
16.3 Net of Rs. 1,825.00 Lakhs (Previous Year -Rs. Nil) reclassified from current to non-current on exercise of extension option of maturity provided by the respective schemes during the year.		

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
17. Inventories		
- At Lower of Cost and Net Realisable Value		
Raw Materials	36,893.68	41,729.05
Work-in-progress	42,847.57	45,735.78
Finished Goods	17,309.11	13,924.16
Stores and Spares	2,051.30	2,086.61
Loose tools	70.03	67.83
	99,171.69	1,03,543.43
18. Trade Receivables		
Unsecured:		
Debits Outstanding for a Period exceeding Six Months from the Date they are Due for Payment-		
Considered Good	1,024.89	717.92
Considered Doubtful	428.36	351.88
	1,453.25	1,069.80
Less: Provision for Doubtful Debts	(428.36)	(351.88)
	1,024.89	717.92
Other Debts -		
Considered Good	42,236.07	46,508.24
Considered Doubtful	—	3.96
	42,236.07	46,512.20
Less: Provision for Doubtful Debts	—	(3.96)
	42,236.07	46,508.24
	43,260.96	47,226.16
19. Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	2,777.80	2,638.50
In Fixed Deposit Accounts (with Maturity of Less than Three Months)	—	60.79
Unpaid Dividend Accounts @	332.29	309.65
Cheques, Drafts on hand	8.12	13.65
Cash on Hand	30.35	18.81
	3,148.56	3,041.40
Other Bank Balances		
Fixed Deposit Accounts (with Maturity of More than Three Months but Less than Twelve Months)	—	7.28
(Lodged with Government Authority / Others)		
	3,148.56	3,048.68
@ Earmarked for payment of Unclaimed Dividend.		
20. Short-term Loans and Advances		
Unsecured, Considered Good:		
Advance / Deposits with Government Authorities	5,594.29	9,988.27
Advance Income Tax (Net of Provision)	80.61	26.66
Advance to Suppliers / Service Providers	1,222.83	1,151.52
Prepaid / Advance for Expenses	670.95	457.95
Loans/Advances to Employees	122.64	141.02
Claims Receivable / Charges Recoverable	407.56	1,403.74
Security and Other Deposits	93.93	144.91
MAT Credit Entitlement	—	6.50
	8,192.81	13,320.57

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
21. Other Current Assets		
Unsecured, Considered Good:		
Accrued Interest on Deposits		
with Banks	1.57	8.50
with Others	37.49	59.40
Export Entitlement Receivable	1,370.23	1,854.13
	1,409.29	1,922.03
	Year ended 31st March, 2015	Year ended 31st March, 2014
22. Revenue from Operations (Gross)		
Sale of Products		
Graphite Electrodes and Miscellaneous Graphite Products	1,40,112.42	1,71,852.27
Carbon Paste	2,693.70	3,067.87
Calcined Petroleum Coke	2,727.17	2,913.02
Electricity	172.76	139.19
Impervious Graphite Equipment and Spares	10,239.22	10,833.94
GRP/FRP Pipes and Tanks	8,553.16	6,261.37
High Speed Steel	8,380.56	6,820.13
Alloy Steel	584.13	735.43
Others	1,694.07	1,328.83
	1,75,157.19	2,03,952.05
Sale of Services		
Processing / Service Charges	920.82	995.30
Installation Charges	94.69	43.73
	1,015.51	1,039.03
Other Operating Revenues		
Export Entitlement	1,727.21	3,413.55
Others	579.72	204.41
	2,306.93	3,617.96
	1,78,479.63	2,08,609.04
23. Other Income		
Interest Income		
On Loans and Deposits	72.90	116.17
From Customers	324.32	211.76
From Income-tax Authority	239.66	0.47
Net Gain on Disposal of Long-term Investments	116.32	785.21
Net Gain on Disposal of Current Investments	1,410.46	1,822.93
Liabilities No Longer Required Written Back	383.97	412.21
Provision for Doubtful Debts Written Back	85.89	112.52
Provision for Mark-to-market Losses on Derivatives Written Back	38.26	—
Other Non-operating Income	838.57	1,005.65
	3,510.35	4,466.92

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
24. Cost of Materials Consumed		
Opening Inventory	41,729.05	57,635.39
Add : Purchases	71,243.12	71,732.73
	1,12,972.17	1,29,368.12
Less : Closing Inventory	36,893.68	41,729.05
Cost of Materials Consumed	76,078.49	87,639.07
25. Changes in Inventories of Finished Goods and Work-in-progress		
Finished Goods		
Closing Stock	17,309.11	13,924.16
Deduct: Opening Stock	13,924.16	13,531.17
	(3,384.95)	(392.99)
Work-in-progress		
Closing Stock	42,847.57	45,735.78
Deduct: Opening Stock	45,735.78	48,862.48
	2,888.21	3,126.70
	(496.74)	2,733.71
26. Employee Benefits Expense		
Salaries and Wages	17,734.58	16,853.89
Contribution to Provident and Other Funds (Refer Note 36)	2,268.43	2,594.99
Staff Welfare Expenses	801.07	828.56
	20,804.08	20,277.44
27. Finance Costs		
Interest Expense on		
Borrowings from Banks	1,180.53	1,773.31
Others	263.74	395.95
Other Borrowing Costs	138.44	219.73
	1,582.71	2,388.99
28. Depreciation and Amortisation Expense		
Depreciation on Tangible Assets (Refer Note 34)	4,250.64	5,735.57
Amortisation of Leasehold Land	1.86	1.82
Amortisation of Intangible Assets	101.83	72.92
	4,354.33	5,810.31

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

		(Rs. in Lakhs)
	Year ended 31st March, 2015	Year ended 31st March, 2014
29. Other Expenses		
Consumption of Stores and Spare Parts	14,227.76	13,586.10
Power and Fuel	25,833.74	27,744.76
Rent	395.65	404.01
Repairs to Buildings	424.33	519.09
Repairs to Machinery	2,332.63	2,110.48
Repairs to Others	326.01	292.86
Insurance	678.22	830.12
Rates and Taxes	902.39	930.63
Freight and Transport	6,016.83	5,722.58
Commission to Selling Agents	1,891.24	4,440.25
Travelling and Conveyance	679.92	642.07
Directors' Remuneration (Other than Executive Director)	149.05	260.46
Excise Duty on Stocks etc. (Refer Note 29.1)	77.34	19.99
Bad Debts / Advances Written off	152.41	128.65
Provision for Doubtful Debts	158.41	328.70
Processing Charges	277.17	220.51
Contractors' Labour Charges	2,856.31	2,230.24
Loss on Disposal of Tangible Fixed Assets [Net of Profit on Disposal of Tangible Fixed Assets Rs.11.46 Lakhs (Previous Year - Rs. 3.17 Lakhs)]	27.29	10.17
Net Loss on Foreign Currency Transactions and Translation	295.19	272.12
Miscellaneous Expenditure	3,302.89	4,573.22
	61,004.78	65,267.01
29.1	Represents the aggregate amount of excise duty borne by the Parent Company and difference between excise duty on opening and closing stock of finished goods.	
30. Earnings per Equity Share		
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face value of Each Equity Share (Rs.)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders of the Parent Company		
Profit for the Year	5,759.34	12,988.68
(vi) Basic Earnings per Equity Share (Rs.)/[(v)/(iii)]	2.95	6.65
(vii) Profit after Tax Available for Equity Shareholders of the Parent Company (Before Exceptional Item) (Refer Note 30.1 below)	6,319.34	12,988.68
(viii) Basic Earnings per Equity Share before exceptional item (Rs.)/[(vii)/(iii)]	3.23	6.65
(B) Diluted		
(i) Dilutive Potential Equity Shares	—	—
(ii) Diluted Earnings per Equity Share (Rs.)/[Same as (A)(vi) above]	2.95	6.65
(iii) Diluted Earnings per Equity Share before Exceptional Item (Rs.) [Same as (A)(viii) above]	3.23	6.65
30.1	Profit after Tax Available for Equity Shareholders of the Parent Company (Before Exceptional Item) :	
Profit for the Year	5,759.34	12,988.68
Add : Exceptional Item (Net of Tax - Rs. Nil) (Refer Note 38)	560.00	—
	6,319.34	12,988.68

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

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

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

@ wholly owned subsidiaries of GIBV.

(b) Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)
Parent				
Graphite India Limited	100.41%	1,75,360.62	142.71%	8,219.35
Subsidiaries				
Indian				
Carbon Finance Limited	2.91%	5,087.96	7.56%	435.33
Foreign				
Graphite International B.V. #	5.61%	9,804.86	(30.39%)	(1,750.05)
Sub-total		1,90,253.44		6,904.63
Elimination/Adjustments on Consolidation	(8.93%)	(15,615.76)	(19.88%)	(1,145.29)
Grand Total		1,74,637.68		5,759.34

including its wholly owned subsidiaries.

	(Rs. in Lakhs)	
	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
32. Commitments -		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes Rs.21.53 Lakhs (Previous Year-Rs. Nil) relating to acquisition of intangible assets]	6,439.75	2,393.11
(ii) Export obligations against Advance Licenses	—	1,083.33
33. Contingent Liabilities -		
(i) Claims not acknowledged as debts:		
(a) Disputed Excise Duty	1,023.12	1,023.12
(b) Disputed Customs Duty	1,163.01	1,163.01
(c) Disputed Service Tax	509.06	2,516.07

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
33. Contingent Liabilities (contd.)		
(d) Disputed Sales Tax / Value Added Tax	656.09	516.54
(e) Disputed Entry Tax	383.50	360.08
(f) Disputed Income Tax	120.90	880.47
(g) Labour Related Matters	585.63	503.69
(h) Other Matters (Property, Rental, etc.)	316.58	49.23
(ii) Potential Obligation under Public Law of Germany in respect of environment	1,591.85	1,957.88
(iii) In respect of Contingent Liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above Contingent Liabilities.		

34. Effective 1st April, 2014, the estimated useful lives of fixed assets of the Parent Company and the domestic subsidiary have been revised in keeping with the provisions of Schedule II to the Companies Act, 2013. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is lower and the profit before tax is higher by Rs. 1,033.02 Lakhs and the net book value aggregating Rs 1,746.57 Lakhs [net of deferred tax Rs. 767.65 Lakhs] relating to assets, where the revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance of General Reserve (Note 3) as on 1st April, 2014.

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

	(Rs. in Lakhs)	
Particulars	Year ending 31st March, 2016	After Year ending 31st March, 2016
Decrease in depreciation expense	1,074.67	406.53

35. Particulars relating to Construction Contracts -	(Rs. in Lakhs)	
	<u>2014-15</u>	<u>2013-14</u>
(a) Contract revenues recognised as revenue	3,491.05	23.38
	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
(b) Other information relating to Contract Work-in-progress		
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	6,574.68	3,283.68
(ii) The amount of customer advances	9.42	318.13
(iii) The amount of retentions due from customers	674.05	—
(iv) Gross amount due from customers for contract work as an asset	86.00	320.69
(v) Gross amount due to customers for contract work as a liability	191.04	—

36. Employee Benefits:

(I) Post Employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Fund Trusts, administered and managed by the Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(N)(b) above, based upon which, the Parent Company makes contributions to the Employees' Gratuity Funds.

The following Table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Group for the year ended 31st March, 2015:

	(Rs. in Lakhs)	
	<u>2014-15</u>	<u>2013-14</u>
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
Present Value of Obligation at the beginning of the year	2,506.36	1,963.64
Current Service Cost	182.96	161.63
Interest Cost	206.69	162.53
Actuarial Losses	122.48	430.91
Benefits Paid	(288.29)	(212.35)
Present Value of Obligation at the end of the year	<u>2,730.20</u>	<u>2,506.36</u>
(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	1,922.02	1,659.21
Expected Return on Plan Assets	181.73	145.18
Actuarial Gains	13.22	14.65
Contributions	598.06	315.33
Benefits Paid	(288.29)	(212.35)
Fair Value of Plan Assets at the end of the year	<u>2,426.74</u>	<u>1,922.02</u>
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
Present Value of Obligation at the end of the year	2,730.20	2,506.36
Fair Value of Plan Assets at the end of the year	<u>2,426.74</u>	<u>1,922.02</u>
(Liabilities) recognised in the Balance Sheet	<u>(303.46)</u>	<u>(584.34)</u>
(d) Expense recognised in the Profit and Loss Statement:		
Current Service Cost	182.96	161.63
Interest Cost	206.69	162.53
Expected Return on Plan Assets	(181.73)	(145.18)
Actuarial Losses (Net)	109.26	416.26
Total Expense recognised @	<u>317.18</u>	<u>595.24</u>
@ Recognised under 'Contribution to Provident and Other Funds' in Note 26		

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	(Rs. in Lakhs)				
	2014-15	2013-14			
(e) Category of Plan Assets:					
Fund with LIC	2,424.31	1,912.82			
Others (including bank balances)	2.43	9.20			
Total	2,426.74	1,922.02			
(f) Actual Return on Plan Assets	194.95	159.83			
(g) Principal Actuarial Assumptions:					
Discount Rate	7.75%	8.75%			
Salary Escalation	7.00%	8.00%			
Expected Return on Assets	8.75%	8.75%			
(h) Other Disclosures:	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Obligation at the end of the year	2,730.20	2,506.36	1,963.64	1,621.75	1,344.64
Fair Value of Plan Assets at the end of the year	2,426.74	1,922.02	1,659.21	1,429.51	1,334.98
Surplus/(Deficit) at the end of the year	(303.46)	(584.34)	(304.43)	(192.24)	(9.66)
Experience Adjustments on Plan Assets [Gain/(Loss)]	13.22	2.98	20.55	1.56	(0.36)
Experience Adjustments on Obligation [(Gain)/Loss]	125.69	226.65	236.64	203.06	184.41

Notes:

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

(B) Provident Fund

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

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 21.70 Lakhs (Previous Year- Rs. 21.30 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the balance sheet date. Further during the year, the Parent Company's contribution of Rs. 31.25 Lakhs (Previous year – Rs. 41.63 Lakhs) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the relevant information available as per the Actuary's report -

	2014-15	2013-14
Principal Actuarial Assumptions:		
Discount Rate	7.87 / 7.80%	8.74 / 8.38%
Expected Return on Exempted Fund	8.87 / 8.78%	8.18 / 8.64%
Return on EPFO	8.75%	8.75%

(C) Pension

Certain overseas subsidiaries provide for pension benefits to their employees, which are defined benefit retirement plans. Under such plans, the vested employees become entitled to a monthly pension at an agreed rate, upon retirement or disability. After the death of the vested employee, the spouse becomes entitled to monthly pension at a reduced rate. Vesting occurs upon completion of fifteen or twenty four years of service. Such plans are unfunded.

The following Table sets forth the particulars in respect of the Pension Plan (unfunded) of the Group for the year ended 31st March, 2015:

	(Rs. in Lakhs)				
	2014-15	2013-14			
(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	298.24	241.96			
Exchange Rate Adjustment	(66.23)	45.95			
Current Service Cost	5.68	6.10			
Interest Cost	8.31	8.74			
Actuarial (Gains)/ Losses	69.20	(4.51)			
Present Value of Obligation at the end of the year	315.20	298.24			
(b) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:					
Present Value of Obligation at the end of the year	315.20	298.24			
Fair Value of Plan Assets at the end of the year	—	—			
(Liabilities) recognised in the Balance Sheet	(315.20)	(298.24)			
(c) Expense recognised in the Profit and Loss Statement:					
Current Service Cost	5.68	6.10			
Interest Cost	8.31	8.74			
Actuarial (Gains)/ Losses	69.20	(4.51)			
Total Expense recognised @	83.19	10.33			
@ Recognised under 'Contribution to Provident and Other Funds' in Note 26.					
(d) Principal Actuarial Assumptions:					
Discount Rate	1.40%	3.00%			
Salary/Pension Escalation	1.50%	2.00%			
(e) Other Disclosures:	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Obligation at the end of the year	315.20	298.24	241.96	184.78	138.34
(Deficit) at the end of the year	(315.20)	(298.24)	(241.96)	(184.78)	(138.34)
Experience Adjustments on Obligation [(Gain)/Loss]	7.02	9.96	(4.83)	(3.48)	(3.13)

Note:

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

(II) Post Employment Defined Contribution Plans

During the year, an amount of Rs. 1,836.81 Lakhs (Previous Year – Rs. 1,947.79 Lakhs) has been recognised as expenditure towards defined contribution plans of the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

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

	(Rs. in Lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
Current Investments		
In Units of Mutual Funds (Refer Note 16.2)	<u>26,096.60</u>	<u>31,181.42</u>
Long-term Investments		
Fully Paid-up Equity Shares in a company	247.66	247.66
Fully Paid-up Redeemable Preference Shares in a company	312.34	312.34
In Government Securities	0.06	0.06
In Units of Mutual Funds (Refer Note 13.2)	<u>10,834.08</u>	<u>6,733.02</u>
	<u>11,394.14</u>	<u>7,293.08</u>
Less: Provision for diminution in value of Investments	<u>(560.00)</u>	<u>—</u>
Total Long-term Investments	<u>10,834.14</u>	<u>7,293.08</u>
Total Investments (Current and Long-term)	<u>36,930.74</u>	<u>38,474.50</u>
Disclosed Under:		
Non-current Investments (Refer Note 13)	10,230.18	4,208.08
Current Investments (Refer Note 16)	<u>26,700.56</u>	<u>34,266.42</u>
Total	<u>36,930.74</u>	<u>38,474.50</u>

38. Exceptional Item represents provision for diminution in value of long-term investments (Refer Note 13).

39. Particulars of Operating Leases -

A. Cancellable

The Group has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rentals for the year debited to the Profit and Loss Statement amount to Rs. 17.91 Lakhs (Previous Year - Rs. 16.80 Lakhs).

B. Non-Cancellable

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

Minimum lease payments:	(Rs. in Lakhs)	
	2014-15	2013-14
i. Not later than one year	233.82	319.89
ii. Later than one year but not later than five years	340.28	651.07
iii. Later than five years	—	—
	<u>574.10</u>	<u>970.96</u>

(b) The lease expenses recognised during the year amount to Rs. 305.16 Lakhs (Previous Year - Rs. 313.55 Lakhs).

40. Depreciation and Amortisation for the year and year-end accumulated depreciation includes Rs. 463.52 Lakhs (Previous Year - Rs. 434.50 Lakhs) and Rs. 8,576.24 Lakhs (Previous Year - Rs. 10,037.84 Lakhs) respectively, computed by certain subsidiaries by applying different depreciation rates as indicated in Note 1(D) above.

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

42. Segment Information

A. Primary Segment Reporting (by Business Segments)

i) The composition of business segments is as under:

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

ii) Composition of Geographical Segments

The geographical segments considered for disclosure are as follows :

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

iii) Segment Revenues, Results and Other Information as at / for the year ended 31st March, 2015 –

	Graphite and Carbon		Steel		Others		Total of Reportable Segments	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue from Operations (Gross)								
External Sales	1,58,387.32	1,90,991.23	8,964.69	7,555.56	8,820.69	6,444.28	1,76,172.70	2,04,991.07
Inter Segment Sales	33.45	17.06	—	—	5.02	5.59	38.47	22.65
Other Operating Revenues	1,716.17	3,385.03	7.50	17.57	583.26	215.37	2,306.93	3,617.97
Segment Revenues	1,60,136.94	1,94,393.32	8,972.19	7,573.13	9,408.97	6,665.24	1,78,518.10	2,08,631.69
Segment Results	11,918.01	25,870.09	654.72	1,200.10	1,160.41	(55.78)	13,733.14	27,014.41
Segment Assets	2,04,815.29	2,19,658.28	22,497.19	21,205.36	9,250.56	12,108.59	2,36,563.04	2,52,972.23
Segment Liabilities	27,041.15	31,385.12	2,004.46	766.40	1,270.85	3,006.82	30,316.46	35,158.34
Capital Expenditure	2,468.01	4,026.97	3.63	27.40	32.09	6.80	2,503.73	4,061.17
Depreciation and Amortisation	3,844.39	4,917.17	74.62	574.58	281.16	203.75	4,200.17	5,695.50
Non-cash Expenses other than Depreciation and Amortisation	229.49	383.86	11.51	3.58	103.43	81.22	344.43	468.66

Reconciliation of Reportable Segments with the Financial Statements –

	Revenues		Results Net Profit		Assets		Liabilities *	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Total of Reportable Segments	1,78,518.10	2,08,631.69	13,733.14	27,014.41	2,36,563.04	2,52,972.23	30,316.46	35,158.34
Corporate - Unallocated / Others (Net)	—	—	(1,461.96)	(3,347.12)	22,941.76	26,672.62	54,550.66	68,558.52
Inter Segment Sales	(38.47)	(22.65)	—	—	—	—	—	—
Finance Costs	—	—	(1,582.71)	(2,388.99)	—	—	—	—
Tax Expense	—	—	(4,929.13)	(8,289.62)	—	—	—	—
	1,78,479.63	2,08,609.04	5,759.34	12,988.68	2,59,504.80	2,79,644.85	84,867.12	1,03,716.86

* Excluding Shareholders Funds

B. Secondary Segment (Geographical)

	India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment Revenues (Gross)	81,614.34	76,388.87	96,865.29	1,32,220.17	1,78,479.63	2,08,609.04
Segment Assets	2,09,665.54	2,23,771.23	26,897.50	29,201.00	2,36,563.04	2,52,972.23
Capital Expenditure	2,165.53	2,975.70	338.20	1,085.47	2,503.73	4,061.17

43. Related Party Disclosures:

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

(i) Related parties –

(a) Where control exists:

Emerald Company Limited (ECL) [Refer Note 2.2(b)] Holding Company

(b) Others with whom transactions have taken place during the year:

Carbo-Ceramics Limited [Refer Note 2.2(b)] Fellow Subsidiary of the Parent Company (upto 11th March, 2015)

Shree Laxmi Agents Limited [Refer Note 2.2(b)] Fellow Subsidiary of the Parent Company

Likhami Leasing Limited [Refer Note 2.2(b)] A Shareholder holding 28.60% Equity Shares of the Parent Company

Mr. K. K. Bangur Individual owning an interest in the voting power of ECL that gives him control over the Group.

Mrs. Manjushree Bangur, Ms. Divya Bangur, Mrs. Aparna Daga and Mrs. Rukmani Devi Bangur Relatives of the above individual

GKW Limited and Salasar Towers Private Limited Enterprise over which Mr. K. K. Bangur is able to exercise significant influence

Mr. M. B. Gadgil, Executive Director Key Management Personnel

(ii) Particulars of transactions during the year ended 31st March, 2015 –

(Rs. in Lakhs)

	<u>2014-15</u>	<u>2013-14</u>
A. Holding Company		
Dividend Paid		
Emerald Company Limited	3,963.97	—
[including dividend paid to other entities which have been amalgamated with ECL pursuant to a Scheme of Amalgamation - Refer Note 2.2(b)]		
B. Fellow Subsidiaries of the Parent Company		
Dividend Paid		
Carbo-Ceramics Limited	13.53	—
Shree Laxmi Agents Limited	30.94	—
C. A shareholder holding 28.60% Equity Shares of the Parent Company –		
Dividend paid		
Likhami Leasing Limited [Refer Note 2.2(b)]	—	1,955.45
D. Individual owning an interest in the voting power of ECL that gives him control over the Group		
Mr. K. K. Bangur		
(a) Sitting Fees	1.20	—
(b) Remuneration	103.00	—
(c) Dividend paid	17.83	—
E. Relatives of individual owning an interest in the voting power of ECL		
Dividend Paid		
Mrs. Manjushree Bangur	8.69	—
Ms. Divya Bangur	5.93	—
Mrs. Aparna Daga	6.52	—
Mrs. Rukmani Devi Bangur	1.94	—

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

Particulars of transactions during the year ended 31st March, 2015 (contd.)	(Rs. in Lakhs)	
	<u>2014-15</u>	<u>2013-14</u>

F. Enterprises over which Mr. K. K. Bangur is able to exercise significant influence		
GKW Limited		
Dividend Paid	70.00	—
Salasar Towers Private Limited		
Rent Expenses	6.00	—
G. Key Management Personnel		
Mr. M. B. Gadgil		
(a) Remuneration	168.58	174.62
(b) Dividend paid	0.07	0.07

(iii) Balance outstanding at the year end -	(Rs. in Lakhs)	
	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Other Current Liabilities		
Mr. K. K. Bangur	103.00	—
Mr. M. B. Gadgil	81.43	99.18

44. Derivative Instruments and Unhedged Foreign Currency Exposure

(a) Derivatives outstanding as at the reporting date	(in Million)	
Particulars	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Interest Rate Swap	USD —	13.33
Currency Swap	USD —	6.20
	GBP —	0.58

(b) Particulars of unhedged foreign currency exposures as at the reporting date		
Receivables	USD 17.41	12.38
	Euro 1.30	4.85
	CAD 0.97	0.63
Payables	USD 6.83	10.15
	Euro 0.11	0.28
	CAD 0.25	0.06
Loans	USD 24.38	29.48
	Euro 4.00	2.52

(c) Mark-to-market losses	(Rs. in Lakhs)	
Particulars	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Mark-to-market losses provided for	—	55.73

45. Research and Development Expenditure of revenue nature of Rs. 12.95 Lakhs (Previous Year – Rs. 13.85 Lakhs).

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

Signatures to Notes 1 to 46.

For PRICE WATERHOUSE
Firm Registration Number- 301112E
Chartered Accountants
(Pinaki Chowdhury)

Partner
Membership No. 57572
Kolkata - 14th May, 2015

K. C. Parakh
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

ANNEXURE A**FORM AOC - 1**

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

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

Part "A": Subsidiaries

Figures in EUR '000

Figures in Rs. Lakhs

Sl. No.	Name of the Subsidiary	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation / (Write back)	Profit after Taxation	Proposed Dividend	% of shareholding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Carbon Finance Limited, India	INR	530.00	4,557.96	1,571.51	0.30	3,516.75	684.61	637.77	202.44	435.33	—	100%
2	Graphite International B.V., The Netherlands	EURO	17,300.00	(85.92)	17,304.87	90.79	—	419.26	311.23	16.27	294.96	—	100%
		INR	11,637.71	(57.80)	11,640.98	61.07	—	282.04	209.37	10.95	198.42	—	
3	Graphite Cova GmbH, Germany	EURO	16,320.00	(7,533.05)	38,883.64	30,096.69	—	40,343.12	(3,163.80)	(113.48)	(3,050.32)	—	100%
		INR	10,978.46	(5,067.48)	26,157.03	20,246.05	—	27,138.82	(2,128.29)	(76.34)	(2,051.95)	—	
4	Bavaria Electrodes GmbH, Germany	EURO	100.00	2,410.47	4,557.69	2,047.22	—	7,252.40	254.66	23.85	230.81	—	100%
		INR	67.27	1,621.52	3,065.96	1,377.17	—	4,878.69	171.31	16.04	155.27	—	
5	Bavaria Carbon Specialities GmbH, Germany	EURO	100.00	1,837.82	2,688.89	751.07	—	5,528.93	271.21	64.51	206.70	—	100%
		INR	67.27	1,236.30	1,808.82	505.25	—	3,719.31	182.45	43.40	139.05	—	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275.00	789.11	1,186.40	122.29	—	445.50	163.42	37.09	126.33	—	100%
		INR	184.99	530.84	798.09	82.26	—	299.69	109.93	24.95	84.98	—	

Note:

1. The reporting period of all the subsidiaries is the same as that of the Holding Company.
2. Part B of the statement AOC - 1 has not been produced because the Company did not have any associates / joint ventures during the Financial Year.
3. Exchange Rate as on the last date of the Financial Year, i.e. 31st March, 2015 has been taken @ 1 EUR = Rs. 67.27

Kolkata
14th May, 2015

K. C. Parakh
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

**GRAPHITE INDIA LIMITED**

CIN: L10101WB1974PLC094602

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

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

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

**FORTIETH
ANNUAL GENERAL
MEETING****Name and Address of Shareholder**

Serial No.:	Folio/DP ID and Client ID:	Shares:	ATTENDANCE SLIP
			Attendance by (Please tick the appropriate box) ☐ Member ☐ Proxy ☐ Authorised Representative

I hereby record my presence at the 40th Annual General Meeting of the Company being held on Tuesday, August 11, 2015 at 4.00 P.M. at Kala Mandir Auditorium (Sangit Kala Mandir Trust), 48, Shakespeare Sarani, Kolkata -700 017.

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

.....
Signature of Member/Proxy



EVSN (Electronic Voting Sequence Number)	Default PAN / *Sequence Number
150626011	

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

Note: Please read the instructions printed under the Note k (IV) to the Notice of 40th Annual General Meeting dated May 29, 2015. The Voting period starts from 9.00 am on Saturday, August 8, 2015 and ends at 5.00 p.m. on Monday, August 10, 2015. The voting module shall be disabled by CDSL for voting thereafter.

**GRAPHITE INDIA LIMITED**

CIN: L10101WB1974PLC094602

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

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

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

PROXY FORM

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

I/We being the member(s) ofshares of the above named Graphite India Limited, hereby appoint

- Name.....Address.....
E-mail Id.....Signature.....or failing him
- Name.....Address.....
E-mail Id.....Signature.....or failing him
- Name.....Address.....
E-mail Id.....Signature.....as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Tuesday, August 11, 2015 at 4.00 P.M. at Kala Mandir Auditorium (Sangit Kala Mandir Trust), 48, Shakespeare Sarani, Kolkata -700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

(*Optional)

	Resolutions	For	Against
1.	Adoption of Audited financial statements for the year ended March 31, 2015		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Mr. J D Curravala, director retiring by rotation		
4.	Ratify appointment of Price Waterhouse, Chartered Accountants as Auditors and fixation of remuneration thereof.		
5.	Appointment of Mr. Gaurav Swarup as an Independent Director		
6.	Appointment of Mrs. Renu Challu as an Independent Director		
7.	Consent for transactions with Graphite Cova Gmbh		
8.	Consent / Ratification of guarantee to Citibank NA		
9.	Issue of NCDs upto Rs. 500 crore on private placement basis		
10.	Payment of remuneration to Cost Auditors		

Signed this day of 2015.

Signature of shareholder

Signature of proxy holder(s)

Affix
Re.1/-
Revenue
Stamp
Here

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.