Annual Report 2021

HEG LIMITED

Contents

"The great aspect about tomorrow is that you always look forward to it."

For HEG, FY21 was tough.

Declining demand. Dropping realisation. High-cost inventory. The pandemic and lockdowns. Health issues. Logistical challenges.

We braved and journeyed across this dismal period.

Our numbers dropped. Our margins plummeted. We were pushed into the red. But, our performance was better than our peers.

Now a new dawn beckons.

One that heralds promising prospects for graphite electrode sector. One that will sustain healthy demand. Provide superior realisations. And generate healthy returns.

Nobody said this path would be easy. But certain journeys are worth the work!

Possesses the largest single site plant in the world. (growing further to 100,000 tonnes in 18 months)

80,000 TPA	842 members
Installed capacity	*Team size*
178 ACRES	1
Land coverage	*Largest global single-location plant*
₹ 1,369 crore	₹ 54 crore
Revenue	*EBITDA*
₹ 3,399 crore	
Networth	

Solidity	Liquidity
100%	₹ 729 crore
Flexibility to manufacture UHP electrodes	*Net cash flow from operations*
36%	Nil
Sales to top 10 steel majors	*Long-term debt*

Our presence

Headquartered in New Delhi, India

Manufacturing unit at Mandideep, Madhya Pradesh

Global presence across 30 nations

Equity listed on The BSE Limited and The National Stock Exchange of India Ltd.

For our shareholder

509631	HEG
BSE Code	*NSE Code*
₹ (6.56)	₹ 881
Earnings per share	*Book value per share*

Vision

A vibrant globally acknowledged top-league player in Graphite Electrodes and allied businesses with a commitment to growth, innovation, quality and customer focus.

Mission

To become a leading international player in Graphite Electrodes and related businesses by leveraging its core competence and thereby enhancing value to the customer, shareholder, employee and the society.

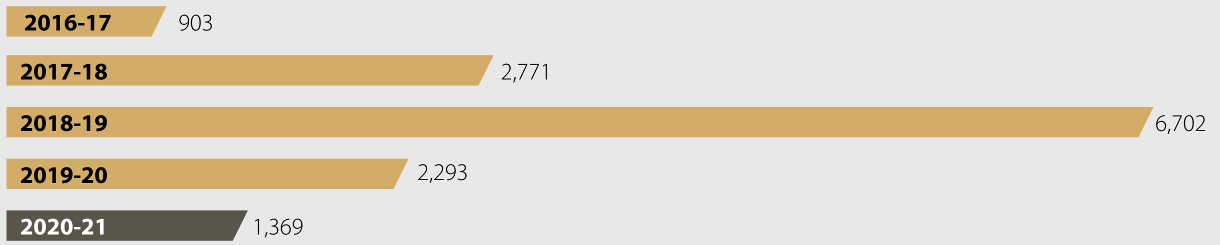
Business strategy

Strive for leadership in the global market

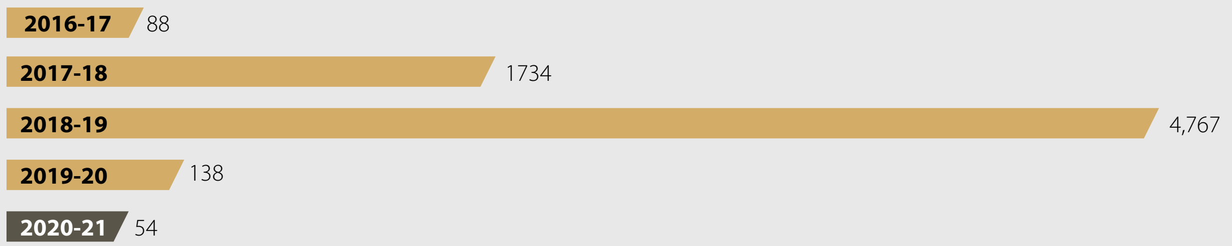
Strengthen our competitive edge

Enhance business profitability

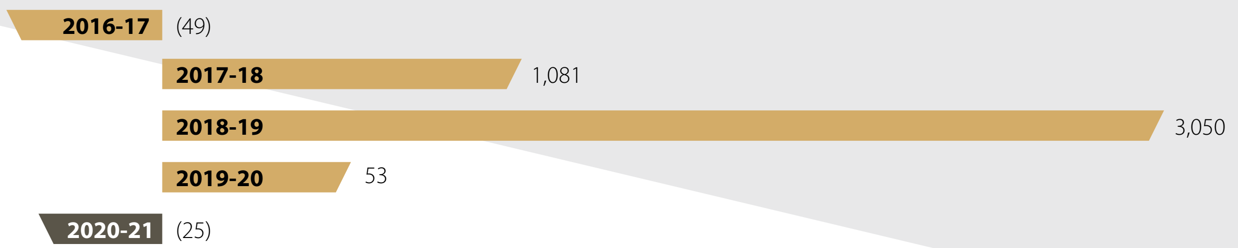
Key Performance Indicators



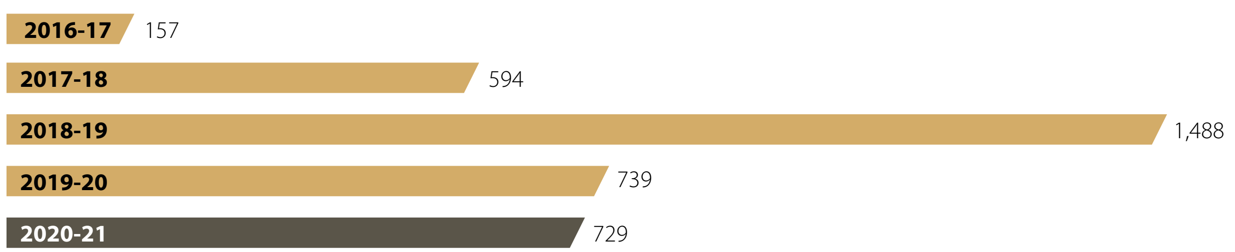
Net Revenue (₹ crore)



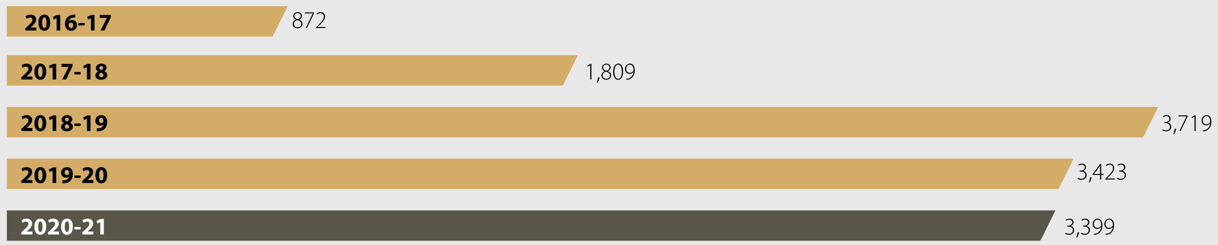
EBITDA (₹ crore)



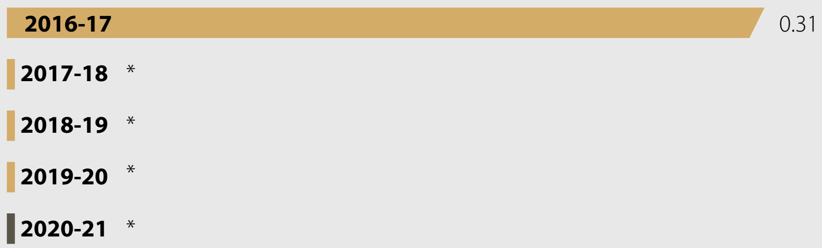
Net Profit (₹ crore)



Net cash from operations (₹ crore)

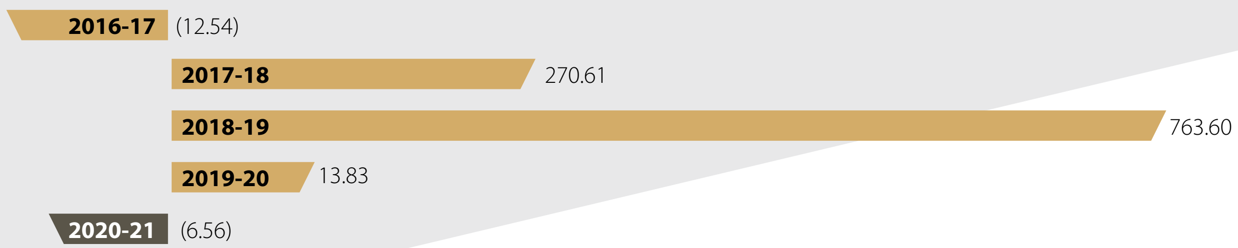


Networth (₹ crore)



Debt-equity (x)

** Long-term debt fully repaid*



Earnings per share (₹)

Dividend payout (₹ crore)

** During the FY 2018-19, the company also made a Buy back of Shares of ₹. 750 Crores.*

From the Chairman's desk

I am not overtly concerned about these numbers because there is a positive undercurrent that gives me optimism for the future. We reported the highest capacity utilisation among our peer group. It suggests that we have sustained our competitive edge in the global marketplace leading to a growing acceptance of our graphite electrodes.

Dear shareholders,

I trust you are all well and safe.

As I ink this statement, the second wave of the Covid-19 pandemic has ebbed leaving behind a trail of pain and suffering. My heart goes out to all the families who have been impacted by this health emergency.

The year that was

FY21 started on a dismal note as India stepped into a lockdown. But soon India bounced back with considerable momentum. Steel demand witnessed traction as did steel prices which shot up in the second half of the year. India ended on a high note which was considerably heart-warming.

From HEG's perspective, the year was challenging. The

abruptness in the operating ecosystem caught every player in the industry off-guard.

On the one hand we had to contend with reduced demand owing to a slowdown in economic activity across the world.

On the other we needed to minimise losses. Graphite electrode prices dropped sharply even as most graphite electrode manufacturers remained saddled with high-cost raw material inventory created in anticipation of healthy demand for graphite electrode.

Our financials is a replication of this reality… we ended FY21 with a 42% drop in Revenue from Operations and a Net Loss of ₹ 25.30 crore.

I am not overtly concerned about these numbers because there is a positive undercurrent that gives me optimism for the future. We reported the highest capacity utilisation among our peer group. It suggests that we have sustained our competitive edge in the global marketplace leading to a growing acceptance of our graphite electrodes.

The year that could be

FY22 appears to be positive. My optimism stems from two important realities.

Lag effect: We witnessed a strong uptick in the fortunes of the steel industry (demand and prices upped) towards the close of FY21. It should cascade into increased graphite electrode volumes and improved realisation in FY22. This is because the graphite electrode industry generally lags demand recovery in the steel industry due to its position in the steel producers supply chain. Moreover, we have exhausted our high-cost needle coke inventory in FY21. This should improve business profitability.

Growth impact: The steel industry should report healthy growth in CY22 assuming that the global GDP will grow by about 3% in CY22 (as per IMF estimates). The steel growth being closely linked to GDP growth mirrors this number.

With the operational graphite electrode capacity delicately balanced between demand and supply, the additional demand should improve the prospects of the graphite electrode industry in FY22.

Over the medium-term

A global research house suggests that China aspires to achieve net-zero carbon emissions by 2060. This would require it to reduce/shut operations of high carbon emitting sectors. Steel, in all likelihood, could feature in this list.

There appears to be substance in this aspiration as Chinese Authorities have recently ordered cuts at some of its steel-producing hubs. They estimate steel mills there will cut production by 20% to 30% in 2021. This could buoy the prospects for the global steel industry, especially the EAF steel sector (a considerably lesser polluting route for manufacturing steel). These developments augur well for the graphite electrode sector, and us.

The immediate challenge

The more intense and aggressive second wave of Covid-19 significantly disrupted the progress of India and the confidence of our fellow Indians. Thankfully, the pandemic curve has been flattened largely owing to all the brave hearts who have fought this battle. We at HEG, salute them for their courage, passion and perseverance in helping the fellow Indian.

While this health emergency will impact economic progress in the first quarter of FY22, a resilient India is sure to rebound with speed. Going forward, I believe things will only get better.

In closing

HEG appears perfectly positioned to capitalise on emerging opportunities effectively

- Our liquidity strength, a deleveraged organisation and a gross cash pool of ₹ 1521 crore as on March 31, 2021 provide strength to overcome adversities.
- Our people's 'will do' attitude enables the Company to surge ahead against all challenges.
- Our additional brownfield capacity of 20,000TPA will be commissioned by early 2023. With no other new graphite electrode capacity on the anvil, we should be able to service a larger share of the additional demand.

While we refrain from making any predictions or estimates for the coming years, we are preparing ourselves for every eventuality.

Before I end, I would like to thank the entire HEG team who, once again, have braved through the raging pandemic to meet customer commitments. I also thank the Board for their continued guidance in charting the Company's blueprint. My thanks to our other stakeholders, who continue to be our partners in growth. I also place on record my sincere appreciation to all our shareholders for their continued confidence and support.

Warm regards

Ravi Jhunjhunwala

Chairman, Managing Director & CEO

Management Discussion & Analysis

Global economy

From an economic perspective, in 2020, World output shrank by 3.3%, -significantly lower than the GDP decline in 2009 owing to the Global Financial crisis.

The pandemic hit the developed economies the hardest, with an estimated output decline of 4.7% in 2020, due to the strict and prolonged lockdown measures that were imposed in many European countries and some parts of the United States during the outbreak. The contraction was comparatively milder in developing countries, with output shrinking by 2.2% . The aggregate figure masks, however, significant regional variation.

Unprecedented Policy action: A year ago, with the world economy seemingly staring into the abyss, central banks swiftly provided liquidity and supported credit extension to a vast array of borrowers.

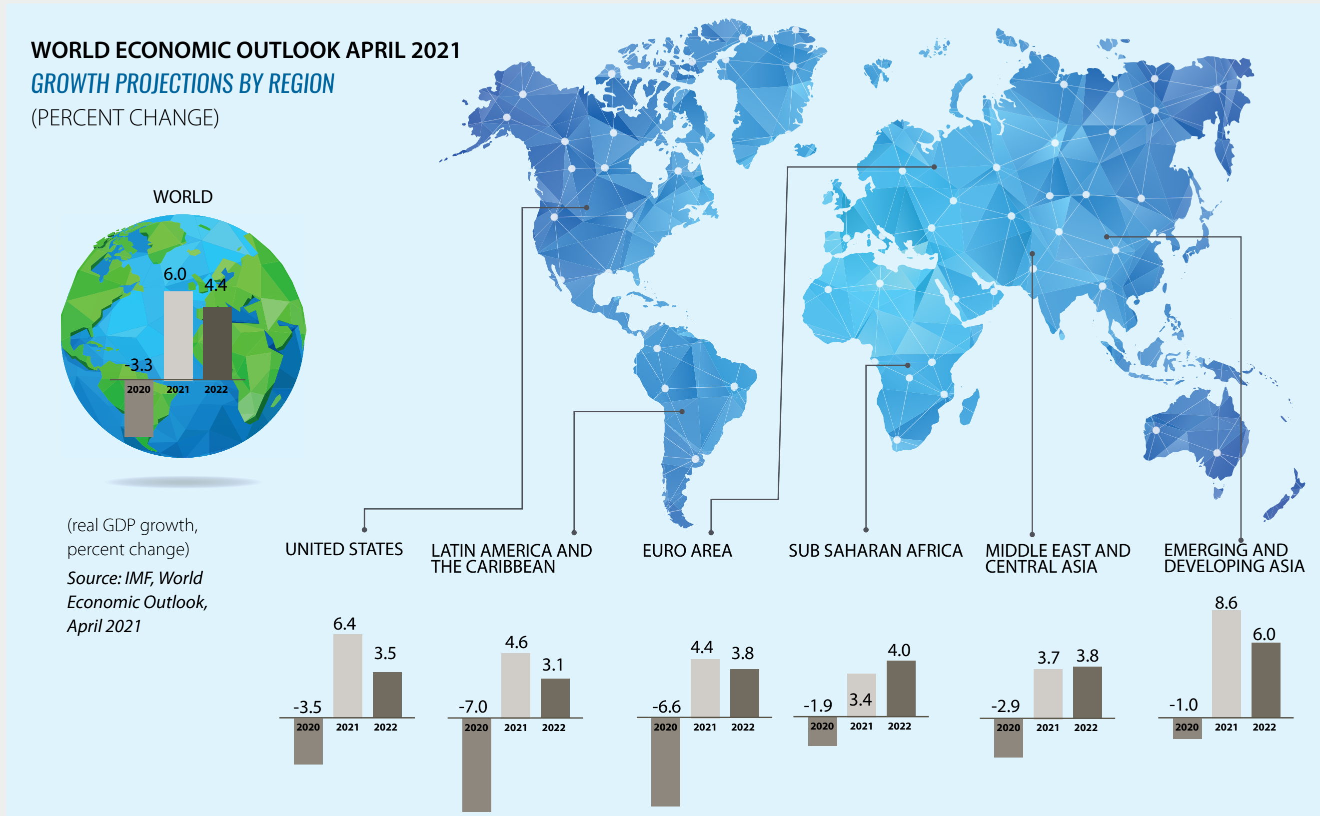
At the same time, fiscal authorities channeled relief to households and firms through transfers, wage subsidies, and liquidity support. These actions supplemented other aspects of the safety net, such as unemployment insurance and nutrition assistance. Financial regulators in many

countries facilitated continued credit provision with a range of measures as a support. Exchange rate movements have reflected these shifts in risk sentiment; most emerging market currencies and those of commodity exporters have appreciated, while the US dollar has depreciated since last April. All these developments helped limit amplification of the shock.

Going forward: Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts the sentiments. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support.

The outlook depends not just on the outcome of the battle between the virus and vaccines, it also hinges on how effectively economic policies deployed under these highly uncertain times can limit lasting damage from this unprecedented crisis.

Estimates for 21 & 22 : The IMF projects a stronger recovery in 2021 and 2022 for the Global economy, with growth projected to be 6% and 4.4% respectively. A high degree of uncertainty surrounds these projections, with many possible downside and upside risks. Much still depends on the race between the virus and the vaccines.



Indian economy

FY21 was a remarkable demonstration of resilience and resurgence by the Indian economy.

After a contraction in GDP for the first half of FY21, a negative growth of 24.4% and 7.3% in the first two quarters India recovered smartly to emerge as one of the select few economies that have witnessed positive year-on-year growth - in the three month period October-December'20; it grew by 0.4%. GDP growth in Q4 of FY21 was much higher at 1.6%.

On an overall basis though, growth in India's real GDP during 2020-21 is estimated at -7.3% as compared to 4.0% in 2019-20 (according to the second estimate by the Government).

The accelerated momentum in economic activity in the second half is also reflected in the healthy GST collection – it crossed the ₹ 1 lakh crore mark at a stretch for the last six month, being ₹ 1.23 Lakh crore in March 2021, the highest collection ever since the launch of GST.

The net indirect tax collection in 2020-21 grew 12.3% annually to ₹10.71 lakh crore, exceeding the previous year benchmark at ₹ 9.54 lakh crore.

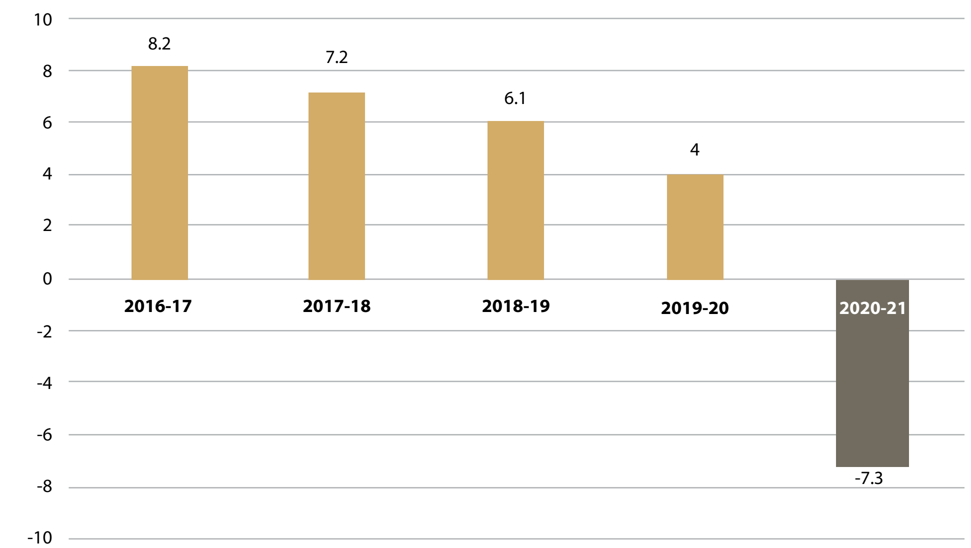
The manufacturing sector, after a sharp dip in Q1 of 2020-21 owing to the pandemic-induced lockdowns, rebounded sharply with the IHS Markit India Manufacturing PMI settling a shade above 55 in March 2021.

The agriculture sector is estimated to see a growth of 3% in 2020-21, however, lower than 4.3% in 2019-20.

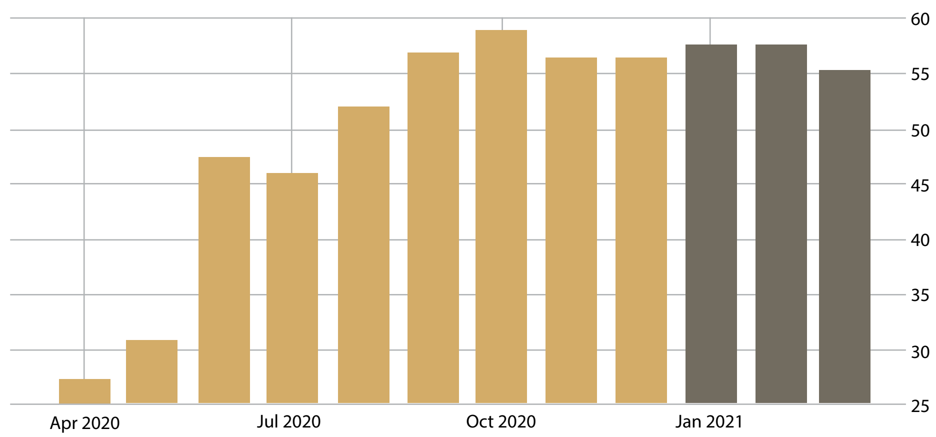
In view of the economic momentum in Q4 of 2020-21, most economic experts had predicted a sharp recovery in India's economy. But the sudden outbreak of the second wave of Covid-19 across the Indian landmass, has emerged as a significant challenge to India's economic progress. Rating agency Standard & Poor's stated that a drawn-out Covid-19 outbreak will impede India's economic recovery. Other institutions of global repute have also lowered their growth estimates for India in 2021-22.

With the raging Covid pandemic putting severe stress on the economy, the Reserve Bank of India (RBI) unveiled a host of measures to boost fund flow to the healthcare sector and ease the pain of small borrowers and units. The RBI has opened an on-tap liquidity window of ₹ 50,000 crore with tenors of up to three years at the repo rate of 4% till March 31, 2022 to boost liquidity for ramping up Covid-related healthcare infrastructure and services in the country.

GDP Growth (%)



IHS Markit India Manufacturing PMI



The steel sector

Steel and economic progress: Infrastructure is a key index of a country's economic position at the global stage. Developing infrastructure augments a country's productivity, making firms more competitive and boosting the overall economy of a region. To that end, countries need steel to build new infrastructure like roads, railway lines, buildings and bridges, and also need it to lay new pipelines for gas, water and sanitation, etc. Besides, steel is used in almost every aspect of individual lives too - from cars to refrigerators to washing machines. Evidently then, steel consumption is widely taken to be an indicator of economic development.

Global steel in 2020

The pandemic impacted almost every nation across the globe. It impacted lives and livelihoods is an unprecedented manner. To contain the impact Governments across the globe rushed to alleviate the hardship and suffering of its people. This relegated investment in steel consuming projects to the backburner for most part of 2020. In the second half of 2020, the horizon cleared and economic activity gained momentum in advanced and major developing economies leading to an uptick is steel production and consumption.

Production: Global crude steel production reached 1,864.0 million tonnes (Mt) for the year 2020, down by 0.9% compared to 2019.

Asia produced 1,374.9 Mt of crude steel in 2020, an increase of 1.5% compared to 2019. India and Japan, the No. 2 and No. 3 steel producers, respectively, both saw their output decline in 2020. India's fell by 10.6% (99.6 Mt in 2020), while Japan's dropped by 16.2%.

The EU produced 138.8 Mt of crude steel in 2020, a decrease of 11.8% compared to 2019. In the CIS, production was 102.0 Mt in 2020, up by 1.5% on 2019. Crude steel production in North America was 101.1 Mt in 2020, down 15.5% on 2019.

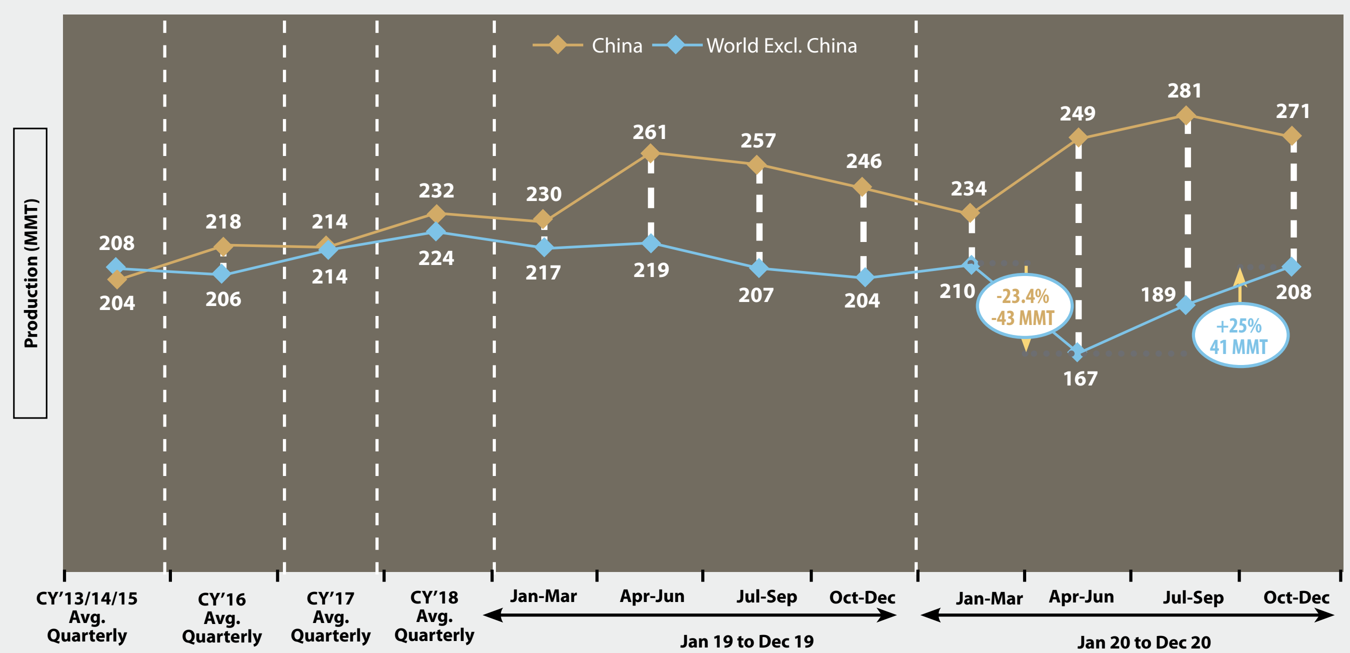
Among the top 10 steel producers in the world, only China, Russia, Turkey and Iran posted year-on-year growth. Mirroring its economic recovery compared with the rest of the world, China's steel production remained strong compared with the rest of the world. Its crude steel production in 2020 reached 1,053.0 Mt, up by 5.2% on 2019. China's share of global crude steel production increased from 53.3% in 2019 to 56.5% in 2020.

Steel price rally in 2020: Up to 30% of global steel-making capacity (excluding China) remained idle or operated at reduced utilisation in response to a pandemic-induced drop in demand.

However, the recovery in automotive production and white goods manufacturing was quicker than expected when the strictest lockdown measures were lifted. The construction sector was less affected, as it was supported by government stimulus schemes in many regions.

The restarting of steel plants was not sufficiently quick to meet growing demand, while inventory levels reduced to historical lows. Moreover, restocking across the steel value chain in Europe and the US created additional demand. As a result, steel prices rallied in all regions in late 2020. They continue to rise and have reached highest ever levels.

Estimates for 2021: According to the World Steel Association steel demand will grow by 5.8% in 2021 to reach 1,874 Mt. The new forecast assumes that the ongoing second or third waves of Covid-19 infections will stabilise in Q2 and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries. The developed World's Steel demand will see substantial recovery in 2021.



Indian steel in 2020

Steel consumption is widely taken to be an indicator of economic development. As a fast-developing country aiming to become a 5 trillion-dollar economy in few years, India's economic growth is closely linked to the growth of its steel industry. It is the ultimate article of trade which can potentially fuel the rise of India as a global manufacturing hub and give the much-needed boost to its 'Make in India' campaign.

What Steel can do to make India a 5 trillion-dollar economy

The crucial role of steel in India's growth and its future has been captured in a report prepared by the National Council of Applied Economic Research (NCAER). Its findings suggest that the steel sector in India has a very high potential of contributing in India's overall development. Indeed, it is the one commodity that has multifarious applications spanning diverse sectors of economic activity.

That steel plants present huge employment opportunities, especially in Tier III cities. Steel has an employment multiplier effect of 6.8x while it has an output multiplier effect of 1.4x. Further, India has now overtaken Japan to become the world's second largest producer of crude steel, producing more than 100 mmt last year. Steel now contributes about 2% to India's GDP and employs some 6 lakh people directly and 20 lakh people indirectly.

Moreover, India's strategic location marked by a long coastline to enable exports and imports makes it a key player in the global steel market. These statistics alone are reflective of the importance of steel in propelling the country's growth beyond 7% Y-o-Y.

Performance in FY21: Domestic production of crude steel and finished steel fell by 5.9% to 103 million tonnes and 7.3% to 95.1 million tonnes in FY21. Consumption of finished fell by 6.7% in FY21.

During FY21, export of finished steel from India was higher by 29.1% at 10.8 million tonnes as compared to export during FY20, mainly driven by China. Import of finished steel at 4.8 million tonnes was lower by 29.8% over the previous year.

Steel producers made rapid gains after producing half their usual volume during the initial months of the pandemic. Production during February rose 7.4% (January they rose 7.6%) on a year-on-year basis to 9.2 million tonnes. The scale-up comes amid a sharp rise in domestic and global steel prices.

Going forward: Ratings agency India Ratings and Research (Ind-Ra) revised its outlook on the domestic steel sector from negative to stable for FY22. It expects FY22 steel volumes to improve year-on-year and compensate for a likely moderation in per tonne margins, as an up-cycle in steel prices in expected to continue in FY22.

Absence of China from the world export market and higher import of steel from China is one of the major factor keeping steel prices elevated. Continued higher demand from China on the back of a stimulus package and the country's desire to bring down production levels in 2021 to reduce Co^2 levels will be an important factor that will strengthen steel prices. Demand-supply imbalance in the global market will also continue to present export opportunities to domestic players.

EAF, the preferred route for Green Steel

Steel production through the EAF route has seen a 3% CAGR over the long term (say 15-20 year period). This trend is expected to continue considering the inherent benefits of the EAF route with regard to environmental concerns and sustainability.

EAF steel segment

Around 75% of all types of modern-day steel were developed only in the last two decades; there are as many as 3,500 different grades of steel and each grade offers environmental, chemical and physical properties unique to that grade of steel. All this customisation of steel for varied applications is done primarily by the secondary steel sector more particularly through the EAF route.

EAFs can produce all kinds of steels, from metal for basic products like reinforcing bar to stainless and high alloyed special steels, where flexibility and smaller capacities are advantages.

After holding at approximately 25% of global steel-making production for about a decade through 2012, the migration to Electric Arc Furnace (EAF) steel-making accelerated during the past seven years.

Performance in 2020: In the first half of 2020 (CY), steel production through the EAF route was down in some large steel producing nations such as Europe, the US, Japan, Russia and Turkey, besides India owing to the slowdown in demand, trade tensions between the US and China and other geopolitical tensions in other parts of the world.

With the phased unlocking of business activities, steel production through the EAF route picked up.

Covid impact on India's secondary steel sector: The pandemic has dealt a body blow to the fortunes of the secondary steel producers.

During the peak lockdown period, primary steelmakers were able to catch up with the lost domestic demand through exports, which the secondary players could not due to limited reach and infrastructure.

Also, limited scale of operations and weaker financial flexibility to cope with the multiple challenges thrown by the pandemic delayed their recovery.

Further, in the second half of FY21, while a surge in steel prices bolstered the fortunes of ISPs (integrated steel plant), it had very little impact on the profitability of secondary steel producers as raw material prices too shot up at the same time. A number of secondary steel manufacturers were unable to pass on the input cost increase.

The Graphite Electrode sector

Graphite electrodes are primarily used in steel-making through the Electric Arc Furnace (EAF) route which is an environment-friendly technology for steel making. Every ton of steel consumes about 1.5-2.0 kg of graphite electrode. Although Graphite Electrodes form about 3-5% of the cost of steel manufacturing, the industry has witnessed significant upheavals in the last decade.

The downside before 2017

The global steel sector witnessed considerable headwinds. Excess steel from China was made available to the world at throw-away prices rendering steel manufacturing operations of smaller units (EAF-based) across the globe, unviable. This adversely impacted the demand for graphite electrodes. Reduced demand of graphite electrodes from the EAF steel sector and prices falling to unsustainable levels forced some of the leading graphite electrode companies to permanently shut down several old and uneconomic plants globally to minimise losses.

The fortune reversal (2018-2020)

China used to produce around 95% of its steel through the Blast Furnace route (against approximately 53% in rest of the world) which emits about four times more carbon for each tonne of steel as against EAF. China, recently adopted the Blue Sky Policy under which it promised to replace its large and inefficient Blast Furnace steel capacity with EAF plants – targeting an increase in their EAF steel capacity from about 5% to about 20% by 2020. In the process, replaced 100 mmt plus of their Blast Furnaces with EAF units. Due to sudden closure of 100 mmt plus capacities China's steel output was largely consumed internally and resulted in a sharp decline of their steel exports. Exports dropped from a high of 112 mmt in 2015 to 53.5 mmt in 2020.

This sharp drop in steel exports meant that all other major steel producing nations had to produce more steel where about 47% of steel is produced by EAF's.

Suddenly, graphite electrodes demand saw an upsurge (whereas some plants had shut down in the previous years) . Prices escalated to unprecedented levels. Graphite electrode became a strategic product from its earlier tag of a commodity. Steel manufacturers filled inventories beyond their immediate need to ensure that their plant operations were not impacted owing to the unavailability of graphite electrodes.

The sector now (2020...)

The world was engulfed in the pandemic. Lockdowns imposed to contain the spread of the coronavirus resulted in a drop in steel demand. As such, demand for graphite electrodes declined (steel companies had their inventory piled up from previous year). Prices receded from their all times high – but still not to the earlier low levels. With the phased unlocking of business operations across the globe, inventories with steel manufacturers got consumed. With reduced graphite electrode manufacturing capacity, the demand and supply equation in the graphite electrode space is now delicately balanced. This provides optimism for steady demand in the current year and healthy realisation.

Opportunities & Threats

Opportunities

According to S&P Global Platts Analytics China's electric arc furnace, or EAF, steel-making capacity will increase by 14.3 Mt/year in 2021 to about 196 Mt/year, accounting for about 17% of China's total crude steel capacity.

Medium to Longer term

-China has recently committed to becoming carbon neutral by 2060, aiming for its CO^2 emissions to peak before 2030. For China's 1 bn tonne plus steel sector, a reduced carbon footprint will require a shift away from blast furnace-based mills to electric arc furnaces (EAFs) that recycle steel scrap. Blast Furnace steel making contributes as high as 15% of China's total emissions.

Very recently, China has also withdrawn 13% VAT rebate on steel exports and in addition has imposed a 2.50% import duty on import of steel and scrap (which is the raw material for EAF steel) –these three measures would help the Graphite electrode industry in the Rest of the World.

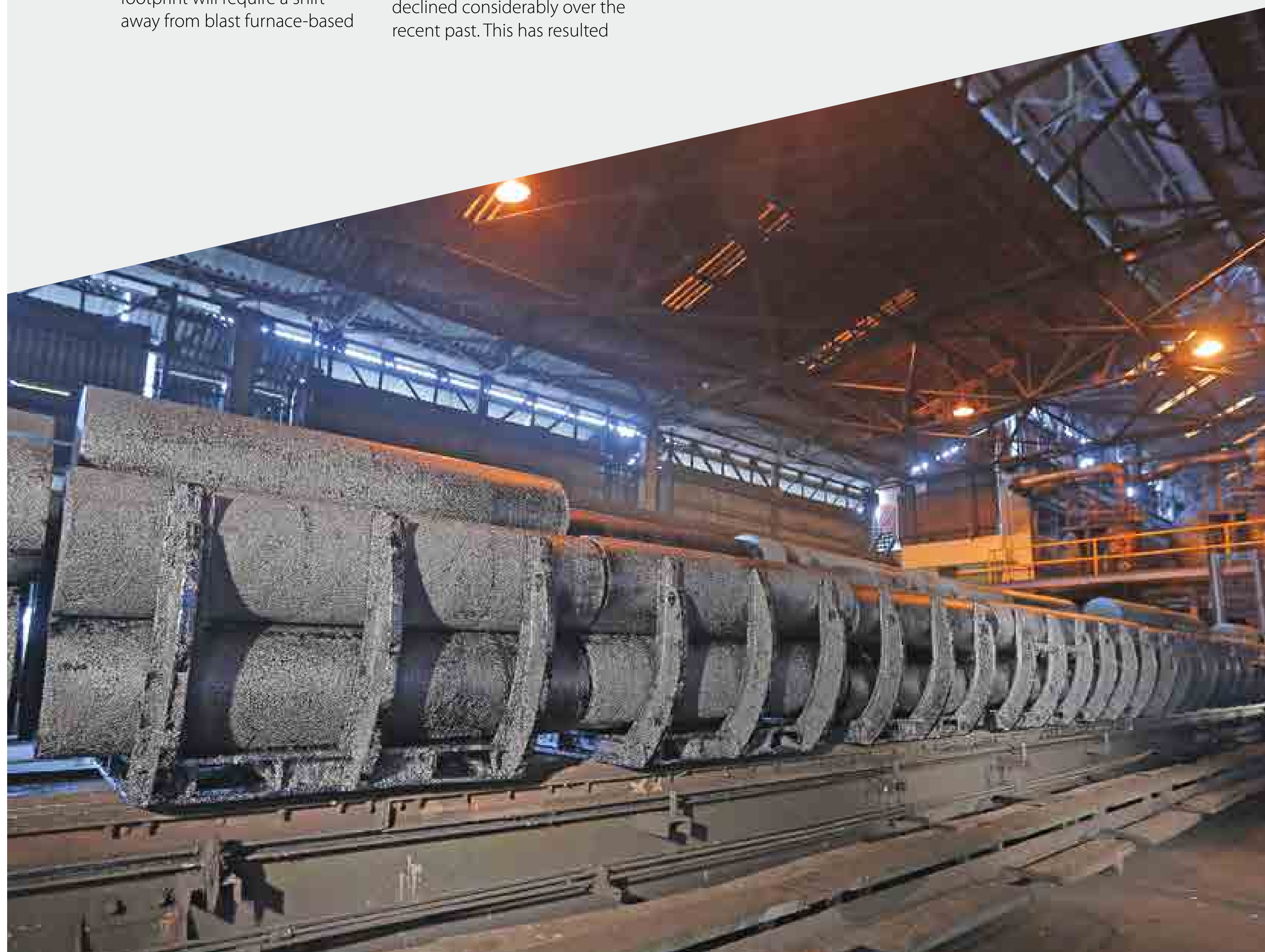
Steel exports by China have declined considerably over the recent past. This has resulted in a much higher capacity utilisation of EAF units across the Western World

With no additional capacities of Graphite electrodes coming up anywhere in the Western World except our own 20,000 mt expansion, we see enough opportunities for us to be able to spread our additional sales of electrodes once our expansion is operational.

All above augurs well for Graphite Electrode industry over the coming years.

Threat

The availability of needle coke and its price could adversely impact business operations. Also, the aggressive second wave of the Covid-19 pandemic in India has resulted in significant loss of lives and livelihoods. If unchecked, the further spread of the contagion could significantly impact business operations.



Business performance

Business vertical 1

Graphite Electrode

FY21 was a very challenging year owing to the adversities prevailing in the external ecosystem. The pandemic and the consequent lockdowns across the globe and in India throttled steel consumption. This in turn cooled the demand for graphite electrodes for first half of FY21, however demand started to pick up from the second half as the steel production started increasing globally and steel prices started firming up to reach record levels. From a year-on-year perspective business volumes increased by 12% appx.

A closer analysis of the performance reveals an interesting resurgence which augurs well for the sector and for HEG.

The first quarter of FY21 was a near washout owing to closure of manufacturing operations for a month and other logistical challenges thereafter. Business volumes picked up from the second quarter as unlocking happened across the globe, and India in a phased manner. This trend continued well into the third and fourth quarter of the fiscal as demand resurfaced. It helped in a slight recovery in realisation.

The Company remained agile to emerging market opportunities by remaining connected with all its customers across the lean period. This effort allowed it to improve its capacity utilisation – better than most peers in this space. A higher utilisation helped in better absorption of costs which improved cash flow.

Going forward, the prospects appear better as most steel companies now have normal inventory levels for graphite electrodes. Hence, any increase in steel production would translate into additional demand for graphite electrodes. But this optimism is subject to the second wave of the Covid-19 pandemic which has run riots across the Indian landmass and significantly challenged business operations in the first two months of FY22 however the Company continues to work at more than 80% capacity utilisation.

Business vertical 2

Power Generation

The turnover of the Power Segment decreased to ₹ 22.31 crore in FY21 (after inter-segmental sales) from ₹ 31.18 crore in FY20 (after inter-segmental sales). This decline is owing to the following reasons:

- Lower realisation on selling of Renewal energy certificate (REC) on account of revision in floor price by MPERC
- Increased Power intake from the Madhya Pradesh Electricity Board (MPEB) and reduced captive power from the thermal plant for availing rebate of ₹ 2 per kwh.

Quality commitment

Quality is one of the most important principals of doing business at HEG. This is reflected in the culture of the work place as well as the products and services it provides.

HEG implements the preventive maintenance discipline at its facility that ensures minimum equipment breakdown. The Company stays in contact with its customers on a regular basis.

HEG has lowered dispersions across operational areas and resistivity of large electrodes and nipples. The company also reviews and reinforces its procedural discipline while investing in best-in-class equipment.

This adherence to quality has made it possible for HEG, to nurture long lasting relations with global steel majors that have a significant share in the Company's sales volumes.

Innovation

HEG believes that innovation is the key to survival. HEG has developed its R&D Centre, to work on enhancing the quality and productivity, through process innovation.

The Company has a five-member team to map newer avenues like developing advanced carbon materials for energy, thermal and environmental management. The team also tries to come up with new findings to leverage its expertise and help develop new verticals for revenue.

HEG is committed to protecting the environment. The R&D team works closely with some reputable research institutes to develop environment-friendly approaches for sustainable growth which involves identifying alternative/ regenerative carbon feedstock.

Human resource

HEG understands the value of its intellectual capital. Courses have been developed using a lot of time and money by the Company, to upgrade the skill and capability of the work force to meet the current and future needs.

The Company is led by a 842 -strong workforce as on 31st March, 2021. With an average age of 41 years, the team reflects a blend of youthfulness and experience.

The company organised virtual training webinars to upgrade the skillset of its middle and senior management teams on technical and attributes during the year under review.

The HR team is now focused on strengthening the leadership across various verticals. The IT department is developing solutions for increased transparency in business operations and better connectivity with customers.

Financial performance

(Based on Standalone Financial Statement)

The graphite electrode sector continued to operate in a dismal ecosystem owing to the pandemic that spread across the globe which adversely economic progress – the world entered into a recession. As such demand for electrodes continued to drop. Moreover graphite electrode players were stuck with high cost raw material. The drop in realisation and high cost of manufacture depreciated profitability of the sector. HEG's progress remained throttled with similar headwinds reflected in the Company financial performance.

Revenue from operations dropped from ₹ 2,293 crore in FY20 to ₹ 1,369 crore in FY21. EBITDA declined from ₹ 138 crore in FY20 to ₹ 54 crore in FY21. At the net level the Company slipped into the red – it registered a net loss of ₹ 25 crore in FY21 against a Net Profit of ₹ 53 crore in FY20. Net cash from operations stood at ₹ 729 crore in FY20 strengthening organisational liquidity.

Akin to the drop in performance, shareholder's funds dropped only marginally from ₹ 3,423 crore as on March 31, 2020 to ₹ 3,399 crore as on March 31, 2021. Cash in hand and bank (including liquid investments) stood at ₹ 1521 crore as on March 31, 2021. It provides considerable support to weather external challenges with a determined resolve.

Significant changes (i.e. change of 25% or more as compared to the immediately previous financial years) in Key Financial Ratios, along with explanation are as under:

Particulars	FY21	FY20	Change	Reason
Operating Profit margin (%)	(2)%	3%	(150)%	The change is due lower sales realisation and consequently lower margins during the Financial Year vis a vis Previous Year.
Inventory Net Profit Margin (%) Ratio	(2)%	2%	(181)%	
Return on Networth (%)	(1)%	2%	(148)%	
Interest Coverage Ratio	(1.71)	1.80	(195)%	
Current Ratio	3.22	2.52	28%	This is primarily on account of reduction in working capital borrowings by ₹ 296 crore.
Debt-Equity Ratio	0.09	0.17	50%	
Debtors Turnover Ratio	3.65	2.71	35%	The improvement in the ratio is mainly due to better credit terms with the customers.
Inventory Turnover Ratio	1.58	1.86	(15)%	

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

There was no transaction of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company

Internal control & adequacy

The Company has in place a sound system of internal controls to ensure the achievement of goals, evaluation of risks and reliable reporting of financial and operational information. This efficient internal control procedure is driven by a robust system of checks and balances that ensures safeguarding of assets, compliance with all regulatory norms, and procedural and systemic improvements periodically. The Company uses an ERP (Enterprise Resource Planning) package supported by in-built controls. This guarantees timely financial reporting. The audit system periodically reviews the control mechanism and legal, regulatory and environmental compliances. The internal audit team also checks the effectiveness of internal controls and initiates necessary changes arising out of inadequacies, if any. All financial and audit controls are further reviewed by the Audit Committee of the Board of Directors.

Risks and its mitigation

At HEG, our risk strategy is determined by a risk appetite defined for a series of risk criteria. These are based on sectoral circumstances, internal capabilities and our earnings target within the accepted volatility limits.

As such, risk management at the Company is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable.

Demand risk

Graphite electrodes demand could be tepid.

Mitigation: Demand for graphite electrodes was tepid in FY21 essentially owing to the pandemic and the resultant lockdowns which impacted downstream manufacturing activity which curtailed the demand for steel. As a result, steel majors were saddled with inventory of graphite electrodes. But this pile has been largely consumed in FY21 with the phase unlocking of business operations. Industry experts are of the opinion that demand will pick up in FY22.

Also, reduced exports by China, have allowed EAF players across the globe to rekindle their furnaces – thereby improving the prospects for the graphite electrode players. Moreover, a reduction in graphite electrode manufacturing capacities by 40,000 TPA (between 2018 and 2020), works in favour of improving prospects.

Covid risk

The second wave of the pandemic has dealt a body blow to business activity. This could adversely impact performance in FY22.

Mitigation: The second wave has subdued business activity in India for the first two months of FY22. But unlike the previous occasion, manufacturing operations have continued, albeit at curtailed asset utilisation. Also, experts suggest that the huge on-ground efforts to control the pandemic should help in containing the spread shortly.

HEG's performance would be impacted owing to the second wave, but the extent is expected to be limited. This is owing to the following factors:

- The management and its team are experienced in handling uncertainty successfully. Its efficient handling of first wave and its agile resurgence thereafter is reflected in a superior capacity utilisation - higher than most others in its business space.
- Globally, the demand for graphite electrodes is picking up which should result in a healthy performance.

Expansion risk

There may not be sufficient demand to feed the additional capacity.

Risk mitigation: The new capacity (20,000 TPA) should generate output towards the close of FY23. Hence it would be relevant to view the demand prospects from two perspective – the immediate and the long-term

From the immediate term: If we extrapolate the historical growth of steel output through the EAF route over the next 2-3 years, the resultant demand for graphite electrodes would be significantly higher than the new capacity coming on stream. Moreover, other than HEG, there is no additional graphite electrode capacity announced yet. As such, demand shortage is not expected.

From a long term perspective: Recently, China has expressed its intention of becoming a Carbon Neutral nation by 2060. To achieve this, it is expected that a series of policy changes will be announced which will have a significant bearing on the nation's steel capacities, steel production technologies and its steel exports. It could also have some impact on the graphite electrode business space. These changes, when they happen, could significantly alter the landscape in favour of graphite electrode players across the globe.

Corporate Social Responsibility

Care for the world around us

HEG being a responsible corporate citizen, strives to contribute in upliftment of community in a variety of ways be it – promoting education, eradicating hunger, increasing farmers income, care for destitute and homeless, medical care, environment, heritage promotion etc. The focus of the company is to assist the disadvantaged section of the society.

Eradicating Hunger & promoting Education

Akshaya Patra

HEG, in partnership with Akshaya Patra Bhopal has set up the first mega kitchen in Bhopal which will provide upto 50,000 meals a day to school going children in 900 Schools under the mid-day meal scheme.

The kitchen is ready to start operations with the re-opening of schools in the city.

This is the first Mega Kitchen of Akshaya Patra in the state of Madhya Pradesh.

HEG has spent ₹ 11 crores till now for setting up of the kitchen and is committed to contribute between ₹ 5 - 6 crore per annum as running expenses for next 5 years.

Increasing Farmers Income and Eradicating Poverty

Global Raisen

Global Parli is a nation-building movement started by Mayank Gandhi, which works around the goals of rural economic transformation with a specific focus on the rural economy, environment and 360° development of our farmers & their family. The mission is to increase annual farmer incomes by more than 10 times than their current earnings by mass plantation of the fruit trees sourced from best nurseries after thorough study of the area, soil, water, weather conditions, at highly subsidised price, ongoing training of farmers and hand holding then for all such related activities.

Global Parli has empowered 8,000+ farmers from 9 districts in Maharashtra and 7 districts in Madhya Pradesh with a well-thought plan to expand across other regions of India very soon. To date, we have bookings of over 80 lakhs fruit trees and still counting to complete our target of 1 crore fruit trees plantation by the end of 2021 benefiting thousands of additional farmers and greening the environment.

0In 2020, we began this movement our own Dist. Raisen, Madhya Pradesh. Despite all Covid-19 challenges, our team helped farmers plant 2,54,967 fruit trees which included papaya, custard apple, lemon, guava, orange, sweet lime, drumsticks, mango and banana.

In 2021 till now the farmers have booked over 20,09,316 fruit trees across 7 districts in Madhya Pradesh (Bhopal, Raisen, Vidisha, Narsinghpur, Hoshangabad, Burhanpur and Sehore)

And nationwide, this number currently stands at 90,38,316

Extending the green cover

In addition, the Company undertook important initiatives to extend the green cover in areas proximate to its operating units.

- Planted more than 4,000 plants at Tawa Nagar area in co-ordination with local government bodies along the NH-69.
- Planted 100+ grown up trees inside HEG's plant to increase the green cover. The company constantly undertakes such plantations within and outside the factory.

Care home for Destitute and Homeless

Apna Ghar

HEG set up an ashram in Bhopal called APNA Ghar for the destitute and homeless people. The ashram rescues neglected, homeless, ill and destitute persons generally found in very harsh and painful conditions on roadsides, railway stations, bus stands, religious and other public places. This ashram is running at capacity of 48 people whom we call Prabhu ji. So far , the Ashram team has rescued 135 such people and rehablitated 22 of them. The ashram take care of their stay, food, medical needs and care. HEG is funding the ashram.

Education

Ashoka University

Ashoka University is a pioneering initiative in India's higher education space. It is the country's first Liberal Arts and Sciences University in a system dominated by technical and vocational education.

Ashoka is built on collective public philanthropy ensuring an ethical and independent governance model. Its vision is to build a world-class university – home to the most diverse student body, a hub for impactful research, and a magnet for best-in-class faculty and staff.

The University's multidisciplinary curriculum lays emphasis on learning across subjects. Such an education provides depth and breadth of learning, both by exposing students to diverse disciplines as well as through scholarship and research.

Ashoka is committed to making a high-quality education accessible to deserving students, irrespective of their socio-economic backgrounds. In the last 10 years, the University has provided ₹ 257 crore in need-based financial aid to over 3,300 students. Fifty per cent of our students are currently on scholarships. Our students come from 229 Indian towns and cities and from 27 countries, enriching our intellectual landscape.

Graphite School at Mandideep, Dist. Raisen

- The Company is going to build a new CBSE affiliated school near our plant in Mandideep to promote education of the community in the vicinity. HEG has already transferred ₹14.40 crore to the Graphite Education and Welfare Society for the same.
- Continued to subsidise annually school fees for more than 200 BPL-category students
- Introduced a scholarship program for children of below poverty lines under which the Company provided admission to 10 students every year to professional colleges and provided financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in Mandideep industrial area

Tawanagar

- Conducted a computer training at Tawa Nagar to provide basic computer education to 100 to 120 local underprivileged students through Data Nuts Private Ltd., Bhopal; two batches of students have passed out from this institute
- Supported meritorious but financially weaker/poor students in the science and commerce streams to help them to prepare for competitive examinations.
- Help in education of physically disabled students.

Promoting Heritage of the Country

HEG collaborated with Sabhyata foundation which is taking care of the upkeep and facility development of several heritage sites in India including sites like Red Fort, Bhembetka ancient rock caves etc.

Healthcare

- Provided medical consultation to general public at the OPD Centre in Mandideep and Tawanagar and distributed free medicines among BPL category patients
- Conducted medical health camps and distributing medicines in villages and to economically weaker sections, in collaboration with Sewa Bharti, Bhopal
- The Company spent ₹ 96 Lakhs in order to pursue Swabhimaan Bhoj Program and Covid-related activities in Bhilwara and Ajmer District of Rajasthan.

Board's Report

Dear Members,

Your Directors have the pleasure of presenting their 49th Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2021.

1. Financial Results

(₹ in Crores)

Particulars	2020-21	2019-20
Net sales	1234.43	2101.89
Other operating income	21.80	47.14
Total income from operations (Net)	1256.23	2149.02
Other income	112.91	143.76
Total income	**1369.14**	**2292.78**
Profit before finance cost, depreciation and amortisation	**53.73**	**137.93**
Finance cost	11.37	36.51
Profit before depreciation and amortisation	42.36	101.42
Depreciation and amortisation	73.12	72.13
Profit/(Loss) before tax	**(30.76)**	**29.29**
Provision for taxation:		
Current tax	0.20	(0.19)
Deferred tax	(5.66)	(23.90)
Net Profit/(Loss) for the period	**(25.30)**	**53.37**
EPS (Basic) ₹	**(6.56)**	**13.83**

Note: No amount transferred to reserves.

2. Overall Performance

The Company recorded net sales of ₹1,234.43 Crores during the financial year 2020-21 as compared to ₹2,101.89 Crores in the previous financial year. The Net Loss during the financial year 2020-21 was at ₹25.30 Crores as compared to a net profit of ₹ 53.37 Crores in financial year 2019-20 translating to Basic Earnings Per Share at ₹(6.56) for the financial year 2020-21 as against ₹13.83 in financial year 2019-20.

3. Impact of *Covid-19*

As a result of the pandemic, the global economy shrunk by 3.3% in 2020. As the world goes through the second / third waves, each country is trying hard to keep their industry running.

Till 24th March, 2020, the operations of the Company were normal. Thereafter, on announcement of lockdown, there was no operating business activity except in case of some specific processes which are continuous in nature and take about a month to shut down till 23rd April, 2020.

The Company started operations again from 23rd April 2020 when all processes had started except Green and Baking which was eventually started on 28th April, 2020.

The plant managed the Covid crises very well and has been running successfully since then without any interruption or slow down with our capacity utilisations / sales volumes going up consistently.

Since we export about 70% of our production to more than 30 countries including US, Middle East, Europe, SE Asia etc., so our business is not impacted by slow down in one or two particular countries.

Our business is based upon the steel sector (Electric arc furnaces) which is largely dependent upon the construction sector, automobiles and other white goods. Due to COVID 19 pandemic, the overall steel demand had reduced in first half of 2020 and since then we have seen a revival of demand and steel production returning to pre COVID levels.

We are optimistic that once the COVID-19 impact gets over, the growth of steel sector will rebound further.

4. State of Company's Affairs

The analytical review of the Company's performance and its businesses, including initiatives in the areas of Human Resources and Corporate Social Responsibility have been presented in the section of Management Discussion and Analysis of this Annual Report.

Electrode Sector

In past years from 2010-2017, electrode prices have been extremely low due to lower demand for electrodes compared to capacity. As a result of which 6 plants in the western world closed down taking out 200,000 tons of excess capacity. When the capacity got balanced, came the sudden clampdown on Steel industry and Graphite industry in China due to pollution concerns. As the western world electrode capacity was already balanced with demand as a result of closures and also because western world steel plants started producing more due to drop in exports from China, there was a sudden spurt in demand of electrodes which led to shooting up of electrode prices.

In the year of 2017 and 2018, other suppliers outside China increased their production levels to meet the additional demand. Meanwhile Chinese electrode players also modified their plants to meet the new pollution norms and brought back their capacity. At the same time the EAF did not grow as expected in China. This led to electrode supply becoming more than electrode demand and thus the normalization of electrode prices around middle of 2019.

As the electrode supply was less in 2018, most of the steel companies overbought electrodes creating excess inventories. When the electrode supply eased and prices started to fall, all the steel companies started to correct their inventory levels from beginning of 2019. This correction should have happened by the end of 2019 but due to fall in EAF steel production, the inventories are taken longer to correct.

By the end of 2020, the excess inventories with the customers have got corrected and now the consumption is showing in the real demand for Graphite electrodes. For the last two quarters we have seen the steel production return to the pre-COVID levels in rest of the world, which is restoring the demand of GE.

There is ongoing preference for EAF steel making over BOF in Rest of the world and also in China. China has changed some of its policies to promote more EAF steel production which bodes well for GE demand.

By the end of 2020 the excess inventories with the customers have got corrected and now the consumption is showing in the real demand for Graphite electrodes. For the last two quarters we have seen the steel production return to the pre-COVID levels in rest of the world, which is restoring the demand of GE.

We remain one of the most cost competitive and quality producer of graphite electrodes in the world ready to take all kind of opportunities

Power Generation

The Company has captive power generation capacity of 76.5MW (comprising two thermal power plants and a hydroelectric power facility) leading to sustained supply of reliable to energy for its graphite electrode facility. Excess power generated was sold in the market through IEX and bi-partite power purchase agreement with open access to consumers.

The turnover of the Power Segment decreased to ₹22.31 Crores in FY 2020-2021 (after inter-segmental sales) from ₹31.18 Crores in FY2019-20 (after inter-segmental sales) due to following reasons:

- Lower realisation on selling of Renewal energy certificate (REC) on account of revision in floor price by MPERC.
- Increased Power intake from the Madhya Pradesh Electricity Board (MPEB) and reduced captive power from the thermal plant for availing rebate of ₹2 per kwh.

This initiative reduced the volume of captive generation of thermal and transfer to graphite, and reduced the average realisation in the power segment as the revenue in power segment is booked based on the corresponding rate of power defined by the state and utilities.

This measure, though has reduced revenue and bottom-line in the thermal power segment, had a favourable impact on the overall cost of power consumed in the graphite electrode business.

5. Change in Share Capital

During the Financial Year 2020-21, there was no change in the Share Capital of the Company.

6. Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. Change in the Nature of Business

There is no change in the nature of business during the financial year 2020-21.

8. Subsidiary, Associate Companies or Joint Ventures

There are two Associates of the Company namely Bhilwara Infotechnology Limited and Bhilwara Energy Limited.

Bhilwara Infotechnology Ltd. had a turnover (Revenue from Operations) of ₹34.37 Crores and Net Profit was ₹2.83 Crores in the financial year 2020-21.

Bhilwara Energy Ltd. had a consolidated turnover (Revenue from Operations) of ₹ 273.35 Crores and Net Profit (attributable to owners of the parent) was ₹ 12.80 Crores as per their audited consolidated financial statements for the financial year 2020-21.

The Company has neither have Subsidiaries nor Joint Ventures. No Company has become/ceased to be an Associate or Joint Venture during the financial year 2020-21.

Performance of Associate Companies and their contribution to overall performance of the Company has been mentioned in the Notes to Accounts to the consolidated financial statements.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements is annexed in the Form AOC-1 to the consolidated financial statements and hence not repeated here for the sake of brevity.

9. Consolidated Financial Statements

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

10. Dividend

Your Directors are pleased to recommend a dividend at the rate of ₹ 3/-per equity share on 3,85,95,506 equity shares of face value of ₹10 each for the financial year ended 31st March, 2021 subject to the approval of the Shareholders at the ensuing 49th Annual General Meeting (AGM) of the Company. The dividend, if declared by the Shareholders in the AGM will be subject to deduction of tax at source at applicable rates.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is attached as **Annexure IV**, which form part of this report and is also available on the website of the Company.

11. Corporate Governance

A report on Corporate Governance forms part of this Report along with the Auditors' Certificate on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Auditors' Certificate for the financial year 2020-21 does not contain any qualifications, reservations or adverse remarks.

12. Management Discussion and Analysis

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report.

13. Business Responsibility Report

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

14. Internal Control / Internal Financial Control Systems and Adequacy Thereof

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit programme covers various activities and periodical reports are submitted to the top management. The Company has a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions.

Further, the Internal Financial Control framework is under consistent supervision of Audit Committee, Board of Directors and also Independent Statutory Auditors. During the year, no reportable material weakness in the design or operations was observed.

15. Personnel

a) Industrial relations

The industrial relations during the period under review generally remained cordial at all the plants of the Company.

b) Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure - I.**

16. Public Deposits

Your Company has not invited any deposits from public/ shareholders in accordance with Chapter V of the Companies Act, 2013.

17. Significant and Material Orders Passed By The Regulators Or Courts Or Tribunals

There were no significant material orders passed by the Regulators/ Courts/ Tribunals during the financial year 2020-21 which would impact the going concern status of the Company and its future operations.

18. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as **Annexure - II** forming part of this Report.

19. Directors and Key Managerial Personnel

i. DIRECTORS

Shri Satish Chand Mehta (DIN 02460558), Independent Director was re-appointed by Shareholders through Postal Ballot on 14th March, 2021 for a period of five years w.e.f. 23rd June, 2021.

Shri Riju Jhunjhunwala (DIN: 00061060) and Shri Shekhar Agarwal (DIN: 00066113) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board hereby recommends their re-appointment for approval of shareholders in the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

In the opinion of Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with schedules and rules thereto as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Independent Directors are independent of management.

The Company has a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.hegltd.com.

The Code has been circulated to all the Members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, of the Directors eligible for appointment/ re-appointment forms part of the Notice of Annual General Meeting and Corporate Governance Report.

ii. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

a) Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO

b) Shri Manish Gulati, Executive Director

c) Shri Gulshan Kumar Sakhuja, Chief Financial Officer

d) Shri Vivek Chaudhary, Company Secretary

20. Board Evaluation

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation exercise covered various aspects of the Board's functioning such as composition of the Board & Committee(s), their functioning & effectiveness, contribution of all the Directors and the decision making process by the Board.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually were adjudged satisfactory.

21. Nomination and Remuneration Policy

The Nomination & Remuneration Policy of the Company is in place and is attached as **Annexure – III** to this Report.

22. Meetings of the Board

The Board of Directors met four times in the financial year 2020-2021 through Video Conferencing as permitted by relevant MCA circulars & SEBI Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

23. Contracts and Arrangements with Related Parties

All related party contracts/arrangements/transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The statement of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee for approval on a quarterly basis. The statement is supported by a Certificate from the Statutory Auditors, Internal Auditor and Chief Financial Officer.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website, the weblink of which is as under:

http://hegltd.com/wp-content/uploads/2020/07/Related-Party-Transaction-Policy.pdf

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company that have a potential conflict with the interests of the Company.

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, the Company has submitted the half yearly disclosure of related party transactions on a consolidated basis to the BSE Ltd and National Stock Exchange of India Ltd.

No material Related Party Transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the financial year of the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

24. Audit Committee

The composition of the Audit Committee is stated in the Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board during the financial year 2020-21.

25. Auditors

M/s SCV & Co LLP having (Firm Registration No- 000235N), Chartered Accountants, the Statutory Auditors of the Company will hold office until the conclusion of the 50th Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the notification dated May, 7, 2018 issued by Ministry of Corporate Affairs, the requirement for ratification of appointment of Auditors by the shareholders at every Annual General Meeting has been done away with. Further, the Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules made thereunder.

The Auditors' Report read along with Notes to Accounts is self-explanatory and therefore does not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

No fraud has been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

26. Cost Auditors

The Cost Audit for financial year ended March 31, 2020 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 8th September, 2020.

No fraud has been reported by the Cost Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Based on the recommendation of Audit Committee at its meeting held on 27th May, 2021, the Board has approved the re-appointment of M/s. N.D. Birla & Co. (M. No. 7907), as the Cost Auditors of the Company for the financial year 2021- 2022 on a remuneration of ₹ 2,00,000/- plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. N.D. Birla & Co., Cost Auditors is included in the Notice convening the ensuing Annual General Meeting.

27. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. GSK & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as **Annexure - V**.

No fraud has been reported by the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder.

The Board has re-appointed M/s. GSK & Associates, Company Secretaries in practice as Secretarial Auditor of the Company for the financial year 2021-22.

28. Qualification, Reservation or Adverse Remark in the Audit Reports.

There is no qualification, reservation or adverse remark made by the Statutory or Cost or Secretarial Auditors in their Audit Reports issued by them.

29. Business Risk Management

The objective of risk management at the Company is to protect shareholders value by minimizing threats or losses, and identifying and maximising opportunities. An enterprise-wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Risk Management Policy of the Company is in place. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organisation. Risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The annual strategic planning process provides the platform for identification, analysis, treatment and documentation of key risks. It is through this annual planning process that key risks and risk management strategies are communicated to the Board. The effectiveness of risk management strategies is monitored both formally and informally by management and process owners. There is no major risk which may threaten the existence of the Company.

30. Corporate Social Responsibility (CSR)

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of promotion of education, eradicating hunger & poverty, initiatives towards Community Service and Rural Development, Healthcare, Plantation & Environment Development, Protection of National heritage, Art, Culture etc. These projects were in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013.

The CSR Committee comprises Shri Ravi Jhunjhunwala (Chairman), Smt. Vinita Singhania (member) and Shri Satish Chand Mehta (member).

The Company has requisite Corporate Social Responsibility Policy in accordance with the provisions of the Act and Rules made there under, as amended. The CSR policy may be accessed on the Company's website at the link mentioned below:

http://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf

The various CSR projects inter-alia undertaken will bring qualitative changes in the lives of the community around the plant location. One of the key project is the empowerment of farmers by fruiting cycle under Project Global Raisen (Rural Economic Transformation) which will result in improvement in their income resulting into their higher familial and societal status. During the financial year 2020-21, the Company has established first megakitchen in Bhopal which will provide 40,000 meals a day serving approx.. 900 schools. The Capital expenditure have been completed in March 2021 and kitchen will start once the Covid-19 pandemic eases.

The Annual Report on CSR activities is enclosed as Annexure - VI, forming part of this report.

31. Internal Auditors

Based on the recommendation of Audit Committee, the Board has approved the re-appointment of M/s. S.L. Chhajed & Co. LLP, as the Internal Auditors of the Company for the financial year 2021-2022.

32. Directors Responsibility Statement

The Directors confirm that:

i) In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

ii) They 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 2020-21 and of the loss of the Company for the year under review;

iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv) They have prepared the annual accounts on a going concern basis;

v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

33. Vigil Mechanism /Whistle Blower Policy

The Company has a vigil mechanism named "Whistle Blower Policy", which is overseen by the Audit Committee. The Policy inter-alia provides safeguards against victimization of the Whistle Blower. Employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns if any, for review. The policy is posted on the website of the Company, the weblink of which is as under:

http://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

34. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

35. Insider Trading

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Regulations), your Company has adopted the following-

i) Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders- The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

ii) Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information- The Code ensures fair disclosure of events and occurrences that could impact price discovery in the market.

iii) Policy for dealing with Unpublished Price Sensitive Information (UPSI) and Whistle Blower Policy for employees to report any leak or suspected leak of UPSI- The policy aims to enable the employees of the Company to report any leak or suspected leak of UPSI, procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate action and informing the SEBI promptly of such leaks, inquiries and results of such inquiries.

iv) Internal Control Mechanism to prevent Insider Trading- The Internal Control Mechanism is adopted to ensure compliances with the requirements given in the regulations and to prevent Insider Trading. The Audit Committee reviewed and found the same in order.

36. Annual Return

In terms of the Section 92 (3) of Companies Act, 2013 as amended, the Annual Return of the Company is placed on the website of the Company www.hegltd.com on the following link:

http://hegltd.com/annual-general-meeting/

37. General Disclosure

a) The Company has maintained Cost Records in accordance with Section 148(1) of the Companies Act, 2013.

b) The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The Company has complied with the provisions of abovesaid act. The Company has undertaken 10 workshops or awareness programmes against sexual harassment of women at the workplace. No complaint of Sexual Harassment was received during the financial year 2020-21.

c) The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.

38. Electronic Communication

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with the Depository Participants and Registrar & Transfer Agent.

To support the 'Green Initiative' and in compliance of Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Members who have not yet registered their email addresses or want to update a fresh email id are requested to register the same with their Depository Participant in case the shares are held by them in electronic form and with Company's RTA in case the shares are held by them in physical form for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

Further, as permitted by MCA Circulars and SEBI Circulars issued from time to time, in view of the prevailing Covid-19 Pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 49th AGM and the Annual Report of the Company for the financial year ended 31st March, 2021 including therein the Audited Financial Statements for the year 2020-21, the above documents are being sent only by email to the Members.

39. Acknowledgements

Your Directors wish to place on record, their appreciation for the valuable assistance and support received by your Company from banks, financial institutions, the Central Government, the Government of Madhya Pradesh, the Government of Uttar Pradesh and their departments. The Board also thanks the employees at all levels, for the dedication, commitment and hard work put in by them.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the HEG family.

For and on behalf of the Board of Directors
Ravi Jhunjhunwala
Chairman,
Managing Director & CEO
DIN: 00060972

Place: Noida (U.P.)
Dated: 27th May, 2021

Annexure-I to the Board's Report

I. The information required pursuant to Section 197 read with Rule 5 sub rule 1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) Remuneration paid to Chairman, Managing Director & CEO, Whole-Time Director and Key Managerial Personnel

(₹ in Lakhs)

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2020-21	% increase in Remuneration in the financial year 2020-21	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Ravi Jhunjhunwala (Chairman, Managing Director & CEO)	147.34*	Nil	48.43
2	Manish Gulati (Executive Director)	95.28	Nil	31.32
3	Gulshan Kumar Sakhuja (Chief Financial Officer)	40.00	Nil	NA
4	Vivek Chaudhary (Company Secretary)	25.66	Nil	NA

*Nil commission paid.

(b) Remuneration paid to Non-Executive and Independent Directors

Shareholders in their 46th Annual General Meeting held on 23rd July, 2018 have approved the payment of commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and distributed amongst Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments may be made in respect of each year, for a period of five financial years starting from the financial year 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors / Committees thereof.

(₹ in Lakhs)

Sl. No.	Name of Director	Remuneration of non- executive & Independent Director for financial year 2020-21*	% increase in remuneration in the Financial year 2020-21	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Riju Jhunjhunwala (Non-Executive Director)	2.65	NA	0.87
2	Shekhar Agarwal (Non-Executive Director)	6.00	NA	1.97
3	Kamal Gupta (Non-Executive & Independent Director)	11.60	NA	3.81
4	Om Parkash Bahl (Non-Executive & Independent Director)	11.40	NA	3.75
5	Vinita Singhania (Non-Executive Director)	2.25	NA	0.74
6	Satish Chand Mehta (Non-Executive & Independent Director)	6.75	NA	2.22
7	Ramni Nirula (Non-Executive & Independent Director)	6.20	NA	2.04
8	Jayant Davar (Non-Executive & Independent Director)	3.75	25	1.23

* No commission was paid to Non- Executive Directors including Independent Directors of the Company during the FY 2020-21.

(c) The median remuneration of the employees of the Company for the financial year is ₹3,04,229 per annum.

(d) Percentage increase in the median remuneration of employees in the financial year was Nil

(e) Number of permanent employees on payroll of the Company were 842 nos. as on 31st March, 2021.

(f) The average increase of employee's salary for the FY 2020-21 was Nil.

(g) It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

II. The information of employees receiving salary in excess of the limits as prescribed under the provisions of Section 197 read with Rule 5, sub rule 2 & 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and remuneration of Managerial Personnel) Amendment Rules, 2016 under the Companies Act, 2013, who were employed throughout or for a part of the financial year under review is given as under:

a) Details of top ten employees in terms of remuneration drawn is as under

Sr. No.	Name of Employee	Designation	Remu-neration (₹ in Lakhs)	Qualification	Experi-ience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	147.34*	B.Com (Hons.), MBA	41	65	08.09.1979	-
2	Manish Gulati	Executive Director	95.28	MBA (Marketing & Finance), BE (Electronics)	28	52	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.
3	Atul Laxman Moghe	Assistant Vice President-Project -Plant Maintenance	47.93	BE (Electronics)	28	51	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.
4	Jasvinder Singh Khosla	Assistant Vice President-Project/ R&D/Safety/Specialty	47.62**	BE (Mech)	29	51	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs
5	Prashant Kumar Jha	Deputy General Manager – Commercial	40.93	ICWA, PGDBM	21	48	15.07.2011	M/s. Timex Group Ind. Limited, Noida, Manager, 2.9 Yrs.
6	Gulshan Kumar Sakhuja	Chief Financial Officer	40.00	CA, B.Com (Hons.), Delhi University	17	42	14.09.2009	Caparo Engineering India Pvt Ltd. Senior Manager Finance, 3.10 Yrs
7	Virendra Shrivastava	Assistant Vice President-Operations	39.43	B.Sc. (PCM), BE-Mechanical	30	54	14.05.1991	Hindustan Enterprises, Telearganj, Allahabad, Production Engineer, 0.6 Yr.
8	Manoj Kumar Gupta	Deputy General Manager - Design	34.36	BE(MECH),M. TECH(MECH)	30	52	07.02.2011	Hindalco Industries, Bharuch. Manager Maintenance, 5.6 Yrs
9	Rajesh Jetha	Deputy General Manager-I T	33.14	MCA(COMPUTER APPLICATION)	25	51	17.11.1997	NSMG Pvt Ltd, New Delhi, S/w Engineer, 2 Yrs
10	Ravi Kant Tripathi	Deputy General Manager- Finance	31.32	B.COM (TAXATION), ICWA, LLB	30	51	11.07.1994	Bharat Zinc Ltd. Bhopal, Accountant, 1 Yrs

* Nil Commission paid.
** Actual amount paid ₹19.20 Lakh, as he joined on 25th November, 2020.

Employee who left the organisation during the financial year have not been considered in the above statement.

b) Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2020-21

Sl. No.	Name of Employee	Designation	Remun-eration (₹ in Crores)	Qualification	Exper-ience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	1.47	B.Com (Hons.), MBA	41	65	08.09.1979	-

c) Statement related to employee employed for part of the year and in receipt of remuneration aggregating ₹8.50 Lakhs or more per month:

Sl. No.	Name of Employee	Designation	Remun-eration (₹ in Lakhs)	Qualification	Exper-ience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
-	-	-	-	-	-	-	-	-

Notes:
- Shri Ravi Jhunjhunwala is a relative of Shri Riju Jhunjhunwala.
- As per records of the Company, no employee is holding more than 2% of the Paid-Up Share Capital of the Company.
- All appointments are contractual in nature and terminate by notice on either side.
- No employee drew remuneration at a rate in excess of that drawn by the Chairman, Managing Director & CEO.

Annexure-II to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

(A)	CONSERVATION OF ENERGY		
(a)	the steps taken or impact on conservation of energy;		
	1. Replacement of conventional lights of ratings–322KW with LED lights of ratings – 136KW with the improvement of illumination level in various locations of plant and decreased/saved 1924 KWh/day by using LED lights then resulting saving of ₹36.37 Lakhs per Annum.		
	2. Grid air pressure increased from 4.5 KG/cm2 to 5.3 KG/cm2 and installation of Low level sensors in PNCs & switching Interlocking of for blasting of bughouses with running equipment in plant then resulting energy consumption decreased/saved 5000 KWh/day and saving of ₹44.77 Lakhs per Annum.		
(b)	the steps taken by the Company for utilising alternate sources of energy;		-
(c)	the capital investment on energy conservation equipment;		-
(B)	TECHNOLOGY ABSORPTION		
	(i) the efforts made towards technology absorption		-
	(ii)the benefits derived like product improvement, cost reduction, product, development or import substitution:		-
	(iii)in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–		-
(a)	The details of technology imported		-
(b)	The year of import		-
(c)	Whether technology been fully absorbed		-
(d)	If not fully absorbed, areas where absorption has not taken place and the reason thereof; and		-
	(iv) the expenditure incurred on Research and Development		₹113.47 Lakhs
(C)	FOREIGN EXCHANGE EARNINGS OUTGO		
	1. Activities relating to export, initiatives to increase exports, developments of new export markets for Products and Services and Export Plan. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.		
	2. Total foreign exchange used and earned (₹ in Lakhs)	**2020-21**	**2019-20**
	i) Foreign Exchange Earned	74,605.91	1,58,625.84
	ii) Foreign Exchange Used	19,992.90	1,50,250.66

Annexure - III to the Board's Report

Nomination and Remuneration Policy

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and in accordance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The key objectives of the Committee would be:

a) to advise the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance.

c) to recommend to the Board on Remuneration in whatever form payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

(a) **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

(b) **"Board"** means Board of Directors of the Company.

(c) **"Key Managerial Personnel" (KMP)** means—

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

(ii) Company Secretary,

(iii) Whole-Time Director;

(iv) Chief Financial Officer;

(v) such other officer not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and

(vi) such other officer as may be prescribed.

d) **Senior management** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below Chief Executive Officer/Managing Director/Whole Time Director/Manager (including CEO/Manager, in case they are not part of the Board) and shall specifically include Company Secretary & Chief Financial Officer.

3. ROLE OF COMMITTEE

The role of the Committee inter-alia will be the following:

(a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

b) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel.

c) to carry out evaluation of Director's performance.

d) assessing the independence of Independent Directors;

e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

f) making recommendations to the Board on the remuneration, in whatever form/fee payable to the Directors/ KMPs/Senior Management so appointed/re-appointed;

g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

h) to devise a policy on Board diversity;

i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;

j) such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 & Rules thereunder.

4. MEMBERSHIP

(a) The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.

However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.

(b) Either two (2) members or one-third of the members of the Committee whichever is greater, with atleast one independent director shall constitute a quorum for the Committee meeting.

(c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

(a) Chairman of the Committee shall be an Independent Director.

b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

c) The Chairman of Nomination and Remuneration Committee shall attend the General Meeting or in his absence any member of the Committee authorized by him in this behalf shall attend the General Meeting of the Company.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held atleast once in a year or at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. POLICY ON BOARD DIVERSITY

The Nomination and Remuneration Committee shall ensure that Board of Directors have the combination of Directors from different areas /fields or as may be considered appropriate in the best interest of the Company. The Board shall have at atleast one Board member who has accounting/ financial management expertise.

11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors, Key Managerial Personnel's and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Determining the appropriate size and composition of the Board;
- Follow a formal and transparent procedure for selecting new Directors for appointment to the Board, Key Managerial Personnel and Senior Management Personnel;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matters as may be requested by the Board

12. REMUNERATION DUTIES

The Committee will recommend the remuneration in whatever form/fee to be paid to the Managing Director, Whole-Time Director, other Directors, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration/fee so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration/fee to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

1. DIRECTOR/ MANAGING DIRECTOR

Besides the above criteria, the remuneration/ compensation/ commission/fee to be paid to Director/ Managing Director/ Whole-Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. NON EXECUTIVE INDEPENDENT DIRECTORS

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

In addition to the above, they may also receive a remuneration by way of commission, collectively, not exceeding 1% of the net profit of the Company in accordance with the provisions of the Companies Act, 2013 and rules thereto.

3. KEY MANAGERIAL PERSONNEL /SENIOR MANAGEMENT PERSONNEL ETC.

The Remuneration to be paid to Key Managerial Personnel/ Senior Management Personnel shall be based on the experience, qualification, performance and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4. DIRECTORS AND OFFICERS' INSURANCE

Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

13.A. EVALUATION/ ASSESSMENT OF DIRECTORS OF THE COMPANY

The evaluation/assessment of the Directors, of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees

Additionally, for the evaluation/assessment of the performances of Managing Director(s)/ Whole-Time Director(s) of the Company, following criteria may also be considered:

- Leadership abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors shall evaluate/assess each of the Independent Directors on the aforesaid parameters which shall also include the following:

(a) Performance of the Directors; and

(b) Fulfilment of the independence criteria as specified in LODR Regulations, 2015, as amended from time to time and their independence from the management.

Only the Independent Director being evaluated shall not participate in the said evaluation discussion.

13.B. MANNER FOR EFFECTIVE EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS.

a) The Performance Evaluation of Directors, the Board as a whole, its Committees be carried out on Annual Basis.

b) The Performance Evaluation be carried out in the manner as enumerated in the Nomination and Remuneration Policy of the Company.

c) Nomination and Remuneration Committee should carry out the performance evaluation of all Directors, Key Managerial Personnel and Senior Officers of the Company and report to the Board of Directors for further evaluation.

d) The Board should carry out the Performance Evaluation of Independent Directors, Board as a whole and its Commitees and individual Directors.

e) Only the Director being evaluated will not participate in evaluation discussions.

f) Review of implementation and monitoring of the above manner of Performance Evaluation be done as and when required.

14. DISCLOSURE

The Remuneration Policy and the evaluation criteria shall be disclosed in the Board's Report.

15. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

16. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

Annexure - IV to the Board's Report

Dividend Distribution Policy

A. Definitions:

i) 'Company' shall mean HEG Limited.

ii) 'Board' shall mean Board of Directors of the Company

iii) 'Members' shall mean shareholders of the Company who hold shares of the Company.

iv) 'Policy' shall mean Dividend Distribution Policy

B. Objective:

The objective of this document is to frame a policy for dividend distribution criteria of the Company.

C. Background:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and on the Company's website.

D. Policy:

The Board of the Company has approved this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The circumstances under which Members may expect dividend are based on the following factors:

- Current year profits and outlook in line with internal and external environment.
- Operating cash flows.
- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year).
- Tax implications if any, on distribution of dividends.
- Providing for unforeseen events and contingencies with financial implications.
- Any other relevant factor that the Board may deem fit to consider.

The Board may declare interim dividend(s) as and when they consider it fit and recommend the final dividend to the Members for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the fact shall be disclosed in the Annual Report of the Company.

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

THIS DOCUMENT DOES NOT SOLICIT INVESTMENTS IN THE COMPANY'S SECURITIES. NOR IT IS AN ASSURANCE OF GUARANTEED RETURNS (IN ANY FORM), FOR INVESTMENTS IN THE COMPANY'S EQUITY SHARES.

Annexure - V to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2021

[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
HEG Limited
Mandideep,
Near Bhopal, Distt Raisen
Madhya Pradesh-462046

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **HEG LIMITED (CIN: L23109MP1972PLC008290**) (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 year ended on 31st March, 2021, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2021 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of External Commercial Borrowings.
- 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, as amended from time to time;
  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;
  c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;
  e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during the audit period);**
  f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014; **(Not applicable to the Company during the audit period);**
  g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period);**
  h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the audit period);** and
  i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

II.

- The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- The Environment (Protection Act 1986 and amended upto 1991) and The Environment (Protection) Rules 1986 & Amendment Rules, 2006
- The Hazardous Waste (Management Handling and Transboundary Movement) Rules, 2008 and amendment up to 2010
- Indian Boiler Act No. V of 1923 & amended 1960
- The Indian Electricity Act 2003, amendment up to 2007 and The Indian Electricity rule 1956 amended up to 2000
- Entry Tax Act, 1976 (Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976)
- Factories Act 1948 as amended in 1987 along with Madhya Pradesh Factories Rules, 1962
- Workmen's Compensation Act, 1923 and Workmen's Compensation (Madhya Pradesh) Rules, 1962 and Madhya Pradesh Workmen's Compensation (Occupational Diseases) Rules, 1963
- Employees' Provident Funds And Miscellaneous Provisions Act, 1952 as amended from time to time and rules made thereunder
- Employees' State Insurance Act, 1948 as amended from time to time and rules made thereunder
- Contract Labour (Regulation and Abolition) Act, 1970 as amended from time to time and rules made thereunder
- The Maternity Benefit Act, 1961 as amended from time to time and rules made thereunder
- Payment of Wages Act, 1936 as amended from time to time and rules made thereunder
- Minimum Wages Act, 1948 as amended from time to time and rules made thereunder
- The Payment of Bonus Act, 1965 as amended from time to time and rules made thereunder
- Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 and Amendment Rules, 2000
- Public Liability Insurance Act, 1991 amended upto 1992 & Rules 1991 amended upto 2003
- Sexual harassment of women at the workplace (Prevention, Prohibition, Redressal) Act, 2013
- Private Security Agencies (Regulation) Act, 2009
- Goods and Services Tax Act, 2017

During the year under review, the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

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 year under review were carried out in compliance with the provisions of the Act.

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. Majority decision is carried through while there has been no member dissenting from the decisions arrived.

We further report that, the Board of Directors appointed Shri Jayant Davar as Independent Director of the Company w.e.f 14th August, 2019 for a term of 5 years, subject to approval of shareholders, which was obtained on 11th September, 2020.

We further report that, the Board of Directors appointed Shri Manish Gulati (Chief Operating Officer & Chief Marketing Officer) as Whole-Time Director of the Company w.e.f 1st March, 2020, liable to retire by rotation, for a period of 5 years, subject to approval of shareholders, which was obtained on 11th September, 2020.

We further report that, the Company re-appointed Shri Satish Chand Mehta as Independent Director for a second term of 5 years w.e.f. 23rd June, 2021 through postal ballot on 14th March 2021.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For GSK & Associates
(Company Secretaries)
Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)

Date: 27th May, 2021
Place: Kanpur
UDIN: F004229C000416245

Annexure - VI to the Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of the Company: Refer to Point no. 30 of Board Report

2. Composition of CSR Committee:

Sl.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO	4	3
ii	Shri Satish Chand Mehta	Non-Executive (Independent Director)		4
iii	Smt. Vinita Singhania	Non- Executive Director		3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. Weblink are as under:

(a) Composition of CSR committee : http://hegltd.com/wp-content/uploads/2021/06/Composition-of-CSR-Committee.pdf

(b) CSR Policy : http://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf

(c) CSR projects approved by the board are disclosed on the website of the company : http://hegltd.com/wp-content/uploads/2021/06/annual-action-plan.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. : Not Applicable

6. Average net profit of the company as per section 135(5). : ₹2,09,229.77 Lakhs

7. **(a) Two percent of average net profit of the company as per section 135(5).** : ₹ 4,184.60 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NIL

(c) Amount required to be set off for the financial year. : NIL

(d) Total CSR obligation for the financial year (7a+7b-7c). : ₹4,184.60 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 4,185.70 Lakhs	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year : Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ In Lakhs)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Loca area (Yes/ No).	Location of the project.		Amount Spent for the project	Mode of impleme-ntation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1 a.	International Foundation for Research and Education- Ashoka University		No	Haryana			Yes	N.A.	
b.	Sanskar Bharti Poorvottar , Guwahati		No	Guwahati (Assam)			Yes	N.A.	
c.	Graphite Education & Welfare Society, Mandideep	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Mandideep Dist. Raisen Bhopal (M.P.)			No	Registration is in process	
d.	Scholarship for Higher Education to Poor Students		Yes	Mandideep Dist. Raisen Bhopal (M.P.)		2487.86	No	LNJ Bhilwara HEG Lok Nyas- CSR00003805	
e.	Free education to BPL students of Graphite School		Yes	Mandideep Dist. Raisen Bhopal (M.P.)			Yes	N.A.	
f.	Gunjan Foundation		No	Gurugram Haryana			Yes	N.A.	
g.	Gyanam Education & Social Welfare		No	Ajmer (Rajasthan)			Yes	N.A.	
2a.	Tribal areas of Raisen distt. & surroundings -Sewa Bharti Bhopal		Yes	Bhopal, M.P			No	LNJ Bhilwara HEG Lok Nyas- CSR00003805	
b.	I am Gurgaon , Haryana		No	Gurugram Haryana			Yes	N.A.	
c.	Delhi Langar Sewa, New Delhi	Eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water.	No	New Delhi			Yes	N.A.	
d.	Akshaya Patra		Yes	Bhopal, M.P		981.03	No	Akshaya Patra Foundation CSR00000286	
e	- The Swabhiman Bhoj - Covid Care Wards		No	Rajasthan			No	LNJ Bhilwara HEG Lok Nyas- CSR00003805	
f	PHD Family Welfare Foundation		No	Ajmer (Rajasthan)			No	N.A.	
3.	Maa Madhuri Brij Varis Sewa Sadan, Apna Ghar Sanstha, Bharatpur, Rajasthan	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Bhopal, M.P		14.37	Yes	N.A.,	

Contd.

(₹ In Lakhs)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Loca area (Yes/ No).	Location of the project.		Amount Spent for the project	Mode of impleme-ntation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
4 a.	Social Skill Vision Society , New Delhi	Ensuring environmental sustainability, Ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	No	New Delhi		6.45	No	LNJ Bhilwara HEG Lok Nyas- CSR00003805	
b.	Shri Krishna Kanchan Borewell Co.,		No	Ajmer (Rajasthan)			No	LNJ Bhilwara HEG Lok Nyas- CSR00003805	
5.a	Ramakrishna Mission-Restoration & maintenance of Vivekananda Museum	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	No	New Delhi		526.00	Yes	N.A.	
b	Sabhyata Foundation		No	PAN India			Yes	N.A.	
6	Lal Bhadur Shashtri Memorial Foundation	Measures for the benefit of armed forces veterans, war widows and their dependents	No	PAN India		11.00	Yes	N.A.	
7	Global Raisen	Rural development projects	Yes	Mandideep Dist. Raisen Bhopal (M.P.)		150.00	No	Global Vikas Trust CSR00004400	
	Total					**4,176.71**			

(d) Amount spent in Administrative Overheads: ₹ 8.99 Lakhs

(e) Amount spent on Impact Assessment, if applicable Not applicable

(f) Total amount spent (including administrative overheads) for the Financial Year: ₹4,185.70 Lakhs

(g) Excess amount for set off, if any: As under

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹41.85 Crores
(ii)	Total amount spent for the Financial Year	₹41.85 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years (₹ in Lakhs):

Sl.No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year(₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	2019-20	-	2,217.31	-	-	-	-
2	2018-19	-	827.92	-	-	-	-
3	2017-18	-	92.10	-	-	-	-
	Total		**3,137.33**				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.	:	Not applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	:	Not applicable

For and on behalf of the Board of Directors
Ravi Jhunjhunwala
Chairman, Managing Director & CEO,
DIN : 00060972

Place: Noida (U.P.)
Dated: 27th May, 2021

Business Responsibility Report

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

About this report

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of these 9 Principles. Following is the Fourth Business Responsibility Report of HEG Ltd which is based on the format suggested by the SEBI. Any feedback related to this report may be sent to manish.gulati@lnjbhilwara.com

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1) Corporate Identity Number (CIN) of the Company: L23109MP1972PLC008290
2) Name of the Company: HEG Limited
3) Registered address : Mandideep (Near Bhopal), Distt. Raisen – 462 046, Madhya Pradesh
4) Website : www.hegltd.com
5) E-mail id : heg.investor@lnjbhilwara.com
6) Financial Year reported : 2020-21
7) Sector(s) that the Company is engaged in (industrial activity code-wise) – Graphite Electrode (NIC Code 329)
8) List three key products/services that the Company manufactures/provides (as in balance sheet) - Graphite Electrodes & Power
9) Total number of locations where business activity is undertaken by the Company
   a) Number of International Locations (Provide details of major 5) - Nil
   b) Number of National Locations – 02
10) Markets served by the Company – Local / State / National/ International

    India, USA, Europe, Korea, Saudi Arabia, Turkey, Egypt, UAE, South Africa .

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1) Paid up Capital (INR) : ₹38.60 Crores
2) Total Turnover (INR) : ₹1,256.23 Crores
3) Total profit/(Loss) after taxes (INR) : (25.30) Crores
4) Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2%. Please refer to annexure VI of Board Report.
5) List of activities in which expenditure in 4 above has been incurred:-

   Please refer to annexure VI of Board Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? – No.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies

i) DIN : 00060972

ii) Name : Shri Ravi Jhunjhunwala

iii) Designation : Chairman, Managing Director & CEO

b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	08697512
2.	Name	Shri Manish Gulati
3	Designation	Executive Director
4	Telephone number	07480-405500, 233524 to 233527
5	e-mail id	Manish.gulati@lnjbhilwara.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1 Ethics, transparency & accountability	P2 Sustain-ability throughout the life-cycle of the product	P3 Employee well-being	P4 Responsive towards stake-holders	P5 Promotion of human rights	P6 Environ-mental protection	P7 Respo-nsible public policy adv-ocacy	P8 Inclusive growth & equitable develop-ment	P9 Customer value
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	NA	Y NEMA Standards are followed	Y OHSAS 18001	NA	NA	Y ISO 14001, ISO 9001	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online#	1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transactions 5. Policy on Disclosure on Material Events and Information 6. Policy for dealing with any leak in UPSI and Whistle Blower Policy for Employee to report any leak or suspected leak of UPSI	1. Quality and Safety Policy	1 Code of Conduct 2. Whistle Blower Policy 3. Preve-ntion, Prohibition and Redressal against Sexual Harassment of Women Employees	1. Whistle Blower Policy 2. Preven-tion, Prohibition and Redressal against Sexual Harassment of Women Employees 3. Dividend Distribution Policy 4. Share-holder / Investor Services	1. Whistle Blower Policy 2. Preven-tion, Prohibition and Redressal against Sexual Harassment of Women Employees	1. Quality Policy 2. Safety Policy 3. Enviro-nment Policy		1. CSR Policy	1. Quality Policy 2. Share-holders / Investors Services
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	Y, OHSAS 18001 Certification	N	N	Yes, ISO 14001, Certification ISO 9001	NA	N	N
		ED, CFO and Internal Audit Department monitor policy implementation and progress on initiatives and actions through periodic reviews.								

 # Link for Policies

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

http://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

http://hegltd.com/wp-content/uploads/2019/04/Code-of-Fair-Discloures-and-Conduct-final1.pdf

DIVIDEND DISTRIBUTION POLICY

http://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf

WHISTLE BLOWER POLICY

http://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

POLICY ON RELATED PARTY TRANSACTIONS

http://hegltd.com/wp-content/uploads/2020/07/Related-Party-Transaction-Policy.pdf

POLICY ON DISCLOSURE ON MATERIAL EVENTS AND INFORMATION

http://hegltd.com/wp-content/uploads/2019/05/Policy-on-Determination-Materiality-of-Events12022019.pdf

QUALITY AND SAFETY POLICY

http://hegltd.com/quality-safety-policy/

PREVENTION, PROHIBITION AND REDRESSAL AGAINST SEXUAL HARASSMENT OF WOMEN EMPLOYEES

http://hegltd.com/wp-content/uploads/2020/01/Sexual-Harrassment-Policy_January-2020.pdf

SHAREHOLDER / INVESTOR SERVICES

http://hegltd.com/#

The policies are accessible to the employees always and are available on the intranet. The policies that are relevant to other stakeholders are communicated to them, time-to-time.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	Principle 7: Responsible public policy advocacy
1	The company has not understood the Principles	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3	The company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	HEG is member of various Industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :	Annually
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the Fourth Business Responsibility Report and is published annually as part of the Annual Report. Previous report can be assessed at http://hegltd.com/wp-content/uploads/2020/08/BRR-HEG-AR-2019-20.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?	The Company considers Corporate Governance as an integral part of good management. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance. http://hegltd.com/various-policies/
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No concerns/complaints were received relating to ethics, bribery and corruption from any of our stakeholders during financial year 2020-21.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Graphite electrodes

   (b) Graphite Fines, flakes and lumps

   Refer to Schedule – I of Business Responsibility Report.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   Yes.

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Our source of needle coke has always been imports and from manufacturers, which are oil refineries. Fuel supplies are all from Indian oil refineries. Other inputs material like pitch and fillers are sourced from Indian manufactures, which are common for both graphite and aluminium industry. Sourcing from both domestic and import sources have been consistent since last 38 years.

   For inward and outward transportation, we are using both sea ways, railways and road transport sources. For import and export items, major part of the journey is covered using sea and rail transport, whereas for domestic supplies, we are relying more on road transportation, for door to door delivery commitments.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes.

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Indian government has come up with the MSME Act in the year 2006 to protect the interest of micro, small and medium enterprises in India.

   Towards supporting this cause of the government and community at large, the list of MSME used for sourcing/job contracting were 381 vendors in 2020-21 which included 173 new vendors added to the list of MSME and that their interests are adequately taken care off. The company is also registered on TReDS Platform, an institutional mechanism set up in order to facilitate the trade receivable financing of MSMEs from corporate buyers through multiple financiers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

   Yes, 100% of the waste generated after the first process (GEP) is reusable and are a part of our SOP. Our by products like graphite fines are not only re-used in making of graphite electrode and graphite speciality products, but are also sold to the steel industry (as carburisor) also lithium Iron batteries makers (for anode material). We sell these by products to the actual users.

   The structural steel scrap is re-melted into steel globally and hence is fully recyclable, thus reducing the mining of natural resources from the earth.

Principle 3

Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees -Total employees stands at 842 as on 31st March, 2021.
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis - Total 1240 Nos. engaged in temporary / contractual and casual basis.
3. Please indicate the Number of permanent women employees. 14 Nos.
4. Please indicate the Number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognized by management : Yes, 3 Nos.
6. What percentage of your permanent employees is members of this recognized employee association? 69% (39% in BMS, 12% in INTUC-1, 18% in INTUC-2)
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

The Company had undertaken seven Workshops/Awareness programs for prevention against Sexual Harassment at Workplace. The Company has an Internal Complaint Committee (ICC) to deal with complaints related to Sexual Harassment.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

   (a) Permanent Employees: 95%

   (b) Permanent Women Employees: 100%

   (c) Casual/Temporary/Contractual Employees: 100%

   (d) Employees with Disabilities: N.A

Principle 4

Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

   Yes, the Company has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, bankers, business associates, customers, shareholders, investors and regulatory authorities as our key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes, the Company identifies communities around our manufacturing facilities at Mandideep, Bhopal and Tawa Nagar. The Company is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, mandate travel guidelines for women employees, code of conduct, etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. The initiatives taken in this regard are as under:

   - Provided safe and law-abiding commuting facilities to children and teachers
   - Continued to subsidise annually school fees for more than 200 BPL-category students
   - Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
   - Provided quality education, through its school, to children of artisans working in Mandideep industrial area
   - Conducted a computer training at Tawa Nagar to provide basic education to 100 to 120 local under privileged students through Datanuts Private Ltd., Bhopal and completed two batches

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

   Yes, only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   We have various grievance redressal channels to deal with issues related to discrimination, retaliation and harassment. The complainants are assured of complete anonymity and confidentiality. No complaint has been received pertaining to Human Rights Violations during the year.

Principle 6

Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others

   Only to the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   No, however we calculate overall GHG emissions and have taken initiatives like solar power project, LNG use, LED lighting, Tree Plantations apart from operation and maintenance of existing plant vide air and water pollution control devises like Effluent Treatment Plant, Electrostatic Tar Precipitators, Electrostatic Precipitators, Dust Collection units, Foggers, Road Sweeper, Organic waste converter etc.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, Environment Aspect Impact Assessment study is done and reviewed regularly as a part of ISO 14001:2015 standard.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Refer point No. 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, within the permissible norms.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   None.

Principle 7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) FIEO

   (b) CAPEXIL

   (c) PHD Chamber of Commerce & Industry

   (d) FICCI

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) :

   HEG is member of various industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business

Principle 8

Business should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, the Company supports the principles of inclusive growth and equitable development through not just its corporate social responsibility initiates but through its core business as well. The Company's social upliftment initiatives focus around healthcare, education, removing hunger, working for the benefit of armed forces veterans and martyrs' community development and environmental conservation, which facilitates in bettering lives and improving livelihood, amongst others.

   Some of the initiatives are as follows:

a) Healthcare

- Provided medical consultation to general public at the OPD Centre in Mandideep and Tawanagar and distributed free medicines among BPL category patients
- Conducted medical health camps and distributing medicines in villages and to economically weaker sections, in collaboration with Sewa Bharti, Bhopal
- Covid-19 related help.

b) Community Development

- The Company is working on the programme of midday meal through Akshaya Patra.
- Associated itself with an organisation providing free and hygienic food to the attendants of the patients visiting AIIMS, Delhi.
- Aspires to work with the local government for creating infrastructure for Government School upgradation and safe drinking water etc.
- The Company provide assistance to Apna Ghar, working for the homeless, helpless, hopeless, destitute persons generally found in very harsh and painful conditions on roadsides, railway stations, bus stands, religious and other public places

c) Education

- Provided safe and law-abiding commuting facilities to children and teachers
- Continued to subsidise annually school fees for more than 200 BPL-category students
- Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in Mandideep industrial area
- Conducted a computer training at Tawa Nagar to provide basic computer education to 100 to 120 local underprivileged students through Data Nuts Private Ltd., Bhopal and had completed two batches.
- .Supporting meritorious but financially weaker/poor students (who are having annual family income less than ₹2.0 lakh) by way of providing professional coaching in Bhopal for science and commerce students to help them to prepare for their competitive examinations.

- Help in education of physically disabled students.
- Promotion of sports in the school .

d) Environmental Conservation

- Conducted an afforestation drive at Tawa Nagar along the NH-12 near Mandideep to combat air pollution
- Conducted an afforestation drive by planting more than 4000 plants at Tawa Nagar area in coordination with local government bodies along the NH-69 to combat air pollution.
- Planted 100+ grown up trees inside HEG's plant, both for environmental reasons as well as aesthetic look and working for plantation of more than 300 plants along the boundaries of HEG Limited.

e) Financial Assistance

- Joined hands with Global Parli, a project introduced by Mayank Gandhi. We have been working with them in certain villages around our graphite plant with a target to plant 2.5 Lakh fruit trees which should hopefully increase the farmers income by 10 to 25 times

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The Company has been conducting these activities directly as well as through implementing agencies, wherever applicable.

3. Have you done any impact assessment of your initiative?

   Yes on Voluntary basis, the Company internally performs an impact assessment of its initiates at the end of the each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

   With effect from January 22, 2021, impact assessment of project outlay of ₹1 Crore or more and which have been completed not less than one year, shall be required through an independent agency. The Company shall undertake impact assessment, through an independent agency, of their CSR projects, wherever it is applicable in accordance with the provisions of law.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Refer to **Annexure VI** of the Board Report.

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

   Yes, at HEG all our businesses and manufacturing units at Mandideep and Tawa Nagar continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the Community itself.

Principle 9

Businesses should engage with the provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   8% of total complaints are in the process to be resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A.

   Yes, we display additional information over and above the mandate.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, the Company collects customer satisfaction feedback on regular basis.

Schedule – I

Product Life Cycle Plan

Sr No	Contents in crate	Material	Nature of product	Action -1	Action -2
1	Graphite Electrode	Pure Carbon	100 % Consumable during use	Unpack the Electrodes with Nipple and keep all the packing items well segregated	Remachine& use if possible / Reuse the broken pieces in process to maintain carbon percentage
2	Graphite Nipple	Pure Carbon	100 % Consumable during use		
3	Thermocol Cap	Expanded Polystyrene	Recyclable		Handover only to authorised recyclers
4	Thermocol Plug	Expanded Polystyrene	Recyclable		Handover only to authorised recyclers
5	Steel Strip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
6	Steel Clip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
7	Steel Nails	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
8	Wood / Ply Board	Cellulose composite	Recyclable / Reusable		Handover to recyclers
9	Wrap Film	LDPE, Low Density Poly Ethylene	Recyclable		Handover only to authorised recyclers
10	Metwrapp (polypropylene)	Corrugated PP, Poly Propylene	Recyclable / Reusable		Handover only to authorised recyclers

Hazards identification

Hazard summary

Physical hazards - Not classified for physical hazards

Specific hazards – May get cut from the sharp edge of the electrode (socket circumference). If any part of body gets pressed against the sharp edge, injury may occur.

Precautionary Measures:

- Use proper hand gloves while handling
- Floor of the storage area must be anti-skid

Health hazards - Not classified for health hazards. However, occupational exposure to the mixture or substance(s) may cause adverse health effects.

Environmental hazards - Not classified for hazards to the environment.

Specific hazards –

Processing may generate graphite dusts and fumes with the below listed potential health effects. Dust and fumes generated from the material can enter the body by inhalation. High concentrations of dust and fumes may irritate the throat and respiratory system and cause coughing. Frequent inhalation of dust over a long period of time increases the risk of developing lung diseases. Dust may irritate the eyes. Dust may irritate skin. Ingestion of dusts generated during working operations may cause nausea and vomiting. Prolonged and repeated overexposure to dust can lead to pneumoconiosis. Pre-existing pulmonary disorders, such as emphysema, may possibly be aggravated by prolonged exposure to high concentrations of graphite dusts.

Main symptoms - Exposed may experience eye tearing, redness, and discomfort. Prolonged skin contact may cause temporary irritation.

Precautionary statements

Prevention - Observe good industrial hygiene practices.

Response - Wash skin with soap and water

Storage - Store away from incompatible materials

Disposal - Dispose of contents/container in accordance with local / regional / national / international regulations

Supplemental label information - Not applicable

Other hazards - The material may form dust and can accumulate electrostatic charges, which may cause an electrical spark (ignition source).

Individual protection measures, such as personal protective equipment

General information - Personal protective equipment should be chosen according to the CEN standards and in discussion with the supplier of the personal protective equipment. Make sure to provide adequate control by applying the 'COSHH Essentials' procedure.

Eye/Face protection - Wear safety glasses with side shields (or goggles).

Skin protection

Hand protection - Wear suitable protective gloves to prevent cuts and abrasions. Suitable gloves can be recommended by the glove supplier.

Other - Wear appropriate clothing to prevent repeated or prolonged skin contact.

Respiratory protection - Use specified dust masks. Seek advice from local supervisor.

Thermal hazards - Wear appropriate thermal protective clothing, when necessary.

Hygiene measures - Always observe good personal hygiene measures, such as washing after handling the material and before eating, drinking, and/or smoking. Routinely wash work clothing and protective equipment to remove contaminants.

Environmental exposure controls - Environmental manager must be informed of all significant spillages.

Environmental fate - partition coefficient : Not available

Mobility in soil : Not available

Other adverse effects : The product is not expected to be hazardous to the environment.

Ecological information

Waste treatment methods

Residual waste - Not waste

Contaminated packaging

Disposal recommendations are based on material as supplied. Disposal must be in accordance with current applicable laws and regulations, and material characteristics at time of disposal. Recover and reclaim or recycle, if practical.

Transport information

ADR

The product is not covered by the International regulation on the transport of dangerous goods.

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

The Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance.

2. Board of Directors

(i) Composition

The Board has an appropriate composition of Executive, Non-Executive and Independent Directors. The composition of the Board satisfies the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013, (hereinafter referred to as "the Act").

The Independent Directors on the Board are experienced, competent and reputed names in their respective fields. The Independent Directors take active part at the Board and Committee Meetings which adds value in the decision-making process of the Board of Directors. The Independent Directors constitute half of the total strength of Board as on 31st March, 2021, the details are as under:

Category of Directors	No. of Directors	% of total Directors
Independent Directors	5	50
Non Independent Non Executive Directors	3	30
Executive Directors	2	20
Total	**10**	**100**

As on 31st March, 2021, the details of composition of the Board, number of other Directorship, Chairmanship/Membership of Committee of each Director in other Companies, attendance of Directors at the Board Meetings and last Annual General Meeting are given below:

Name of Director	Category of Directorship	No. of other Directorships* in Public Ltd. Companies	Board Committees** in other Companies in which		No. of Board Meetings attended	Whether attended the last AGM (Yes/No)
			Member	Chairman		
Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO -Promoter Executive	8	5	2	3	No
Shri Shekhar Agarwal	Promoter Non-executive#	4	3	0	4	Yes
Dr. Kamal Gupta	Independent	5	7	4	4	Yes
Dr. Om Parkash Bahl	Independent	0	0	0	4	Yes
Shri Satish Chand Mehta ##	Independent	0	0	0	4	Yes
Smt. Ramni Nirula	Independent	3	2	0	4	Yes
Shri Jayant Davar	Independent	4	2	0	4	Yes
Smt. Vinita Singhania	Non-Executive	5	0	0	3	Yes
Shri Riju Jhunjhunwala	Vice-Chairman Promoter Non-Executive ###	6	1	0	3	No
Shri Manish Gulati	Executive	0	0	0	4	Yes

Notes:
* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.
** Only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations"). Membership includes Chairmanship.
Resigned from the position of Vice Chairman w.e.f. 17.06.2020.
Re-appointed for a period of five years w.e.f. 23rd June, 2021. Approval of Members of the Company were obtained on 14th March, 2021 by way of Postal Ballot by passing special resolution.
Designated as Vice- Chairman of the Company w.e.f. 17.06.2020.

All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other except Shri Ravi Jhunjhunwala and Shri Riju Jhunjhunwala, being relatives.

Independent Director means Director as mandated in Listing Regulations and Section 149(6) of the Companies Act, 2013. All the Independent Directors have given the declaration of their independence at the beginning of the financial year.

None of the Directors on the Board:

- is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he or she is a Director;
- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- who are the Executive Directors serves as IDs in more than three listed entities.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board Meetings / Committee Meetings in financial year 2020-21 were held through Video Conferencing and information as mentioned in Schedule II Part A of the SEBI Listing Regulations have been placed before the Board for its consideration.

The Company also has a Risk Management Policy in place, procedures to inform Members of the Board about the risk assessment and minimization.

ii) Directorship in other listed entities including category of Directorship

Name of Director	Category of Directorship	Listed Entities
Shri Ravi Jhunjhunwala	Promoter - Non-Executive Non-Executive Independent Promoter Non-executive Independent	RSWM Limited Maral Overseas Limited India Glycols Limited BSL Limited JK Lakshmi Cement Limited
Shri Shekhar Agarwal	Non-Executive Chairman, Managing Director & CEO - Promoter Executive Chairman, Managing Director & CEO - Promoter Executive Promoter Non-Executive	RSWM Limited Maral Overseas Limited Bhilwara Technical Textiles Limited BSL Limited
Dr. Kamal Gupta	Independent Independent	Maral Overseas Limited RSWM Limited
Dr. Om Parkash Bahl	-	-
Smt. Vinita Singhania	Vice Chairman, Managing Director Non-Executive Non-Executive Non-Executive	JK Lakshmi Cement Limited JK Paper Limited Bengal & Assam Company Limited Udaipur Cement Works Limited
Shri Riju Jhunjhunwala	Chairman, Managing Director & CEO, (Promoter Executive) Promoter–Non-Executive	RSWM Limited Bhilwara Technical Textiles Limited
Shri Satish Chand Mehta	-	-
Smt. Ramni Nirula	Independent Non-Executive Independent	PI Industries Limited DCM Shriram Limited Usha Martin Limited
Shri Jayant Davar	Independent Managing Director	Jagran Prakashan Limited Sandhar Technologies Limited
Shri Manish Gulati	-	-

iii) Matrix of Core Skills/ Expertise/ Competencies of Directors in context of business of the Company.

The Matrix setting out the skills, expertise and competencies of Directors as on 31st March 2021, in context of business of the Company is as under:

		Skills/Expertise/Competence					
Sl. No	Name of Directors	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, the industry in which the Company operates and advising on domestic market and overseas market.	Behavioral skills – Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,	Financial and Management skills	Technical / Professional skills and specialized knowledge in relation to Company's business	Environment, Health and Safety and Sustainability-Knowledge of working on environment, health and safety and sustainability activities.
1	Shri Ravi Jhunjhunwala	√	√	√	√	√	√
2	Shri Riju Jhunjhunwala	√	√	√	√	√	√
3	Shri Shekhar Agarwal	√	√	√	√		√
4	Dr. Kamal Gupta	√	√	√	√		√
5	Dr. Om Parkash Bahl	√	√		√	√	√
6	Shri Satish Chand Mehta	√	√	√	√		√
7	Smt. Ramni Nirula	√	√		√		√
8	Smt. Vinita Singhania	√	√	√			√
9	Shri Jayant Davar	√	√	√	√		√
10	Shri Manish Gulati	√	√	√	√	√	√

iv) Shareholding of Non-Executive Directors

The number of Equity Shares of the Company held by Non- Executive Directors of the Company are as under:

Name of Director	No. of Equity Shares held
Dr. Kamal Gupta	189
Shri Riju Jhunjhunwala	2,20,356

v) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on the agenda. Additional meetings are held when necessary. Four Board Meetings were held during the financial year ended the 31st March, 2021 through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013. These were held on 17th June, 2020, 10th August, 2020, 12th November, 2020 and 9th February, 2021. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law which is noted and confirmed in the subsequent Board Meeting. One resolution was passed by circulation on 10th July 2020.

Keeping in view the underlying objective of Green Initiatives, the Company has adopted a practice of making electronic presentation of the Agenda of Board Meeting and other Committee Meetings in the form of a power point presentation, wherever required. The Agenda are mailed to all the Directors well in advance. However, as and when requests are received from Directors, the Agenda Paper are also circulated in hard copies well before the Board Meeting and other Committee Meetings.

3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

(i) Terms of Reference

1. The Audit Committee at its discretion shall invite the Finance Director or Head of the Finance Function, Head of Internal Audit and a representative of the Statutory Auditor and any other such executives to be present at the meetings of the committee;

   Provided that occasionally the Audit Committee may meet without the presence of any of the executives of the Company.

2. The Audit Committee shall have the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary;
3. The chairperson of the Audit Committee shall be an Independent Director and shall be present at Annual General Meeting to answer the shareholder's queries;
4. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
5. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by management
   d) Significant adjustments made in the financial statements arising out of audit findings
   e) Compliance with listing and other legal requirements relating to financial statements
   f) Disclosure of any related party transactions
   g) Modified opinion(s) in the draft Audit Report.
8. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
9. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
11. Approval or any subsequent modification of transaction of the Company with related party;
12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the Company, wherever it is necessary;

    Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a Company or its liabilities under the provision of the Companies Act, 2013, it shall be valued by a person having such a qualifications and experience and registered as a valuer in such a manner, on such terms and conditions as may be prescribed and appointed by the Audit Committee or in its absence by the Board of Directors of the Company.

14. Evaluation of internal financial controls and risk management systems;
15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits;
17. Discussion with Internal Auditors of any significant findings and follow up thereon;
18. Reviewing the findings of any internal investigations by the Internal Auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the Whistle Blower mechanism;
22. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
24. The Audit Committee of the Company shall mandatorily review the following information:
    i. Management Discussion and Analysis of financial condition and results of operations.
    ii. Statement of Significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
    iii. Management Letters/ Letters of Internal Control Weaknesses issued by the Statutory Auditors;
    iv. Internal Audit Reports relating to internal control weaknesses; and
    v. the appointment, removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee.
    vi. statement of deviations:
       a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
       b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
25. The Internal Auditors may report directly to the Audit Committee;
26. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary;
27. All related party transactions shall require approval of the Audit Committee and the Committee may make omnibus approval for related party transactions proposed to be entered into by the Company on yearly basis;
28. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval;
29. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given;
30. The Audit Committee shall consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

ii) Composition of the Committee

The composition of the Audit Committee is as under:

Sl.No.	Name of Director	Designation	Category
1	Shri Satish Chand Mehta	Chairman	Independent Director
2	Shri Shekhar Agarwal	Member	Non-Executive Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Dr. Om Parkash Bahl	Member	Independent Director

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Cost Auditors, Secretarial Auditor, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee, whenever necessary. The Company Secretary acts as the Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended the 31st March, 2021, Four meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17th June, 2020, 10th August, 2020, 12th November, 2020 and 9th February, 2021. The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Shri Satish Chand Mehta	4
2	Shri Shekhar Agarwal	4
3	Dr. Kamal Gupta	4
4	Dr. Om Parkash Bahl	4

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

(i) Terms of Reference

The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:

a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

b) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;

c) to carry out evaluation of Director's performance;

d) assessing the independence of Independent Directors;

e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

f) making recommendations to the Board on the remuneration/fee payable to the Directors/ KMPs/ Senior Officials so appointed/re-appointed and remuneration, in whatever form, payable to senior management;

g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

h) to devise a policy on Board's diversity;

i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;

j) Specify the manner of effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by Board, the Nomination and Remuneration Committee or by independent external agency and review its implementation and compliance;

k) such other key issues/ matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules thereunder.

(ii) Composition of the Committee

The composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Dr. Kamal Gupta	Chairman	Independent Director
2	Dr. Om Parkash Bahl	Member	Independent Director
3	Smt. Ramni Nirula	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2021, three meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17th June, 2020, 10th August, 2020 and 9th February, 2021.

The attendance at the above Meetings was as under:

Sl.No.	Name of Director	No. of meetings attended
1	Dr. Kamal Gupta	3
2	Dr. Om Parkash Bahl	3
3	Smt. Ramni Nirula	3

5. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

(i) Broad Terms of Reference

(1) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

(ii) Composition of the Committee

The composition of the Committee is as under:

Sl. No.	Name of Director	Designation	Category
1	Shri Riju Jhunjhunwala	Chairman	Non-Executive Promoter Director
2	Shri Ravi Jhunjhunwala	Member	Executive Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Dr. Om Parkash Bahl	Member	Independent Director

Shri Vivek Chaudhary, Company Secretary is the Compliance Officer of the Company.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2021, Four meetings were held on 26th June, 2020, 24th August, 2020, 20th November, 2020, and 20th February, 2021.

The attendance at the above Meetings was as under: -

Sl. No.	Name of Director	No. of Meetings attended
1	Shri Riju Jhunjhunwala	2
2	Shri Ravi Jhunjhunwala	2
3	Dr. Kamal Gupta	4
4	Dr. Om Parkash Bahl	4

The Company received 33 complaints from Shareholders during the financial year 2020-21 and all were resolved to the satisfaction of the shareholders.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

(i) Broad Terms of Reference

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a),

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time; and

d) Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended from time to time.

(ii) Composition of the Committee

The composition of the Corporate Social Responsibility Committee is as under:

Sl.No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjhunwala	Chairman	Executive Promoter Director
2	Smt. Vinita Singhania	Member	Non-Executive Director
3	Shri Satish Chand Mehta	Member	Independent Director

(iii) Meetings and Attendance

During the financial year ended 31st March, 2021, four meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17th June, 2020, 10th August, 2020, 12th November, 2020 and 9th February, 2021.

The attendance at the above Meetings was as under: -

Sl. No.	Name of Director	No. of meetings attended
1	Shri Ravi Jhunjhunwala	3
2	Smt. Vinita Singhania	3
3	Shri Satish Chand Mehta	4

7. Risk Management Committee

The Risk Management Committee has been constituted by the Board in compliance with the requirements of Regulation 21 of the Listing Regulations.

(i) Broad Terms of Reference

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

(7) Revision/updation/implementation of SOPs relating to Cyber Security;

(8) Any other functions as may deem fit by the Risk Management Committee/ Board or as may be necessitated by any regulatory framework as amended from time to time in connection with the risk management of the Company.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Composition of the Committee

Sl.No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjhunwala	Chairman	Executive Promoter Director
2	Dr. Kamal Gupta	Member	Independent Director
3	Smt. Ramni Nirula	Member	Independent Director

(iii) Meetings and Attendance

During the financial year ended 31st March, 2021, one meeting was held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 12th November, 2020.

The attendance at the above Meeting was as under: -

Sl.No.	Name of Director	No. of meeting attended
1	Shri Ravi Jhunjhunwala	1
2	Dr. Kamal Gupta	1
3	Smt. Ramni Nirula	1

8. Independent Directors' Meeting

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and also as per the Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 9th February, 2021 to review the performance of Non-independent Directors (including the Chairman, Managing Director & CEO) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board & its Committees which is necessary to effectively and reasonably perform and discharge their duties. Further, the Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

9. Performance Evaluation Criteria of Independent Directors

Pursuant to Regulation 17 of the Listing Regulations, evaluation of Independent Directors was carried out by the entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion. All Independent Directors fulfills the independence criteria and are independent of management.

The Evaluation criteria for Independent Directors forms part of the Nomination and Remuneration Policy of the Company which is annexed in the Board's Report.

10. Familiarisation Programme

Pursuant to the Code of Conduct for Independent Directors specified under the Act and the SEBI Listing Regulations, the Company has in place a familiarization programme for all its Independent Directors. Such familiarization programmes help the Independent Directors to understand the Company's strategy, business model, operations, markets, organization structure, risk management etc. and such other areas as may arise from time to time. The Familiarization Programmes imparted to Independent Directors of the Company has been disclosed on its website and a weblink thereto is as under:

http://hegltd.com/wp-content/uploads/2021/04/Details-of-Familiarisation-Programmes-imparted-to-Indep.-Directors.pdf

11. Remuneration of Directors

(i) Details of Remuneration paid to the Directors for the financial year ended 31st March, 2021. (₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Bonuses	Stock Option & Pension	Sitting Fee	Total
Shri Ravi Jhunjhunwala	96.00	51.34	-	-	-	-	147.34
Shri Shekhar Agarwal	-	-	-	-	-	6.00	6.00
Dr. Kamal Gupta	-	-	-	-	-	11.60	11.60
Dr. Om Parkash Bahl	-	-	-	-	-	11.40	11.40
Smt. Vinita Singhania	-	-	-	-	-	2.25	2.25
Shri Riju Jhunjhunwala	-	-	-	-	-	2.65	2.65
Shri Satish Chand Mehta	-	-	-	-	-	6.75	6.75
Smt. Ramni Nirula	-	-	-	-	-	6.20	6.20
Shri Jayant Davar	-	-	-	-	-	3.75	3.75
Shri Manish Gulati	84.93	10.35	-	-	-	-	95.28

Shareholders at the 46th Annual General Meeting of the Company approved the payment of commission to the Non Executive Directors (including Independent Directors) within the ceiling of 1% of net profits of the Company as computed under applicable provisions of Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed among them based on their attendance, responsibility as Chairman/Member of committee as well as time spent on operational matters.

In addition to above, the Company also pays sitting fees and reimburses out of pocket expenses incurred for attending the meeting of the Board/Committees to the Non-Executive Directors including Independent Directors of the Company.

The appointment of Executive Directors, Key Managerial Personnel and other employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

ii) Criteria of making payments to Non-Executive/ Independent Director(s)

The criteria of making payments to Non-Executive Director/Independent Director(s) is appearing on the website of the Company and the weblink of the same is as under:

http://hegltd.com/wp-content/uploads/2018/08/Criteria-of-making-payments-to-Non-Executive-Directors.pdf

iii) Pecuniary Transactions

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.

12. Code of Conduct

The Company has a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.hegltd.com.

The Code has been circulated to all the Members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman, Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2020-21."

13. Vigil Mechanism/Whistle Blower Policy

The Company is committed to pursue its business objectives in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and has put in place a mechanism for reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees or any other person are free to report. The Whistle-blower policy is available on the Company's website and a weblink thereto is as under:

http://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

During the year, no personnel has been denied access to the audit committee and no complaints were received.

14. Prevention of Sexual Harassment of Women at Workplace

The protection against sexual harassment and right to work with dignity are universally recognized human rights. To provide safe working environment to women the LNJ Bhilwara Group has in place Policy on Prevention, Prohibition and Redressal against sexual harassment of Women Employees. The purpose of this policy is to communicate that LNJ Bhilwara Group has a "zero tolerance" approach towards sexual harassment to women at workplace. The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as under:

(a) Number of complaints filed during the Year: NIL

(b) Number of complaints disposed off during the Year : NA

(c) Number of complaints pending as on end of the Year: NA

15. Disclosures

a) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. The transactions with related parties are in the ordinary course of business and on arm's length basis. Suitable disclosure as required by the applicable Accounting Standards, has been made in the Annual Report. A web link for policy on dealing with related party transactions is as under:

http://hegltd.com/wp-content/uploads/2020/07/Related-Party-Transaction-Policy.pdf

b) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

c) The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) The Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

e) Commodity Price Risks and Commodity Hedging Activities:

In the recent times, sale and purchase of Graphite Electrodes have more or less commoditised, with customers preferring price as a key driver. The key raw material for the same is a petroleum based By-product. There is a clear relationship in the price movement of both, though with a small lead and lag effect. Both sourcing and sale contracts are short term these days and therefore offer ample opportunities for matching the Price movement on either side.

The Risk Management Framework includes inter-alia risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The functional heads / location heads are responsible for managing risk on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire Company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis. With the constitution of the Risk Management Committee, the same would also be discussed at the committee level and then placed before the Board.

There is no hedging mechanism for Company's material inputs as well as finished products in terms of price. The suppliers of Calcined Petroleum Needle coke (which is the key input) usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. Therefore, it is not practically possible to provide data in the format as prescribed by SEBI circular dated 15th November, 2018. The pricing of electrodes (which is the key finished product) is usually fixed at the time of procuring order and do not vary in normal circumstances. In any case, the market conditions for Calcined Petroleum Needle coke and for finished electrodes are similar, such that changes in the prices of Calcined Petroleum Needle coke tend to remain in tandem (except for short transitional periods) with the price of the relevant finished electrodes. Therefore, there are no hedging arrangements with regard to future prices of Calcined Petroleum Needle coke. In view of the above factors, the price risk exposure is not material.

Company usually has foreign exchange exposure in the form of export receivables and payables for import, foreign currency loans and certain expenditure. The foreign currency risk exposures usually gets balanced and the resultant net asset / liability is not material. The position of unhedged currency wise foreign exchange risk exposure as on 31st March, 2021 is incorporated in note no. 46 to the Standalone Financial Statements.

f) The Company has a policy for determining Material Subsidiaries and the same is available on the Company's website and a weblink thereto is as under:

http://hegltd.com/wp-content/uploads/2020/07/Material-subsidary.pdf

At present the Company does not have any Subsidiary.

g) The Company has complied with all the applicable Accounting Standards.

h) The Chairman, Managing Director & CEO and Chief Financial Officer have certified to the Board, inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2021. The Annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.

i) The Internal Auditor directly reports to the Audit Committee. The Internal Auditor makes presentations and reports to the Audit Committee of the Company on a quarterly basis pertaining to the key internal audit findings and the action plan agreed with the Management.

j) The Audit Report contains unmodified audit opinion.

k) Total fee paid to Statutory Auditor for all services rendered is ₹18,35,000

l) No funds have been raised through preferential allotment or qualified institutions placement.

m) During the financial year 2020-21, the Board of Directors have accepted all the recommendations of its committees.

n) The Company has obtained Directors & Officer insurance (D & O) policy for all the Directors including Independent Directors of the Company and details of same have been placed quarterly in the Audit Committee Meeting.

o) The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. Certificates

1. Certificate from JAIN VINEY & ASSOCIATES, Practicing Company Secretaries has been obtained that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or Ministry of Corporate Affairs or any such authority. The certificate is reproduced as under:

CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015

We JAIN VINEY & ASSOCIATES, Practicing Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HEG Limited (CIN: L23109MP1972PLC008290) having registered office at MANDIDEEP, NEAR BHOPAL, DIST RAISEN MADHYA PRADESH-462046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Directors	DIN	Date of Appointment
1	RAMNI NIRULA	00015330	31/10/2018
2	KAMAL GUPTA	00038490	10/11/1994
3	VINITA SINGHANIA	00042983	31/10/2018
4	RAVI JHUNJHUNWALA	00060972	08/09/1979
5	RIJU JHUNJHUNWALA	00061060	30/04/2009
6	SHEKHAR AGARWAL	00066113	15/07/1996
7	JAYANT DAVAR	00100801	14/08/2019
8	SATISH CHAND MEHTA	02460558	23/06/2016
9	OM PARKASH BAHL	02643557	30/04/2009
10	MANISH GULATI	08697512	01/03/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: To contain the spread of COVID19, government of different states announced a series of lockdown/partial lockdown resulting in restriction in movements and opening of offices and availability of documents. Due to COVID19 pandemic impact, the compliance documents were obtained through electronic mode and verified with requirements.

For Jain Viney & Associates
Company Secretaries

Sd/-
Viney Kumar Jain
Company Secretary In Practice
M.No.: F 5376
CP. No.: 4614
UDIN: F005376C000376494

Place: New Delhi
Date: 27th May, 2021

2. CEO/CFO Certificate Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is reproduced as under:

CEO/CFO Certificate

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
HEG Limited

(a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2021 and that to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i) Significant changes in internal control over financial reporting during the financial year;

ii) Significant changes in accounting policies during the financial year and the same have been disclosed in the notes to the financial statements; and

iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer
M.No. 504626

Place : Noida (U.P.)
Date : 27th May, 2021

3. **Statistical Auditor Certificate for compiling the conditions of Corporate Governance, is reproduced as under:**

Independent Auditors' Certificate on Corporate Governance

To the Members of
HEG Limited

We, SCV & Co. LLP, Chartered Accountants, the Statutory Auditors of HEG Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2021.

We further 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 **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No: 000235N/N500089
Sanjiv Mohan
Partner
Membership No.: 086066
UDIN: UDIN: 21086066AAAAJR3658

Place: Ludhiana
Dated: 27th. May, 2021

17. General Body Meetings

The last three Annual General Meetings were held as per detail below:

Date of AGM	Relevant Financial Year	Venue/Location where held	Time of Meeting	Whether any special resolution was passed
23rd July, 2018	2017-2018	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046	11.30 A.M.	Yes
20th August, 2019	2018-2019	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046	3.00 P.M.	Yes
11th September, 2020	2019-2020	Video conferencing (VC) and/or other audio-visual means (OAVM), without physical presence of members. The venue of the AGM was deemed to be the Registered Office of the Company at Mandideep (Near Bhopal,) Distt. Raisen – 462 046, Madhya Pradesh.	2.30 P.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2020-21.

17A. Postal Ballot

(i) The Company has issued Postal Ballot Notice dated 9th February, 2021, in compliance with Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") also read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020 issued by Ministry of Corporate Affairs ("MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") including any statutory modification or re-enactment thereof for the time being in force, Secretarial Standard -2 issued by the Institute of Company Secretaries of India and any other applicable laws and regulations to transact the below mentioned special businesses by the Members of HEG Limited ("the Company") through Postal Ballot by remote e-voting process (e-voting) only:

a) To approve request received from Mekima Corporation, Member of Promoter Group for reclassification from "Promoter and Promoter Group" category to "Public" category.

b) To approve re-appointment of Shri Satish Chand Mehta (DIN: 02460558), Independent Director for a second term of five years w.e.f. 23rd June, 2021.

(ii) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Friday, the February 5, 2021 (the Cut-off date).

(iii) Facility for voting through Postal Ballot and electronic means was available during the following period-

- commencement of voting from Saturday, February 13, 2021 at 9.00 A.M. (IST); and
- ended on Sunday, March 14, 2021 at 5.00 P.M. (1ST) (both days inclusive).

(iv) The Company had appointed Mr. Viney Kumar Jain, a Practicing Company Secretary (Certificate of Practice No. 4614 & Membership No. FCS 5376), Proprietor of JAIN VINEY & ASSOCIATES, Company Secretaries, as the Scrutinizer to conduct the Postal Ballot only through remote e-voting process in a fair and transparent manner.

(v) The Results of the Postal Ballot was declared on March 15, 2021 and resolutions were passed by requisite majority, deemed to be passed on the 14th March, 2021 i.e. last date specified by the Company for remote e-voting, i.e. Sunday, March 14, 2021.

(vi) Consolidated summary of results of Postal Ballot is as under:

Item No.1 Approval of request received from Mekima Corporation, Member of Promoter Group for reclassification from "Promoter and Promoter Group" category to "Public" category

Type of resolution: Ordinary Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	26273358	6390	99.98
Total	38595506	26273358	6390	99.98

Item No.2 - Approval for re- appointment of Shri Satish Chand Mehta (DIN:02460558), Independent Director for a second term of five years w.e.f. 23rd June, 2021:

Type of resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	25934747	344976	98.69
Total	38595506	25934747	344976	98.69

(vii) No special resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

18. Means of Communication

The Company publishes its quarterly results in leading national newspapers such as Business Standard in English language (all editions) and Nav Bharat in Hindi (Bhopal edition).

These results are displayed on the website of the Company along with other news releases and presentations, if any, made to institutional investors or to analysts among others. All other vital information is also placed on the website of the Company. The results are not sent individually to shareholders.

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at www.hegltd.com

19. Disclosures Regarding Appointmen/Re-Appointment of Directors in the ensuing Annual General Meeting

Re-appointment of the following Directors are placed for Shareholders approval in the ensuing Annual General Meeting of the Company.

- Shri Riju Jhunjhunwala (DIN: 00061060), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- Shri Shekhar Agarwal (DIN: 00066113), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

All the above re-appointments have been recommended by Nomination and Remuneration Committee.

The Board hereby recommends all the above appointment/re-appointment for approval of shareholders in the ensuing Annual General Meeting.

The requisite disclosures in respect of the above is attached as an Annexure at page no. 86-87 of this report.

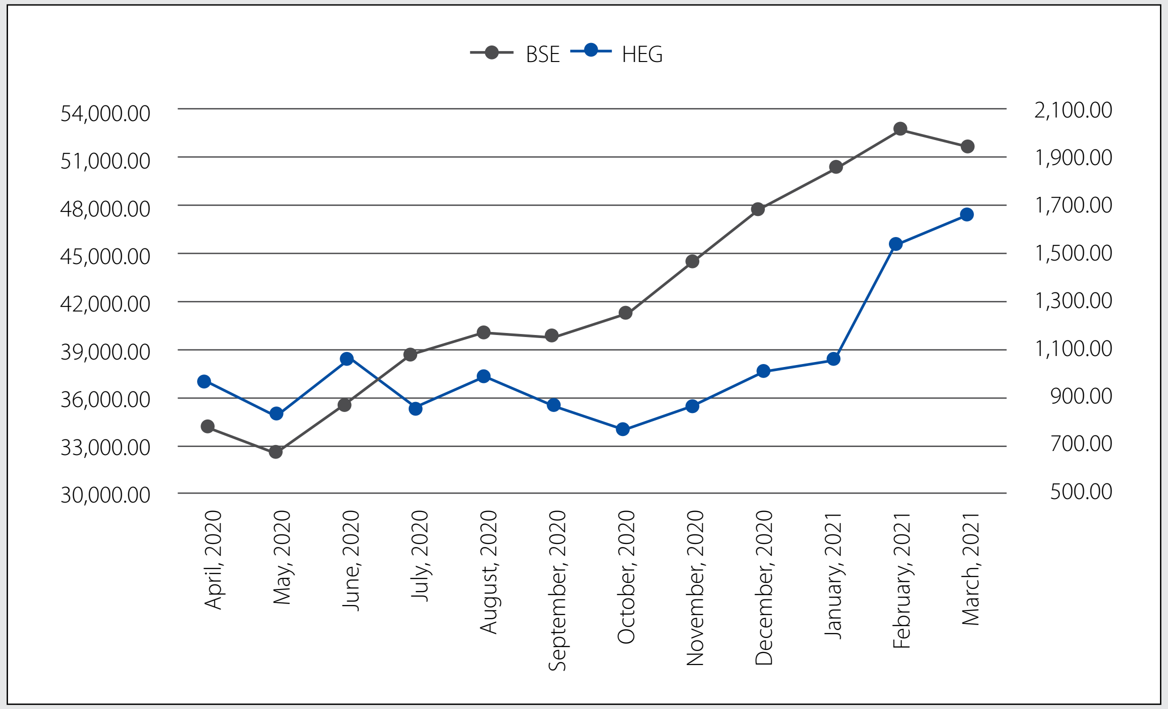
20. Shareholders' Information

a) Annual General Meeting (AGM): Date, Time & Venue	Wednesday, 28.07.2021 at 11.00 A.M through Video Conferencing / Other Audio Visual Means facility (Deemed Venue for Meeting: Registered Office at Mandideep (Near Bhopal), Distt. Raisen – 462046, Madhya Pradesh).
b) Financial Year	Financial Year: 1st April, 2020 – 31st March, 2021.
c) Date of Book Closure	Thursday, 22.07.2021 to Wednesday 28.07.2021 (both dates inclusive)
d) Dividend payment date:	The Final Dividend, if declared will be paid within 30 days from the date of AGM. The same is subject to TDS. You may visit www.hegltd.com for details.
e) Listing of Shares on Stock Exchanges	1. BSE Limited BSE- Corporate Office Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4, (022) 66545695 (Hunting) Fax : (022) 22721919
	2. National Stock Exchange of India Limited NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120
f) Payment of Listing Fees	Annual Listing fees as applicable have been duly paid.
g) Stock Code / ISIN	Equity Shares : BSE: 509631 NSE : HEG ISIN : INE545A01016
h) Whether S&P BSE 500 Index	Yes

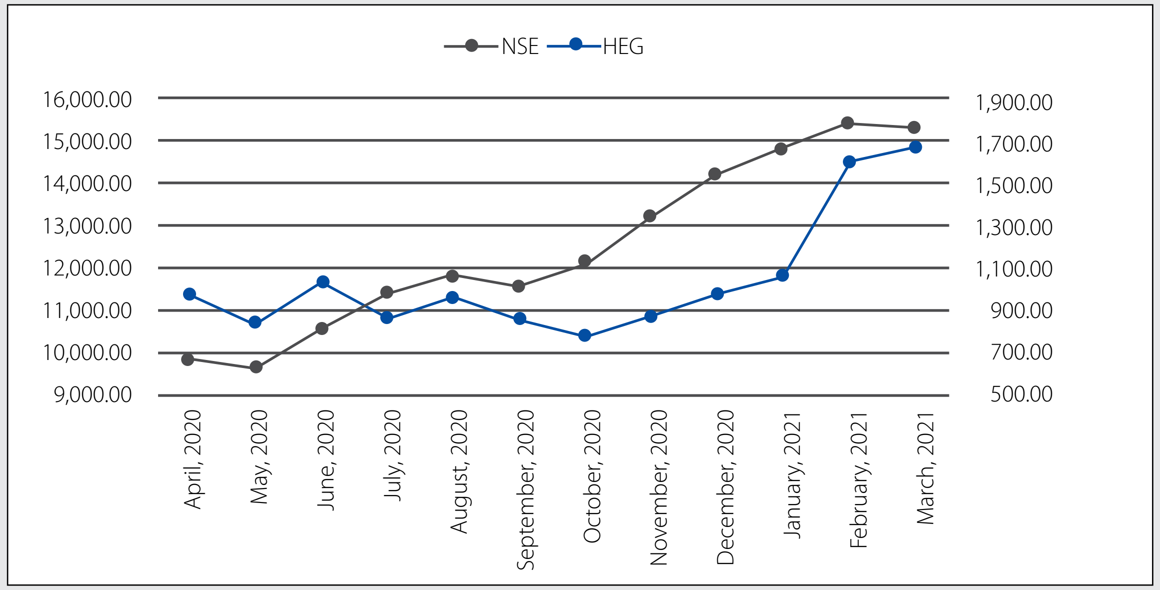
i) (i) Market Price Data: Monthly High-Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty:

	NSE		BSE		BSE SENSEX		NIFTY	
Month	High	Low	High	Low	High	Low	High	Low
April, 2020	955.00	481.10	957.00	484.00	33,887.25	27,500.79	9,889.05	8,055.80
May, 2020	829.80	722.00	831.20	722.80	32,845.48	29,968.45	9,598.85	8,806.75
June, 2020	1,020.00	768.00	1,024.50	770.00	35,706.55	32,348.10	10,553.15	9,544.35
July, 2020	878.80	720.35	878.45	706.40	38,617.03	34,927.20	11,341.40	10,299.60
August, 2020	950.00	721.80	949.85	722.80	40,010.17	36,911.23	11,794.25	10,882.25
September, 2020	867.05	696.25	866.50	697.80	39,359.51	36,495.98	11,618.10	10,790.20
October, 2020	761.20	667.00	761.00	667.55	41,048.05	38,410.20	12,025.45	11,347.05
November, 2020	884.00	659.00	883.70	659.15	44,825.37	39,334.92	13,145.85	11,557.40
December, 2020	967.95	798.10	968.10	798.00	47,896.97	44,118.10	14,024.85	12,962.80
January, 2021	1,069.90	912.20	1,069.85	910.85	50,184.01	46,160.46	14,753.55	13,596.75
February, 2021	1,593.00	937.30	1,592.00	937.25	52,516.76	46,433.65	15,431.75	13,661.75
March, 2021	1,685.45	1,408.65	1,684.80	1,390.00	51,821.84	48,236.35	15,336.30	14,264.40

(ii) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2020-2021:



(iii) Comparative chart of Company's share price movement vís-à-vís the movement of Nifty during FY2020-2021:



j) Registrar and Transfer Agent	M/s. MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: 011-41406149 – 52, Fax: 011-41709881 E-mail Id: helpdeskdelhi@mcsregistrars.com

k) Share Transfer System:	SEBI had mandated that, effective from 1st April 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was/were lodged prior to 1st April 2019 and returned due to deficiency in the documents. Shares received in physical form for transfer are attended and transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all the respects. During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in practice, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and filed copy of the same with the Stock Exchanges. Further, the Company is complied with the Operational guidelines issued by the SEBI for Transfer and Dematerialization of re-lodged physical shares.

l) Distribution of shareholding as on 31st March, 2021:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,40,297	98.66	49,47,652	12.82
501-1000	1,094	0.77	8,10,594	2.10
1001-2000	437	0.31	6,26,412	1.62
2001-3000	131	0.09	3,27,927	0.85
3001-4000	47	0.03	1,60,779	0.42
4001-5000	29	0.02	1,33,761	0.35
5001-10000	62	0.05	4,37,221	1.13
10001 & above	101	0.07	3,11,51,160	80.71
Total	1,42,198	100.00	3,85,95,506	100.00

m) Category of Shareholders as on 31st March, 2021:

Category	No. of shares held	% of shareholding
Promoters and Promoter Group	2,30,10,031	59.62
Mutual Funds	44,758	0.12
Financial Institutions / Banks / Central Govt. / State Govt. Institutions	2,337	0.00
Insurance Companies	28,12,593	7.29
Foreign Institutional Investors	36,41,085	9.43
Bodies Corporate	16,05,594	4.16
Individuals	70,00,831	18.14
Others:		
I) Trusts	732	0.00
II) Societies	1,000	0.00
III) IEPF	2,21,333	0.57
IV) NRI Individuals	2,41,651	0.63
V) NBFCs' Registered with RBI	13,561	0.04
Total	3,85,95,506	100.00

Note: Pursuant to Regulation 31A(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Re-classification of Mekima Corporation, a member of Promoter group from "Promoter and Promoter Group" Category to "Public" Category, an application has already been submitted to BSE Limited and National Stock Exchange of India Limited on 17th March, 2021 by HEG Limited. Approval of the same is still awaited.

n) Dematerialization of shares and liquidity.	3,81,62,884 equity shares were dematerialized till 31st March, 2021 which was 98.88 % of the total paid-up Equity Share Capital of the Company on that date. The Company has sent communication to the shareholders encouraging them to dematerialize their physical holding in the Company. During the year, requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates and related documents. Trading in equity shares of the Company is permitted only in dematerialized form.
o) Commodity price risk or foreign exchange risk and hedging activities	Please refer point no, 15(e) above and the head Risks and its mitigation, which forms part of Management Discussion and Analysis.
p) Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact on equity.	There are no such instruments outstanding as on 31st March, 2021.
q) Plant Locations	a) Mandideep (Near Bhopal), Distt. Raisen- 462046, Madhya Pradesh.
	b) Village Ranipur, Tawa Nagar, Distt. Hoshangabad – 461001 Madhya Pradesh.
r) Address for correspondence	HEG Limited, Secretarial Department Bhilwara Towers, A-12, Sector –1, Noida - 201301 Phone: 0120-4390300, 4390000 Fax: 0120- 4277841 E-mail: heg.investor@lnjbhilwara.com

s) Transfer of Shares to the Investor Education and Protection Fund (IEPF)

Attention to the members is drawn to the provisions of Section 124(6) of the Companies Act, 2013 ('the Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund (IEPF).

The Company had sent individual communication to Members whose shares were liable to be transferred under the Rules at their registered address informing them of the above and for taking appropriate action.

Accordingly, the Company has transferred the equity shares in respect of which dividend upto 2012-13 has not been claimed or paid for a period of seven consecutive years or more to the IEPF.

The details are also available on website at www.hegltd.com and website of IEPF Authority at www.iepf.gov.in. No claim shall lie against the Company in respect of unclaimed dividend amounts and the corresponding shares transferred to IEPF, pursuant to relevant Rules. Members should note that both the unclaimed dividend and the shares transferred to IEPF can be claimed back by them from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website of the IEPF Authority (www.iepf.gov.in) and sending a duly signed physical copy of the same alongwith requisite documents enumerated in the Form No. IEPF-5 duly completed in all respect, to the Company.

The details of unclaimed dividend and shares transferred to IEPF during the financial year 2020-21 are given hereunder:

Financial Year	Amount of unclaimed dividend transferred (₹ in lakhs)	Number of shares transferred
2012-13	39.73	20,142

Tentative schedule for transfer to IEPF is as under:

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
30-08-2014	2013-14	30-09-2021
22-09-2015	2014-15	23-10-2022
08-02-2018	2017-18 (Interim)	12-03-2025
23-07-2018	2017-18 (Final)	23-08-2025
31-10-2018	2018-19 (Interim)	05-12-2025
20-08-2019	2018-19 (Final)	24-09-2026
11-02-2020	2019-20 (Interim)	18-03-2027

t) Credit Rating

HEG Limited's Long-Term Issuer Rating is 'IND AA-' issued by India Ratings and Research (Ind-Ra) vide its letter dated 14th July, 2020. The Outlook is Stable. All credit ratings obtained by the Company are disclosed on the website of the Company i.e. www.hegltd.com. No credit rating has been obtained for any fixed deposit programme during the financial year 2020-21.

For and on behalf of the Board of Directors
Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Place: Noida (U.P.)
Dated: 27th May, 2021

Annexure

Details of Directors eligible for appointment/re-appointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2.

Name of Director	Riju Jhunjhunwala	Shekhar Agarwal
DIN	00061060	00066113
Category of Directorship	Promoter Non-Executive	Promoter Non-Executive
Date of Birth	13.01.1979	09.10.1952
Age	42 years	68 years
Date of Appointment on the Board	30.04.2009	15.07.1996
Qualification	Graduate in Business Management Studies from University of Bradford, UK	B.Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA
Experience	Shri Riju Jhunjhunwala is an Industrialist with diversified business experience in Textile, Power, IT, Skill Development and Graphite Electrodes. He is the Chairman, Managing Director of RSWM Limited and Managing Director of Bhilwara Energy Ltd. He is also active in industry and social associations. He has been the past president of the Entrepreneurs Organization (Delhi Chapter) among some others. He is an avid reader of history and biographies and has a keen interest in general affairs and politics.	Shri Shekhar Agarwal, with nearly 40 years' experience in the textiles industry, is the Chairman and Managing Director of Maral Overseas Ltd. and Bhilwara Technical Textiles Ltd. He is also the Chairman of BMD Pvt. Ltd. Mr. Agarwal obtained his B.Tech. (Mechanical Engineering) from IIT, Kanpur in 1975 and went on to get his Master of Science Degree in Industrial & Systems Engineering in 1976 from Illinois Institute of Technology, Chicago, USA. He worked as a Senior Industrial & System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained & practiced MOST, the Maynard Operations Sequencing Technique for manufacturing high quality valves & regulators for the LPG & Compressed gas industries. He is a former Chairman of the Confederation of Indian Textile Industry (CITI) (formerly ICMF), the apex body for the total textile industry in India and former President of Northern India Textile Mills Association (NITMA).
No. of other Directorships in public Ltd Companies	Bhilwara Energy Ltd RSWM Ltd Bhilwara Infotechnology Ltd Bhilwara Technical Textiles Ltd NJC Hydro Power Ltd Chango Yangthang Hydro Power Ltd	RSWM Limited Maral Overseas Limited BSL Limited Bhilwara Technical Textiles Limited
Chairman/Member of the Committees of the Board of Directors of the Company.#		
Audit Committee	-	Member
Stakeholders Relationship Committee	Chairman	-
No of Equity Shares held in the Company	2,20,356	-
Number of Board Meetings attended during the year	3/4	4/4
Chairman/Member of the Committees of the Board of Directors of Other Companies#		
Audit Committee	-	BSL Limited - Member
Stakeholders Relationship Committee	Bhilwara Technical Textiles Limited - Member	RSWM Limited – Member Maral Overseas Limited - Member
Terms and conditions of appointment/ re-appointment	Non-Executive Director, liable to retire by rotation.	Non-Executive Director, liable to retire by rotation.
Remuneration sought to be paid	See Note given below.	See Note given below
The remuneration last drawn	₹2.65 Lakhs in the Financial Year (2020-2021)	₹6.00 Lakhs in the Financial Year (2020-2021)

Name of Director	Riju Jhunjhunwala	Shekhar Agarwal
Relationship with other Directors, Manager and Key Managerial Personnel	Shri Riju Jhunjhunwala is relative of Shri Ravi Jhunjhunwala.	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosing the Independent Director	Not Applicable	Not Applicable

#Audit Committee and Stakeholders Relationship Committee have been considered.

Note: The Non-Executive Directors (including Independent Directors) are paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

Shareholders at 46th Annual General Meeting have given approval to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 read with Section 197 of the Companies Act, 2013 and distributed among Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payment may be made in respect of each year, for a period of five financial years starting from FY 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors/Committee thereof.

Independent Auditors' Report

To the Members of
HEG Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HEG Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No.	Key audit matters	Auditor's Response
1.	**Valuation of inventory as at the year end March 31, 2021** The inventories are valued at the lower of cost and net realizable value in accordance with applicable accounting standard. There is a risk that inventories may be stated at values that are more than their net realizable values (NRV). We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.	**Our audit procedures involved the following:** • Reviewing the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Understanding and testing the design and operating effectiveness of controls as established by the management in determination of cost and net realizable value of inventory. • Obtaining an understanding of determination of cost as well as net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgements applied by the management for such valuation. • Reviewing of the selling price of finished goods at the year end and in subsequent period.
2.	**Assessment of Provisions and Contingent liabilities in respect of litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt** There is high level of judgement required in estimating the level of provisioning. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	**Our audit procedures involved the following:** • Obtaining an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and internal control relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. • Discussing and analysing material legal cases with the Company's legal department. • Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon. • Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of internal tax experts. • Evaluating management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the financial statements. • Assessing the adequacy of the disclosures with regard to facts and circumstances of the legal matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the standalone financial statements and our auditor's report thereon), which we obtained at the time of issue of this auditors' report, and the Directors' Report including annexures, if any, thereon, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's report including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the Directors as on 31st March 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 38 to the standalone financial statements.

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

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

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089
Sanjiv Mohan
Partner
M. No. 086066
UDIN: 21086066AAAAJN9499

Place: Ludhiana
Date: 27th May, 2021

Annexure – "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEG Limited of even date)

(i) In respect of the Company's fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, a Company has adopted a policy of physical verification of all the items of fixed assets once in block of three years. Pursuant to said policy, the company has physically verified all fixed assets during financial year 2018-19 and 2019-20 in a phased manner. Accordingly, no physical verification of fixed assets has been carried out during the current year as per policy of the Company. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deed of the immovable property is held in the name of the Company.

(ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year at all its locations, except stocks located outside India, lying with third parties and materials-in-transit, which have been verified with reference to correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of guarantee provided jointly with another Company to a financial institution for loan taken by subsidiary of associate from the financial institution, the terms and conditions of which are not, prime facie, prejudicial to the interest of the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under and therefore the provisions of the clause 3(v) of the order are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, cess, and other statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable as at 31st March, 2021.

(c) According to the information and explanations given to us and based on our examination of records of the Company, the following dues of service tax, value added tax, sales tax, duty of excise and income tax which have not been deposited by the Company with the appropriate authorities on account of dispute.

S. No	Name of Statute	Nature of Dues	Amount unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1.	Central Excise Act, 1944	Excise Duty	248.34	FY 2002-03, 2004-05, 2005-06, 2006-07	CESTAT, New Delhi
		Excise duty	1.42	FY 2004-05	Hon'ble High Court, Jabalpur

Contd.

S. No	Name of Statute	Nature of Dues	Amount unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
2.	Income Tax Act, 1961	Income Tax	100.00	AY 2000-01	CIT (Appeals), Bhopal
		Income Tax	516.00	AY 2003-04, 2004-05	Hon'ble High Court, Jabalpur
		Income Tax	40.00	AY 2010-11, 2011-12	Income tax Appellant Tribunal
		Income Tax	1,064.05	AY 2013-14, 2014-15	CIT (Appeals), Delhi
		Tax deducted at source	279.43	AY 2015-16, 2016-17, 2017-18	CIT (Appeals), Ahmedabad
3.	Finance Act, 1994	Service Tax and penalty	104.17	FY 2012-13, 2013-14	CESTAT, New Delhi
4.	Central Sales Tax Act, 1956	Central Sales Tax	21.30	FY 2003-04	Hon'ble High Court, Jabalpur
		Central Sales Tax	244.16	FY 2016-17	Commissioner (Appeals), Bhopal
5.	Madhya Pradesh Parvesh Kar Adhiniyam, 1976	Entry Tax	2.36	FY 2014-15	Commissioner (Appeal), Bhopal
		Entry Tax	341.01	FY 2009-10,2010-11, 2011-12, 2012-13	Appellate Tribunal, Bhopal
		Entry Tax	28.98	FY 1997-98, 2003-04, 2007-08, 2008-09	Hon'ble High Court, Jabalpur
6.	Chhattisgarh Commercial Tax	VAT	3.04	FY 2006-07	Commissioner (Appeals), Raipur
		VAT	1.51	FY 1992-93	Appellate Tribunal, Raipur
		Entry Tax	9.79	FY 2005-06	Appellate Tribunal, Raipur
		Entry Tax	12.00	FY 2007-08	Commissioner (Appeals), Raipur

(viii) According to the information and explanations given to us and based on our examination of records of the Company the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on the records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) of the order is not applicable to the Company.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089
Sanjiv Mohan
Partner
M. No. 086066
UDIN: 21086066AAAAJN9499

Place: Ludhiana
Date: 27th May, 2021

Annexure - "B" to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HEG Limited of even date)

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

We have audited the internal financial control over financial reporting of HEG Limited ("the Company") as of 31st March 2021 in conjunction with our audit of standalone financial statements of Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089
Sanjiv Mohan
Partner
M. No. 086066
UDIN: 21086066AAAAJN9499

Place: Ludhiana
Date: 27th May, 2021

Standalone Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	68,350.53	73,357.94
(b) Capital work-in-progress	5	37,326.58	10,060.75
(c) Right of use asset	6	708.92	739.51
(d) Investment property	7	321.41	337.33
(e) Intangible assets	8	20.18	30.05
(f) Financial assets			
(i) Investments	9	70,214.90	1,13,938.15
(ii) Loans	11	2,529.36	1,741.56
(iii) Other financial assets	12	2,066.91	-
(g) Income tax assets (net)	25	14,641.81	14,393.15
(h) Other non-current assets	13	11,228.40	14,464.98
Total Non-current assets		**2,07,409.00**	**2,29,063.41**
2. Current assets			
(a) Inventories	14	58,060.95	1,00,513.85
(b) Financial assets			
(i) Investments	9	55,910.30	1,653.30
(ii) Trade receivables	10	28,942.10	39,940.82
(iii) Cash and cash equivalents	15	2,137.39	3,280.33
(iv) Bank balances other than (iii) above	16	52,920.26	40,448.07
(v) Loans	11	31.38	77.90
(vi) Other financial assets	12	1,049.81	686.07
(c) Other current assets	13	8,311.21	19,287.46
Total current assets		**2,07,363.40**	**2,05,887.80**
Total Assets		**4,14,772.40**	**4,34,951.21**
EQUITY and LIABILITIES			
EQUITY			
(a) Equity share capital	17	3,859.59	3,859.59
(b) Other equity	18	3,36,003.52	3,38,428.34
Total equity		**3,39,863.11**	**3,42,287.92**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	-
(ii) Lease liabilities	21 A	81.29	114.38
(iii) Other financial liabilities	21 B	-	-
(b) Provisions	22	358.35	391.34
(c) Deferred tax liabilities (net)	23	9,674.62	10,205.13
(d) Other non-current liabilities	24	391.92	301.21
Total non-current liabilities		**10,506.18**	**11,012.06**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	29,651.42	59,261.72
(ii) Trade payable			
-Total outstanding dues of micro enterprises and small enterprises	20	1,208.30	658.05
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	24,522.98	12,722.65
(iii) Lease liabilities	21 A	73.10	49.78
(iv) Other financial liabilities	21 B	6,603.67	6,575.81
(b) Other current liabilities	24	1,231.21	1,254.73
(c) Provisions	22	484.67	520.70
(d) Income tax liabilities (net)	25	627.77	607.77
Total current liabilities		**64,403.12**	**81,651.22**
Total liabilities		**74,909.30**	**92,663.28**
Total equity and liabilities		**4,14,772.40**	**4,34,951.21**

See accompanying notes to the standalone financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	Revenue from operations	26	1,25,622.84	2,14,902.47
II.	Other income	27	11,290.84	14,375.68
III.	**Total income (I + II)**		**1,36,913.68**	**2,29,278.15**
IV.	**Expenses:**			
	Cost of materials consumed	28	50,493.86	1,55,813.14
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods and work-in-progress	29	30,415.46	6,294.52
	Employee benefits expense	30	5,452.82	6,560.47
	Finance costs	31	1,136.83	3,651.17
	Depreciation and amortization expense	32	7,311.56	7,213.16
	Other expenses	33	45,178.96	46,816.99
	Total expenses (IV)		**1,39,989.49**	**2,26,349.45**
V.	**Profit before tax (III - IV)**		**(3,075.81)**	**2,928.70**
VI.	**Tax expense:**			
	(1) Current tax			
	- Current tax adjustment related to earlier years	34	20.00	(18.55)
	(2) Deferred tax	34	(565.87)	(2,389.90)
	Total tax expense: (VI)		(545.87)	(2,408.45)
VII.	**Profit for the year (V-VI)**		**(2,529.94)**	**5,337.15**
VIII.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of employee defined benefit plan	35	140.48	(70.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	34	(35.36)	17.62
IX.	**Total comprehensive income for the year (VII+VIII) (comprising loss/profit and other comprehensive income for the year)**		**(2,424.82)**	**5,284.77**
	Earnings per equity share: (of ₹10/-each)			
	(1) Basic ( )	36	(6.56)	13.83
	(2) Diluted ( )	36	(6.56)	13.83

See accompanying notes to the standalone financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Standalone Statement of Changes in Equity for the year ended 31st March,2021

(₹ in Lakhs)

A) Equity Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of reporting period	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting period	3,859.59	3,859.59

B) Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of Defined Benefit Obligations	
Balance at the beginning of reporting period i.e. 1st April, 2020	**3,138.24**	**-**	**2,029.93**	**-**	**3,33,303.54**	**(43.37)**	**3,38,428.34**
Profit for the year	-	-	-	-	(2,529.94)		(2,529.94)
Other comprehensive income for the year	-	-	-	-	-	105.12	105.12
Total comprehensive income for the year	**-**	**-**	**-**		**(2,529.94)**	**105.12**	**(2,424.81)**
Payment of dividend	-	-	-	-	-	-	-
Payment of dividend distribution tax	-	-	-	-	-	-	-
Balance at the end of reporting period i.e. 31st March, 2021	**3,138.24**	**-**	**2,029.93**	**-**	**3,30,773.60**	**61.76**	**3,36,003.53**

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of defined Benefit Obligations	
Balance at the beginning of reporting period i.e. 1st April, 2019	**3,138.24**	**-**	**2,029.93**	**-**	**3,62,863.08**	**9.01**	**3,68,040.26**
Profit for the year	-	-	-	-	5,337.15	-	5,337.15
Other comprehensive income for the year	-	-	-	-	-	(52.38)	(52.38)
Total comprehensive income for the year	**-**	**-**	**-**		**5,337.15**	**(52.38)**	**5,284.77**
Payment of dividend	-	-	-	-	(28,946.63)	-	(28,946.63)
Payment of dividend distribution tax	-	-	-	-	(5,950.06)	-	(5,950.06)
Balance at the end of reporting period i.e. 31st March, 2020	**3,138.24**	**-**	**2,029.93**	**-**	**3,33,303.54**	**(43.37)**	**3,38,428.34**

See accompanying notes to the standalone financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Standalone Cash Flow Statement for the year ended 31st March,2021

(₹ in Lakhs)

	PARTICULARS	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	**(3,075.81)**	**2,928.70**
	Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	7,311.56	7,213.16
	Interest paid	1,136.83	3,651.17
	Net profit/(loss) on property plant and equipment sold / discarded	594.02	87.87
	Allowances for expected credit Losses	(227.84)	(325.89)
	Unrealized gain/(loss) due to effect of exchange rate changes in assets and liabilities	56.47	(2,587.89)
	Bad debts	395.09	78.92
	Gain on sale/fair valuation of investments	(6,110.84)	(7,325.25)
	Dividend received	(104.42)	(124.67)
	Rent received	(115.49)	(138.12)
	Interest received	(2,888.32)	(3,591.99)
	Adjustments for changes in working capital		
	(Increase)/decrease in trade receivables	10,853.66	81,819.63
	(Increase)/decrease in inventories	42,452.91	30,324.80
	(Increase)/decrease in loans, financial and other assets	10,364.43	6,834.96
	Increase/(decrease) in liabilities and provisions	12,474.25	(34,598.24)
	Cash generated from operations	**73,116.51**	**84,247.14**
	Income tax paid (net)	**248.66**	**10,376.10**
	Net cash generated from operating activities (A)	**72,867.84**	**73,871.03**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipments (including capital work-in-progress)	(30,131.44)	(11,124.24)
	Proceeds from sale of property, plant and equipments	72.17	124.58
	(Increase)/decrease in advances for capital expenditure	3,236.63	(12,559.84)
	Bank balances not considered as cash and cash equivalents	(14,535.79)	12,368.42
	Increase/(decrease) in creditors for capital expenditure	-	1,574.05
	Payment for purchase of investments	(13,949.98)	(1,09,200.84)
	Proceeds from sale of investments	9,527.09	87,638.53
	Rent received	115.49	138.12
	Dividend received	104.42	124.67
	Interest received	2,532.23	3,371.71
	Net Cash from/(used in) investing activities (B)	**(43,029.18)**	**(27,544.84)**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of working capital borrowings (on net basis) (also refer note no. 49)	(29,677.26)	(7,403.93)
	Interest paid (including interest on lease liability)	(1,246.18)	(3,651.17)
	Payment of lease liability	(58.15)	(9.96)
	Dividend paid	-	(28,946.63)
	Dividend distribution tax paid	-	(5,950.06)
	Net Cash from/(used in) financing activities (C)	**(30,981.59)**	**(45,961.76)**
	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1,142.93)**	**364.42**
	Cash and cash equivalents at the beginning of the period	3,280.33	2,915.91
	Cash and cash equivalents at the end of the period	2,137.39	3,280.33

Refer note 15 of financial statements for components of cash and cash equivalents.

See accompanying notes to the standalone financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

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

Note 1: Corporate Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total capacity of about 76.5 MW.

The Company is a public limited company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)."

These standalone Ind AS financial statements were approved for issue by the Company's Board of Directors in their meeting held on 27th May, 2021.

Note 2:

2.1 Statement of Compliance

The standalone financial statement comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of Preparation and Presentation

(i) The standalone financial statements have been prepared on historical cost convention on accrual basis except for certain financial instruments (including derivative instruments) are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

The policies have been consistently applied to all the years presented unless otherwise stated.

(ii) The functional and presentation currency of the Company is Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

2.3 Significant Accounting Policies

(i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below.

Revenue recognized from major business activities:

(a) Sale of products

The Company derives revenue primarily from sale of Graphite Electrodes.

Revenue from contracts with customers is recognised as and when the Company satisfies performance obligation by transfer of control of goods at an amount that reflects the consideration entitled in exchange for those goods.

Generally control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risk of ownership or future obligations with respect to the goods shipped.

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

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amount collected on behalf of third parties (For example taxes and duties collected on the behalf of government). Consideration is generally due upon satisfaction of performance obligation and receivable is recognized when it becomes unconditional.

The Company does not adjust short term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods will be transferred to the customer within a period of one year.

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board (SEB) or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other Income

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized to the extent sold at actual rate of net realization.

(ii) Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(iii) Interest income from financial assets is recognised when it is probable that economic benefit will flow to the Company and the amount of income can be measured reliably and is accrued on a time basis by reference to the principal amount outstanding and at effective interest rate applicable.

(iv) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(v) Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

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

(iii) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance under non-current asset and the cost of asset not put to use before balance sheet date are disclosed under capital work in progress.

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

On transition to Ind As, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2016 measured as per previous GAAP and use that carrying value as its deemed cost of the property, plant and equipment.

(iv) Investment property

Investment properties comprises freehold land and building (including property under construction) that are held for long-term rental yields or for capital appreciation and both are classified as investment property. Investment properties are measured initially at cost, comprising the purchase price and directly attributable transaction cost. Subsequently investment property is carried at cost model, which is cost less accumulated depreciation and impairment losses if any in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

(v) Intangible Assets

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible asset recognized as at 1st April,2016, measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

(vi) Depreciation

(A) Property, Plant and Equipment

Based on internal assessment and independent technical evaluation carried out by external valuer, The Management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

(i) Depreciation on all the assets at Hydel Power Project at Tawa is provided on Straight Line Method. The useful life of assets determined is as below:

Sl. No.	Description of asset	Rate of Depreciation (%)	Useful Life (Approx)
1	Factory building	3.02	33
2	Non factory building	3.02	33
3	Plant and machinery		
	i) Dams, spillways weirs, canals, reinforced concrete flumes and symphons	1.95	51
	ii) Hydraulic control valves and other hydraulic works	3.40	30
	iii) Transformers having a rating of 100 KVA and over	7.81	13
4	Electrical installation		
	i) Batteries	33.40	3
	ii) Lines on fabricated steel operating at normal voltages higher than 66 kv	5.27	19
	iii) Residual	7.84	13
5	Furniture and fixtures	12.77	8
6	Office equipment and other assets	12.77	8
7	Vehicles	33.40	3

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

(ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of plant and machinery, depreciation is provided on Straight Line Method and in case of other assets on Written Down Method. The useful life of assets determined is as below:

Assets description	Useful Life
Building	20 - 60 Years
Plant and machinery	1-24 Years
Railway siding	9 Years
Office equipment (includes computers and data processing units)	5-20 Years
Electrical installation	5-20 Years
Furniture and fixtures	15 Years
Vehicle	5-10 Years

(iii) Assets costing upto ₹5,000 are fully depreciated in the year of purchase.

(iv) Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

(B) Investment property

Investment property is depreciated using written down value method over their estimated useful life. Investment property generally has a useful life of 58 years. Useful life has been determined as prescribed in Schedule II to the Companies Act, 2013.

(vii) Amortization

Intangible Assets

Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and are as under

Assets description	Useful Life
Computer software	05 Years

Amortisation method, useful lives and residual value are reviewed at the end of each financial year with the effect of any changes in estimate accounted for on a prospective basis.

(viii) Impairment of Non-Financial Assets

Intangible assets, investment property and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

(ix) Foreign Currencies

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee Benefits

(A) Post Employment Benefits

(a) Defined Contribution Plan

(i) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

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

(ii) Superannuation

The Company makes contribution to Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees salary and the tenure of employment with the company.

Liability with regard to Gratuity is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The Company fully contributes all ascertained liabilities to the Hindustan Electro Graphite's Staff Gratuity Fund Trust (The Trust), trustees administers the contributions made to the Trust and contribution are invested in a scheme with Life Corporation of India as permitted by Indian Law.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Company recognizes the net obligation in the balance sheet as an asset or liability.

B) Short term employee benefits

A liability is recognised for benefit:

Expense in respect of short term benefits including non-accumulated absences is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(C) Other long term employee benefits- Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

(xi) Leases

Policy applicable after April 1, 2019

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term leases i.e. leases of 12 months or below:

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

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(xii) Segment Reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products/ services.

(1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.

(2) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.

(3) Income not allocable to the segments is included in unallocable income.

(4) Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the Company.

(5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

(xiii) Income Tax

Income Tax expense comprises of current and deferred income tax.

(1) Current income tax

Current income tax for current and prior period is recognized at the amount expected to be paid to the tax authorities using tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in equity and other comprehensive income.

(2) Deferred Income Tax

Deferred income tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statement.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

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

(xiv) Government grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(xv) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

(xvi) Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

(xvii) Earnings Per Share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares if any.

(xviii) Financial instruments

(i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Transaction cost directly attributable to the acquisition of financial assets and financial liabilities at value through Profit or Loss are recognised immediately in Profit or Loss

(ii) Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:-

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised in profit or loss if instrument measured at fair value through other comprehensive income (FUOCI)

Investment in equity instruments at fair value through other comprehensive income. The Company can make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. These elected investments are initially measured at fair value plus transaction cost, subsequently in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income and accumulated in reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investment. This election is not permitted if the equity investment is held for trading. Dividends on their investment in equity instrument are recognised in profit or loss, when the Company's right to receive the dividend is established.

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

(e) Investment in Associates

Investment in associates is carried at cost in the separate financial statements.

B. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

(iii) Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the financial assets expire, or

(ii) The Company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the

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

change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

C. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and buy back of equity shares and share options are recognized as a deduction from equity, net of any tax effects.

(xix) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 "Statement of Cash flows" using the indirect method for operating activities.

(xx) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity period of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

(xxi) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.4 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

Fair Value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 48.

Recognition of deferred tax assets

Management judgement is required for the calculation of provision for current income taxes and deferred tax assets and liabilities. The

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

Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

2.5 Applicability of new and revised Ind AS

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would be applicable w.e.f. 1st April, 2021.

2.6 Inventory:

Management has carefully estimated the net realisable value of the inventories, taking into account the most reliable evidence available at each reporting date, the future realisation of the invention may be affected by market driven changes.

Note 3: Current – non-current classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

<u>Assets</u>

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

<u>Liabilities</u>

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

<u>Operating cycle</u>

Operating cycle is the time between the acquisition of assets for processing/servicing and their realization in cash or cash equivalents.

Note 4: Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount of		
Freehold land	317.81	317.81
Leasehold land	-	-
Buildings	10,789.72	11,681.31
Plant and equipment	55,012.77	58,589.26
Furniture and fixtures	113.36	139.12
Vehicles	630.33	743.19
Office equipment	235.35	246.64
Electrical installation	999.93	1,163.46
Railway sidings	251.26	477.15
Total property, plant and equipment	**68,350.53**	**73,357.94**

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

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Railway sidings	Total
	Freehold	Leasehold								
Gross Carrying amount as at 1st April, 2019	**317.81**	**840.16**	**25,608.08**	**134,903.53**	**573.23**	**1,093.63**	**1,165.62**	**3,214.03**	**921.69**	**168,637.77**
Additions	-		863.51	1,374.79	39.38	393.55	89.64	156.04	-	2,916.91
Disposals/deletions	-		(51.77)	(432.13)	(14.82)	(217.91)	(130.92)	(24.72)	-	(872.27)
Adjustments	-	-	-	-	-	-	-	-	-	-
Amount reclassified to Right of use asset under Note-7(As per Ind-AS 116)		(840.16)								(840.16)
Gross carrying amount as at 31st March, 2020 (A)	**317.81**	**-**	**26,419.82**	**135,846.19**	**597.78**	**1,269.27**	**1,124.34**	**3,345.35**	**921.69**	**169,842.25**
Additions	-		43.39	2,528.34	1.15	122.68	69.22	100.82	-	2,865.60
Disposals/deletions	-		(272.60)	(1,980.70)	(4.14)	(135.20)	(42.75)	(243.23)	(274.27)	(2,952.89)
Adjustments	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31st March, 2021 (B)	**317.81**	**-**	**26,190.60**	**136,393.83**	**594.79**	**1,256.75**	**1,150.81**	**3,202.94**	**647.42**	**169,754.97**
Accumulated depreciation as at 1st April, 2019	-	206.47	13,844.31	71,881.10	446.48	463.56	922.26	2,022.24	402.90	90,189.32
Depreciation for the year	-		937.71	5,707.14	21.04	205.98	75.37	172.40	41.64	7,161.28
Disposals/deletions	-	-	(43.51)	(331.31)	(8.86)	(143.46)	(119.93)	(12.75)	-	(659.82)
Amount reclassified to Right of use Asset under Note-7(As per Ind-AS 116)		(206.47)								(206.47)
Accumulated depreciation as at 31st March, 2020 (C)	**-**	**-**	**14,738.51**	**77,256.93**	**458.66**	**526.08**	**877.70**	**2,181.89**	**444.54**	**96,484.31**
Depreciation for the year	-		905.71	5,780.76	24.12	201.64	75.73	180.41	38.46	7,206.83
Disposals/deletions	-		(243.34)	(1,656.62)	(1.36)	(101.30)	(37.96)	(159.29)	(86.84)	(2,286.70)
Accumulated depreciation as at 31st March, 2021(D)	**-**	**-**	**15,400.88**	**81,381.07**	**481.43**	**626.42**	**915.46**	**2,203.01**	**396.16**	**101,404.44**
Net carrying amount as at 31st March, 2020 (A)-(C)	**317.81**	**-**	**11,681.31**	**58,589.26**	**139.12**	**743.19**	**246.64**	**1,163.46**	**477.15**	**73,357.94**
Net carrying amount as at 31st March, 2021 (B)-(D)	**317.81**	**-**	**10,789.72**	**55,012.77**	**113.36**	**630.33**	**235.35**	**999.93**	**251.26**	**68,350.53**

a) Assets amounting to ₹83.13 Lakhs (Previous Year ₹83.13 Lakhs) (gross) are own jointly with RSWM Ltd.

b) Property , plant and equipment pledged as security

Refer to note no. 47 for information on property, plant and equipment pledged as security by the Company.

c) The borrowing cost capitalized during the year is NIL (Previous year NIL)

d) Also refer Note 2.3(iii) for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015

Note 5 : Capital Work In Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Building and plant and equipment under erection/installation (including project and pre-operative expense) (also refer Note - 44)	37,326.58	10,060.75

Capital work in progress includes capital goods lying at stores ₹20,925.31 Lakhs (previous year ₹621.41 Lakhs).

For details on Capital Commitments refer Note - 38(2)

The borrowing cost capitalized during the year is NIL (Previous year NIL)

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

Note 6: Right of Use Asset

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount of		
Land	602.55	618.10
Building	106.37	121.41
Total	**708.92**	**739.51**

Particulars	Land	Building	Total
Gross carrying amount as at 1st April, 2019	-	-	-
Amount reclassified from property, plant and equipment under note-4 (As per Ind-AS 116)	840.16	-	840.16
Additions	-	131.62	131.62
Disposals/deletions	-		-
Adjustments	-		-
Gross carrying amount as at 31st March, 2020 (A)	**840.16**	**131.62**	**971.78**
Gross carrying amount as at 1st April, 2020	**840.16**	**131.62**	**971.78**
Additions	-	48.36	48.36
Disposals/deletions	-	-	-
Adjustments	-	-	-
Gross carrying amount as at 31st March, 2021 (B)	**840.16**	**179.98**	**1,020.16**
Accumulated depreciation as at 1st April, 2019	-	-	-
Amount reclassified from property, plant and equipment under note-4 (As per Ind-AS 116)	206.47	-	206.47
Depreciation for the year	15.59	10.21	25.80
Disposals/deletions	-	-	-
Accumulated depreciation as at 31st March, 2020 (C)	**222.06**	**10.21**	**232.27**
Accumulated depreciation as at 31st March, 2020	222.06	10.21	232.27
Depreciation for the year	15.55	63.40	78.95
Disposals/deletions	-	-	-
Accumulated depreciation as at 31st March, 2021 (D)	**237.61**	**73.61**	**311.23**
Net carrying amount as at 31st March, 2020 (A)-(C)	**618.10**	**121.41**	**739.51**
Net carrying amount as at 31st March, 2021 (B)-(D)	**602.55**	**106.37**	**708.92**

(ii) Refer Note 41 for other disclosures related to leases.

Note 7 : Investment Property

Carrying amount of Investment Property *(₹ in Lakhs)*

Particulars	As at 31st March, 2021	As at 31st March, 2020
Building	321.41	337.33

		Building
Gross Block		
As at 1st April, 2019		**440.83**
Additions		-
Disposals		-
As at 31st March, 2020	**(a)**	**440.83**

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

Additions		-
Disposals		-
As at 31st March, 2021	**(b)**	**440.83**
Accumulated Depreciation		
At 1st April, 2019		**86.69**
Charge for the year		16.80
Disposals		-
As at 31st March, 2020	**(c)**	**103.50**
Charge for the year		15.92
Disposals		-
As at 31st March, 2021	**(d)**	**119.42**
Carrying value		
As at 31st March, 2020	**(a-c)**	**337.33**
As at 31st March, 2021	**(b-d)**	**321.41**

(i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental income	110.69	133.35
Direct operating expenses from property that generated rental income	4.83	4.53
Profit from investment properties before depreciation	105.86	128.81
Depreciation	15.92	16.80
Profit from investment properties	89.94	112.01

(ii) Fair value of Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of Investment property	5,358.07	5,360.05

The Company obtains Independent Valuations of its investment property as per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

Fair Value Hierarchy

The fair values of investment properties have been determined by the independent chartered valuer. All fair value estimates for Investment properties have been categorized as level 3.

Note 8: Intangible Assets

Carrying amount of intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Software	20.18	30.05
	20.18	30.05

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

	Amount
Gross carrying amount*	**Computer Software**
As at 1st April, 2019	499.28
Additions	4.10
Disposals	-
As at 31st March, 2020 (a)	**503.37**
Additions	-
Disposals	-
As at 31st March, 2021 (b)	**503.37**
Amortisation	
As at 1st April, 2019	**464.06**
Charge for the year	9.26
Disposals	-
As at 31st March, 2020 (c)	**473.32**
Charge for the year	9.86
Disposals	-
As at 31st March, 2021 (d)	**483.19**
Carrying value	
As at 31st March, 2020 (a-c)	**30.05**
As at 31st March, 2021 (b-d)	**20.18**

Note: The Company has not internally developed computer softwares.

*Also refer Note 2.3(v) for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015

Note : 9 Investments

(₹ in Lakhs)

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
A.	**Investments carried at cost**					
	Investments in Equity instruments					
(a)	Equity Instruments in Associate Companies (Unquoted)					
8,12,32,560	(Previous year 8,12,32,560) Fully paid up equity shares of Bhilwara Energy Ltd.#	10	30711.50	30711.50	-	-
12,62,048	(Previous year 12,62,048) Fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.)	10	419.00	419.00	-	-
B.	**Investments carried at fair value through profit or loss**					
(a)	Investments in Equity instruments (Quoted)					
18	(Previous year 18) Equity Shares of ₹ 2/-each of Ballarpur Ind. Ltd.	2	0.01	0.01	-	-
(b)	**Investments in Mutual Funds (Quoted)**					
35,416.31	(Previous Year-NIL) Invesco India Liquid Fund	1000	-	-	1,000.89	-
19,871.53	(Previous Year-Nil) Reliance Nippon life Mutual Fund	1000	-	-	1,000.05	
2,52,97,878.79	(Previous Year-25297878.79) ICICI Prud. Equity -Arbitrage	-		6,825.90	7,096.61	-
2,58,74,546.00	(Previous Year-23492086.437) Kotak Equity Arbitrage Fund	-		6,828.91	7,835.10	-

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

(₹ in Lakhs)

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
88,05,577.94	(Previous Year-4004902.00) IDFC Arbitrage Fund	-		1,030.49	2,356.34	-
3,41,08,007.08	(Previous Year-27446136.956) AXIS Bank Arbitrage Fund	-		4,077.97	5,267.20	-
1,08,46,524.43	(Previous Year-NIL) UTI Bank Arbitrage Fund	-		-	3,086.31	-
(c)	**Investments in Fixed Maturity Plans Scheme(Quoted)**					
10,00,00,000	(Previous Year-10,00,00,000) ICICI Prudential FMP Series 83 1406 Days Plan D- Direct Growth	10	12,980.60	12,056.60	-	-
2,50,00,000	(Previous Year-2,50,00,000) ICICI Prudential -FMP -Sr 83 - 1100 Days Plan	10	-	2,937.75	3,136.28	-
2,50,00,000	(Previous Year-2,50,00,000) SBI Debt Fund Series C-19 (1100 days)	10	-	2,929.28	3,124.45	-
75,00,000	(Previous Year-75,00,000) Axis Fixed Term Plan - Series 95 (1185 days)	10	-	882.56	946.97	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 235 - 1140	10	-	1,763.15	1,883.82	-
1,00,00,000	(Previous Year-1,00,00,000) Reliance Fixed Horizon Fund-XXXIX-Series 6	10	1,286.92	1,179.57	-	-
1,00,00,000	(Previous Year-1,00,00,000) ABSL FTP Series QN	10	-	1,149.17	1,219.84	-
1,50,00,000	(Previous Year-1,50,00,000) SDFS C20 - 1100 Days	10	-	1,749.50	1,870.23	-
2,50,00,000	(Previous Year-2,50,00,000) HDFC FMP 1105D August 2018 (1)	10	-	2,911.85	3,128.83	-
1,50,00,000	(Previous Year-1,50,00,000) HDFC FMP 1105D August 2018 (2)	10	-	1,745.09	1,867.68	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 240-1160	10	-	1,755.32	1,881.89	-
2,00,00,000	(Previous Year-2,00,00,000) Aditya Birala Sunlife Fixed Term Plan Series RC (1295 days)	10	2,512.32	2,332.82	-	-
1,70,00,000	(Previous Year-1,70,00,000) Aditya Birla Sunlife Fixed Term Plan Series QV (1100 days)	10	-	1,967.80	2,099.13	-
1,50,00,000	(Previous Year-1,50,00,000) Aditya Birla Sunlife Fixed Term Plan Series QU (1100 days)	10	-	1,744.55	1,858.94	-
3,00,00,000	(Previous Year-3,00,00,000) Aditya Birla Sunlife Fixed Term Plan Series RN (1240 days)	10	3,732.63	3,455.22	-	-
1,50,00,000	(Previous Year-1,50,00,000) UTI Fixed Term Income Fund Series XXX - II (1107 days)	10	-	1,746.90	1,872.89	-
2,00,00,000	(Previous Year-2,00,00,000) ICICI Pru Fixed Maturity Plan-Sr 84 - 1245 days Plan N	10	2,518.48	2,317.12	-	-
1,50,00,000	(Previous Year-1,50,00,000) RELIANCE FX HRZ FUND XXXIX S15	10	1,894.61	1,740.59	-	-
1,00,00,000	(Previous Year-1,00,00,000) ICICI Pru Fixed Maturity Plan-Sr 84 - 1288 days Plan O	10	1,257.46	1,156.43	-	-
1,00,00,000	(Previous Year-1,00,00,000) Kotak FMP Series 251-1265 days	10	1,254.74	1,156.15	-	-
1,00,00,000	(Previous Year-1,00,00,000) HDFC FMT 1246D November, 2018 (1) - Series 43	10	1,254.48	1,155.16	-	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 242-1152	10	-	1,751.31	1,877.88	-

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

(₹ in Lakhs)

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 243 - 1319 days	10	1,928.52	1,769.49	-	-
1,50,00,000	(Previous Year-1,50,00,000) Reliance Fixed Horizon Fund-XXXIX Series 2	10	1,935.17	1,772.39	-	-
1,20,00,000	(Previous Year-1,20,00,000) ICICI Prudential -FMP -Series 83 - 1101 Days Plan Z	10	-	1,396.21	1,499.00	-
1,00,00,000	(Previous Year-1,00,00,000) Reliance Fixed Horizon Fund-XXXIX Series 9	10	1,274.88	1,169.84	-	-
(d)	**Investments in Non Convertible Debentures(Quoted)**	-	-			
NIL	(Previous Year-150) HDB FINANCIAL SERVICES LIMITED - SR A/0(ML)/1 BR NCD #	1000000	-	-	-	1,653.30
NIL	(Previous Year-150) HDB FINANCIAL SERVICES LIMITED - SR 2019 A/0(ML)/2 BR NCD	1000000	-	1,637.55	-	
(e)	**Investments in Infrastructure Trust (Unquoted)**					
4400000	(Previous Year-4400000) ORIENTAL INFRATRUST	100	5,253.60	4,715.04		
	Total		**70,214.90**	**1,13,938.15**	**55,910.30**	**1,653.30**
	Aggregate amount of quoted investments		33,830.81	78,092.61	55,910.30	1,653.30
	Market value of quoted investments		33,830.80	78,092.61	55,910.30	1,653.30
	Aggregate carrying value of unquoted investments		36,384.10	35,845.54	-	-
	Aggregate amount for impairment in value of investments		0.00	0.00	-	

Investments having maturity period of less than 12 months from 31st March, 2021 i.e. balance sheet date have been reclassified as current investment

Note 1 :-Refer Note: 46B for Classification of Financial Assets

For change in Company's ownership interest in Bhilwara Energy Ltd. During the financial year ended 31st March, 2020 the Company has acquired 3,23,51,004 equity shares of Bhilwara Energy Ltd. from other shareholders for a consideration of ₹16,204.62 Lakhs. Post the above acquisition of shares, the holding of Company Bhilwara Energy Ltd. an associate company, has increased from 29.48% to 49.01%.

Note 10 : Trade Receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2021	As at 31st March, 2020
a) Trade receivable considered good-secured	-	-
b) Trade receivable considered good-unsecured	28,895.16	39,906.12
c) Trade receivable which have significant increase in credit risk; and	113.43	138.78
d) Trade receivable credit impaired	381.95	572.19
Less: Expected credit loss allowance	(448.44)	(676.28)
There is no amount due from Directors or other Offices of the Company or any of them either severally or jointly with any other person or firms or private company respectively in which any Director is a partner or a Director or a member.	-	-
Total	**28,942.10**	**39,940.82**

Refer Note: 46C for credit risk and expected credit loss related to trade receivables

Refer Note: 46B for classification of financial assets

Refer Note: 47 for information of trade receivables pledged as security by the Company.

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

Note 11: Financial Assets-Loans

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial asset at amortised cost				
Security deposits	2,489.48	1,692.11	-	-
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	39.88	49.45	31.38	77.90
c) Loans which have significant increase in credit risk; and	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**2,529.36**	**1,741.56**	**31.38**	**77.90**

Refer Note: 46B for Classification of Financial Assets

Note 12: Other Financial Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets at amortised cost				
Interest accrued but not due	3.32	-	1,038.85	686.07
Bank balances having maturity period of more than 12 months	2,063.59	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
*Derivative financial instruments	-	-	10.97	-
Total	**2,066.91**	**-**	**1,049.81**	**686.07**

Refer Note: 46B for Classification of Financial Assets

"The Company enters into derivative financial instruments (usually foreign exchange forward contracts)to manage its exposure to foreign exchange rate risk. For details of derivate financial instruments refer note 48."

Note 13: Other Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good unless stated otherwise				
Capital advances	10,714.75	13,951.38	-	-
Other advances (other than advances to related party)	-	-	644.73	719.84
Advances to related parties	-	-	0.11	0.11
Prepaid expenses	42.81	13.71	1,392.56	1,358.49
Balances with statutory authorities	-	-	3,511.95	1,866.51
GST refunds receivable	-	-	296.18	11,386.58
Payments under protest (excluding direct taxes other than TDS)	470.85	499.89	-	-
Export benefits receivable (including MEIS licenses in hand)	-	-	1,141.86	3,401.26
Other employee advances			35.49	51.76
Gratuity fund receivable (also refer note 40)	-	-	589.54	292.24
Others			698.79	210.66
Total	**11,228.40**	**14,464.98**	**8,311.21**	**19,287.46**

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

Detail of payments under protest (excluding direct taxes other than TDS) is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Entry tax	222.84	219.85
Central sales tax	105.92	57.09
Excise duty/service tax	79.62	79.62
MPST/MPCT	0.46	3.29
Tax deducted at source	62.01	62.01
Commercial legal cases	-	78.04
Total	**470.85**	**499.89**

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favour in respect of all the items listed above and no value adjustment is considered necessary.

Note 14: Inventories (Valued at lower of cost or Net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials [Includes material in transit ₹10109.74 Lakhs ; Previous year: ₹342.98 Lakhs]	13,641.45	23,791.36
Finished goods	16,799.35	36,566.62
Work-in-progress	23,890.92	34,539.11
Stores and spares	3,729.23	5,616.76
[Includes stores in transit ₹321.03 Lakhs ; Previous year: ₹2,489.35 Lakhs]		
Total	**58,060.95**	**1,00,513.85**

(a) The cost of inventories recognised as an expense during the year was ₹1,28,880.03 Lakhs (March 31,2020 ₹1,36,720.53 Lakhs)

(b) The cost of inventories recognised as an expense includes ₹ 2,350 Lakhs (31 March, 2020 ₹45,910.08 Lakhs) in respect of write down of inventories to net realisable value .

(c) The cost of inventories recognised as an expense includes ₹474.75 Lakhs (31 March, 2020 ₹522.00 Lakhs) in respect of write down of inventories on account of slow moving items.

(d) The cost of inventories recognised as an expense include ₹857 Lakhs (31 March, 2020 Nil) as reduction to cost in respect of reversal of write down of inventories arising from increase in net realisable value.

(e) Inventory pledged as security

Refer note no. 47 for information of inventory pledged as security by the Company.

Note15 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	704.79	1,589.14
In cash credit accounts	1,413.19	1,682.45
Cheques, drafts in hand	**11.22**	**-**
Cash on hand	**8.19**	**8.73**
Total cash and cash equivalent	**2,137.39**	**3,280.33**

Refer Note: 46B for Classification of Financial Assets

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

Note16 : Other Bank balances (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
I. Earmarked deposits with banks		
a) As margin money against LC for raw material and capital goods *	5,172.53	12,562.45
b) As margin money against bank guarantee	-	20.88
c) Held for unpaid dividend/unclaimed dividend	550.74	612.84
II. Deposits with banks/financial Institutions		
Original maturity of more than 3 months but less than 12 months	47,196.99	27,251.90
Total	**52,920.26**	**40,448.07**

* (a) & (b) includes interest accrued.

Refer Note: 46B for Classification of Financial Assets

Note 17: Equity Share Capital (₹in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised		
5,50,00,000 (previous year 5,50,00,000) Equity Shares of ₹10/- each	5,500.00	5,500.00
15,00,000 (previous year 15,00,000) Preference shares of ₹10/- each	1,500.00	1,500.00
	7,000.00	**7,000.00**
Issued, Subscribed and Fully paid-up		
3,85,95,506 (previous year 3,85,95,506) Equity Shares of ₹10/- each	3,859.55	3,859.55
1,150 (previous year 1,150) Forfeited Equity Shares	0.04	0.04
Total	**3,859.59**	**3,859.59**

a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	2020-21		2019-20	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
At the beginning of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55
Change during the year	-	-	-	-
Outstanding at the end of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55

b) Terms/Rights attached to equity shares

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend (if any) 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

c) Detail of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.90
Microlight Investments Limited	46,65,579	12.09	46,65,579	12.09
Life Insurance Corporation of India	24,25,714	6.28	24,25,714	6.28
Bharat Investments Growth Limited	24,64,913	6.39	24,64,913	6.39

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares except Bharat Investments Growth Limited, in which significant beneficial owner is Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO, who is also the promoter of the Company and exercise significant influence over it.

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	Aggregate No. of Shares				
	2020-21	2019-20	2018-19	2017-18	2016-17
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
b) Equity shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
c) Equity shares bought back by the Company.	-	-	13,63,636	-	-

e) Details of shares held by holding company or its ultimate holding company or their subsidiaries or associates

There is no holding company /ultimate holding company of the Company.

Note 18: Other Equity (₹ in Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
A.	Capital Reserves		
	Balance as per the last financial statements	3,138.24	3,138.24
	Add: Additions during the year	-	-
	Closing balance	**3,138.24**	**3,138.24**
B.	Capital Redemption Reserve		
	Balance as per the last financial statements	2,029.93	2,029.93
	Add: Addition during the year	-	-
	Closing balance	**2,029.93**	**2,029.93**
C.	Securities Premium		
	Balance as per the last financial statements	-	-
	Add: Addition during the year	-	-
	Closing balance	-	-
D.	General Reserve		
	Balance as per the last financial statements	-	-
	Add: Addition during the year	-	-
	Closing balance	-	-

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

	Particulars	As at 31st March, 2021	As at 31st March, 2020
E.	Retained Earnings		
	Balance as per the last financial statements	3,33,303.54	3,62,863.08
	Add: Amount transferred from statement of profit and Loss	(2,529.94)	5,337.15
	Less: Dividend Paid	-	28,946.63
	Less: Dividend distribution tax on paid on dividend	-	5,950.06
	Closing balance	**3,30,773.60**	**3,33,303.54**
F.	Items of other comprehensive income		
	Balance as per the last financial statements	(43.37)	9.01
	Remeasurement of defined benefit plans	105.12	(52.38)
	Closing balance	**61.75**	**(43.37)**
	Total	**3,36,003.52**	**3,38,428.34**

Nature and Purpose of Reserves

1) Capital Reserve:

The Company created part of Capital Reserve on account of warrant money forfeited and part on profit made on hive off of Steel business .

2) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buy back of its own shares. The reserve can be utilised for issuing bonus shares.

3) Securities Premium:

This represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

4) General Reserve

This represents retained earnings which are kept aside out of Company's profits. It is a free reserve which can be utilized to meet any future contingencies and to pay dividend to shareholders.

5) Retained Earnings

Retained earnings refer to net earnings not paid out as dividend but retained by the Company to be reinvested in its core business. The amount is available for distribution of dividend to its equity shareholders.

6) Reserve for other items through Other comprehensive income

The reserve represents cumulative gains and losses on remeasurement of defined benefit plan net of taxes. The balance in Other Comprehensive income can be transferred to Other Components of equity i.e. retained earnings as and when the Company decides to do so.

Note: 19 Borrowings

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Loans repayable on demand from banks	-	-		
Working capital loans from banks	-	-	29,651.42	59,261.72
Total	**-**	**-**	**29,651.42**	**59,261.72**

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

Current Borrowings

Particulars	Maturity date	Terms of Repayment	Interest Rate	As at 31st March, 2021	As at 31st March, 2020
Loans repayable on demand	Payable on demand	Payable on demand	At negotiated rates		
Secured					
Working capital from banks				22,827.82	48,261.72
Unsecured					
Working capital from banks				6,823.60	11,000.00
Total				**29,651.42**	**59,261.72**

a) Working capital borrowings from banks are secured by first charge against hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc."

b) Pari-passu second charge over entire fixed assets (including land & building and plant & machineries) of the Company in respect of Graphite & Thermal Power Unit at Mandideep and Hydel Power unit at Tawa Nagar, Hoshangabad."

Refer Note: 46B for Classification of Financial Liabilities

Refer Note No. 47 for carrying amount of assets pledged as security for borrowings.

Note: 20 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(A) Total outstanding dues of micro enterprises and small enterprises	1,208.30	658.05
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24,522.98	12,722.65
	25,731.28	13,380.70

Refer Note: 46B for Classification of Financial Liabilities

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with them. This information has been relied upon by the auditors. The detail information relating to Micro, Small and Medium Enterprises is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The amount remaining unpaid to any supplier at the end of each accounting year.		
a) Principal	1,208.30	658.05
b) Interest	-	-
b) 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 each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

NOTE 21A : Lease Liabilities

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Lease liability - land (refer note - 41)	35.05	40.00	4.96	1.32
Lease liability - building (refer note - 41)	46.24	74.38	68.14	48.47
	81.29	114.38	73.10	49.78

NOTE 21B : Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Interest accrued but not due on borrowings	-	-	6.11	115.46
Security deposits	-	-	107.32	137.86
Unpaid dividends-unclaimed#	-	-	550.74	612.84
Derivative financial instruments	-	-	-	118.20
Creditors for capital purchases				
Payable to micro enterprises and small enterprises	-	-	137.67	102.84
Payable to other than micro enterprises and small enterprises	-	-	3,193.34	1,939.08
Other payables				
Employees related	-	-	952.58	899.01
Others	-	-	1,655.91	2,650.52
	-	**-**	**6,603.67**	**6,575.81**

Unpaid dividends do not include any amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer Note: 46B for Classification of Financial Liabilities

Note 22: Provisions

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits				
Compensated absences	358.35	391.34	45.61	67.26
Other provisions				
Provision against indirect taxes (pending litigations)	-	-	439.06	453.44
Total	**358.35**	**391.34**	**484.67**	**520.70**

Movement of provision against indirect taxes (pending litigations)

(₹ in Lakhs)

Nature of Provisions	Non- Current		Current	
	2020-21	2019-20	2020-21	2019-20
Carrying amount at the beginning of the year			453.44	534.07
Additional provision made during the year			-	53.87
Amount reversed during the year			14.38	134.49
Carrying amount at the end of the year			439.06	453.44

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

Note 23: Deferred Income Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	8,337.35	8,743.95
Fair valuation of investments	2,420.99	1,787.38
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax	63.80	155.99
Allowances for expected credit loss	112.86	170.21
Unabsorbed depreciation and unused losses	907.06	-
Net deferred tax liability (A)-(B)	**9,674.62**	**10,205.13**

The following is the analysis of the deferred income tax asset/(liability)presented in the standalone balance sheet

Movement in deferred income tax assets and liabilities for the year ended March 31, 2021

Particulars	As at 1st April, 2020	Recognized in the profit or loss	Recognized in OCI	As at 31st March, 2021
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	8,743.95	(406.60)	-	8,337.35
Fair valuation of investments	1,787.38	633.61	-	2,420.99
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax	155.99	(56.84)	(35.36)	63.80
Allowances for expected credit loss	170.21	(57.35)	-	112.86
Unabsorbed depreciation and unused losses	-	907.06	-	907.06
Net deferred tax liability (A)-(B)	**10,205.13**	**(565.87)**	**35.36**	**9,674.62**

Movement in deferred income tax assets and liabilities for the year ended March 31, 2020

Particulars	As at 1st April, 2019	Recognized in the profit or loss	Recognized in OCI	As at 31st March, 2020
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	12,333.88	(3,589.92)	-	8,743.95
Fair valuation of investments	940.12	847.26	-	1,787.38
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax	330.87	(192.50)	17.62	155.99
Allowances for expected credit loss	330.48	(160.27)	-	170.21
Net deferred tax liability (A)-(B)	**12,612.65**	**(2,389.89)**	**(17.62)**	**10,205.13**

Note 24: Other Liabilities

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Deposits from employees against various schemes	391.92	301.21	28.66	93.53
Advance from customers	-	-	142.55	163.65
Statutory dues payable	-	-	163.89	197.36
Others payable	-	-	896.11	800.20
Total	**391.92**	**301.21**	**1,231.21**	**1,254.73**

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

Note 25: Current Tax Asset & Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Income tax assets	14,641.81	14,393.15
Income tax liabilities	(627.77)	(607.77)
Total	**14,014.04**	**13,785.37**

Note 26: Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Sale of Products				
Manufactured goods				
Graphite electrodes	121,850.87		208,411.35	
Power	1,592.40		1,777.16	
		123,443.27		**210,188.51**
Other operating income				
REC sales	577.22		1,273.07	
Fly ash income	60.98		67.54	
Export incentives	1,541.37		3,373.35	
		2,179.57		**4,713.96**
Total		**125,622.84**		**214,902.47**

Note 27: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest income from financial assets measured at amortized cost	2,721.82	3,543.50
Interest income from financial assets measured at fair value through Profit or loss	166.50	48.49
Rental income	115.49	138.12
Net gain on sale of investment measured at fair value through profit or loss	419.42	1,416.96
Net gain on fair valuation of Investments measured at fair value through Profit or loss	5,691.42	5,908.29
Liabilities / provisions written back (including allowances for expected credit losses)	1,033.63	454.51
Dividend income from financial assets measured at fair value through Profit or loss	104.42	124.67
Foreign currency fluctuation (net)	495.08	1,531.54
Miscellaneous	543.06	1,209.60
Total	**11,290.84**	**14,375.68**

Note 28: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Raw Material Consumed				
Opening stock	23,448.37		26,546.27	
Add : Purchases	30,577.19		1,52,715.24	
	54,025.56		**1,79,261.51**	
Less: Closing stock	(3,531.70)		(23,448.37)	
Cost of raw material consumed		**50,493.86**		**1,55,813.14**

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

Note 29: Changes In Inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(1) Inventories at the beginning of the period		
Finished goods	36,566.62	37,749.92
Work-in-progress	34,539.11	39,650.33
Total	**71,105.73**	**77,400.25**
(2) Inventories at the end of the period		
Finished goods	16,799.35	36,566.62
Work-in-progress	23,890.92	34,539.11
Total	**40,690.27**	**71,105.73**
Net (increase)/decrease	**30,415.46**	**6,294.52**

Note 30: Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	4,769.17	5,592.68
Contribution to provident and other funds	479.06	536.37
Staff welfare expenses	204.59	431.42
Total	**5,452.82**	**6,560.47**

Note 31: Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Interest on working capital borrowings	1,079.36	3,635.21
(ii) Foreign exchange fluctuation on foreign currency Loans to the extent regarded as an adjustment to interest costs	32.57	-
(iii) Others		
-Interest on lease liabilities	14.22	6.10
-Others	10.68	9.86
Total	**1,136.83**	**3,651.17**

Note 32: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(1) Depreciation of property, plant and equipment (refer note 4)	7,206.83	7,161.30
(2) Depreciation of right of use assets (refer note 6)	78.95	25.80
(3) Depreciation on investment property (refer note 7)	15.92	16.80
(4) Amortisation of intangible assets (refer note 8)	9.86	9.26
Total	**7,311.56**	**7,213.16**

Note 33: Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Consumption of stores and spare parts (including refractory blocks)	8,809.82	8,362.08
Job/process charges	397.20	446.51
Power and fuel	13,938.23	16,330.61
Repairs and maintenance		
Plant and machinery	2,853.81	3,419.43

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

Building	425.26	536.65
Others	658.09	923.11
Insurance	1,106.50	886.22
Rent (refer note 41)	36.88	93.02
Rates and taxes	86.27	76.72
Directors' sitting fees and incidental expenses	53.45	69.70
Commission paid to directors	-	225.00
Freight & forwarding	6,643.06	6,412.19
Packing expenses (including packing material consumption)	1,406.62	1,288.70
Commission	1,056.13	1,429.13
Claims and rebates	195.88	425.54
Donations	0.21	271.65
Contribution made to political parties	100.00	400.00
Power generation charges	247.14	252.00
Travelling expenses	82.41	410.10
Postage and communication	41.20	86.83
Payment to auditors (refer details below*)	20.66	24.16
Contribution towards Corporate Social Responsibility (refer Note 43)	4,185.70	2,217.31
Legal and professional	431.39	748.39
Vehicle running & maintenance	60.35	57.48
Bad debts	395.09	78.92
Duties and taxes	80.39	91.08
Net Loss on sale/discard of property, plant and equipments	594.02	87.87
Miscellaneous	1,273.16	1,166.59
Total	**45,178.96**	**46,816.99**

*Payments to the statutory auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As auditor		
Statutory audit	15.00	15.00
Other services		
Tax audit	2.00	2.00
Certification fees	2.31	1.42
Reimbursement of expenses	1.35	5.75
Total	**20.66**	**24.16**

Note 34: Tax expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A) Tax Expense Recognised in the statement of Profit and Loss		
1) Current tax		
Income tax	-	-
Income tax -previous year	20.00	(18.55)
2) Deferred tax	**(565.87)**	**(2,389.90)**
	(545.87)	(2,408.45)
B) Tax Expense Recognised in Other Comprehensive Income		
1) Current tax	-	-
2) Deferred tax	35.36	(17.62)
	35.36	(17.62)
C) Tax Expense/(Income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-
	-	-
Total	**(510.52)**	**(2,426.07)**

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

The deferred tax income recognized during the year ended 31st March 2020 includes deferred tax income of ₹3265.52 Lakhs relating to changes in tax rates in that year vis-a-vis previous year.

(a) Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit before tax	(3,075.81)	2,928.70
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**(774.12)**	**737.10**
Add/(Less) :		
Effect of expenses that are not deductible in determining taxable profits	1,083.51	728.63
Effect of expenses that are deductible in determining taxable profits	(18.21)	(14.05)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	(798.81)	(639.74)
Effect of income that is not taxable in determining taxable profits	(26.28)	(31.38)
Others	62.27	18.57
Effect of brought forward of unused tax losses	(58.88)	58.88
Effect of change in tax rate	-	(3,265.52)
Current tax adjustment related to earlier years	20.00	(18.55)
Total (B):	**263.60**	**(3,163.16)**
Income tax expense recognized for the year (A+B)	**(510.52)**	**(2,426.07)**

Note 35 : Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined benefits plans	140.48	(70.00)
Total	**140.48**	**(70.00)**

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

Note 36: Earnings per share

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit attributable to equity shareholders of the Company	(2,529.94)	5,337.15
Weighted average number of equity shares for basic/diluted earning per share	3,85,95,506	3,85,95,506
Basic / diluted earning per share(`)	(6.56)	13.83

* There are no potential equity shares

NOTE 37: Segment Information

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the Company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The Reportable Segments are:

- Graphite electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power generation - The segment comprises of generation of power for captive consumption and sale.

Segment Measurement

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Inter segment transactions are carried out at arm's length price.

1) Segment Revenue and Results

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Segment Revenue								
Turnover	1,23,390.95	2,11,784.15	6,297.11	6,943.89	1.29	0.55	1,29,689.35	2,18,728.59
Less: Inter segment turnover	-	-	4,066.51	3,826.12	-	-	4,066.51	3,826.12
External turnover	**1,23,390.95**	**2,11,784.15**	**2,230.60**	**3,117.77**	**1.29**	**0.55**	**1,25,622.84**	**2,14,902.47**
Segment result before interest & taxes	**(5,803.62)**	**(3,579.88)**	**(1,056.60)**	**1,355.46**	**(4,077.93)**	**(2,112.95)**	**(10,938.15)**	**(4,337.37)**
Add: Interest income							2,888.32	3,591.99
Add: Gain on sale of investments (including gain/(loss) on fair valuation)							6,110.84	7,325.25
Less: Finance cost							1,136.83	3,651.17
Profit before tax							(3,075.81)	2,928.70

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

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Less: Income tax (including deferred tax)							(545.87)	(2,408.45)
Net Profit for the period							(2,529.94)	5,337.15
Depreciation	6,075.15	5,983.06	1,157.63	1,172.53	78.78	57.56	7,311.56	7,213.16
Non cash expenses other than depreciation and amortization	406.22	93.29	187.21	0.83	-	0.88	593.43	95.00

2) Segment assets, liabilities and other details

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Segment assets	2,06,142.01	2,46,473.56	10,546.17	14,743.18	1,98,084.22	1,73,734.47	4,14,772.40	4,34,951.21
Segment liabilities	62,796.29	79,910.62	910.12	863.20	11,202.88	11,889.46	74,909.29	92,663.28
Capital expenditure incurred during the year	30,104.31	11,017.26	4.06	34.46	23.07	72.52	30,131.44	11,124.24

3) Details of Unallocated Items

(₹ in Lakhs)

Assets	As at 31st March, 2021	As at 31st March, 2020
Property, plant & equipments	222.49	215.26
Investment property	321.41	337.33
Investments	1,26,125.20	1,15,591.45
Inventories	14.68	14.68
Trade receivables	-	-
Cash and cash equivalents	307.23	1,385.09
Bank balances other than cash & cash equivalents	54,995.06	40,485.97
Financial assets-loans	40.12	47.49
Other financial assets	1,040.40	653.05
Other assets	375.81	1,264.04
Income tax asset	14,641.81	13,740.10
Total:	**1,98,084.22**	**1,73,734.47**

(₹ in Lakhs)

Liabilities	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liability	9,674.62	10,205.13
Income tax liability	627.77	546.18

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

Other financial liability	664.18	776.25
Other liabilities	136.22	233.08
Provisions	100.09	128.81
Total	**11,202.88**	**11,889.46**

4) Geographical Information: The Company operates in two principal geographical areas-India and outside India.

(₹ in Lakhs)

Particulars	Within India #		Outside India		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Segment revenue	48,352.08	51,416.92	77,270.77	1,63,485.55	1,25,622.84	2,14,902.47

5) The Company is domiciled in India. The Company's revenue from operations from external customers by location of the customers is as follows:

(₹ in Lakhs)

Revenue from External Customers	For the year ended 31st March, 2021	For the year ended 31st March, 2020
India	48,352.08	51,416.92
Turkey	10,346.22	14,801.72
Egypt	10,330.94	22,849.22
Korea (South)	8,761.38	30,561.39
USA	7,500.73	10,413.34
United Arab Emirates	4,688.02	15,412.97
Spain	4,615.69	12,649.50
Japan	3,992.35	0.00
Saudi Arabia	3,186.64	3,032.25
Others*	23,848.81	53,765.14
Total	**1,25,622.84**	**2,14,902.47**

*Others includes revenue from countries having less than 5% of total revenue from outside India

Export incentives have been included in segment revenues within India

6) The Company's major sales are export based which is diversified in different countries and no single customer contributes more than 10% of the total Company's revenue in 2020-21 and 2019-20.

7) The Company has business operations only in India and does not hold any non current asset outside India.

Note 38 : Contingencies and Commitments

(₹ in Lakhs)

1) Contingent Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
For Taxation matters		
a) Excise duty under appeal	220.04	230.80
b) Service tax	-	824.66

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

c) Income tax	7,866.23	7,866.98
d) Sales tax	737.15	759.17
Other than taxation matters		
a) Power related	4,522.23	3,780.75
b) Labour related matters	36.48	41.48
c) Others	1,005.00	63.81

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in note 13 of Other assets.

2) Commitment Outstanding

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 10,714.75 Lakhs, (previous year ₹13,951.38 Lakhs.)]	40,244.67	57,490.79
b) Pending export obligation against EPCG/Advance license	31,651.27	44,952.09

3) Financial Guarantee

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
The Company has with RSWM Ltd and Bhilwara Energy Limited on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd against loan availed by M/s AD Hydro Power Ltd from International Finance Corporation (IFC).*	600.00	600.00

*Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books of account.

Note 39: Related Party Disclosure

A) Names of related parties and transactions taken place during the year

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
I)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
		(ii) Bhilwara Infotechnology Ltd.	(ii) Bhilwara Infotechnology Ltd.
II)	Individuals having significant influence over the enterprise, and close family members of such individual.	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt. Mani Devi Jhunjhunwala
		Sh. Ravi Jhunjhunwala	Sh. Ravi Jhunjhunwala
		Sh. Riju Jhunjhunwala	Sh. Riju Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
		Sh. Nivedan Churiwal	Sh. Nivedan Churiwal
		Smt. Shubha Churiwal	Smt. Shubha Churiwal
		Smt. Sudha Churiwal	Smt. Sudha Churiwal

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

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
III)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Sh. Ravi Jhunjhunwala-CMD & CEO
		Sh. Riju Jhunjhunwala-Vice Chairman	Sh. Riju Jhunjhunwala-Non-Executive Director
		Sh. Shekhar Agarwal	Sh. Shekhar Agarwal-Vice Chairman
		-	Sh. Dharmendar Nath Davar*
		-	Sh Satyendra Nath Bhattacharya (upto 23rd December, 2019)
		Sh. Satish Chand Mehta	Sh. Satish Chand Mehta
		Dr. Kamal Gupta	Dr. Kamal Gupta
		Dr. Om Parkash Bahl	Dr. Om Parkash Bahl
		Smt. Vinita Singhania	Smt. Vinita Singhania
		Smt. Ramni Nirula	Smt. Ramni Nirula
		Sh. Jayant Dawar	Sh. Jayant Dawar (w.e.f. 14th August 2019)
		Sh. Vivek Chaudhary-Company Secretary	Sh. Vivek Chaudhary-Company Secretary
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Chief Operating Officer & Chief Marketing Officer (Executive Director w.e.f. 1st March 2020)
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer
IV)	Close family members of Key Management Personnel	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt .Mani Devi Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
V)	Post employment benefit plan trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust
VI)	Enterprises in which KMP is able to exercise significant influence and with whom transactions have been taken place during the year	RSWM Ltd.	RSWM Ltd
		Malana Power Company Ltd.	Malana Power Company Ltd.
		Giltedged Industrial Securities Ltd.	Giltedged Industrial Securities Ltd.
		Purvi Vanijya Niyojan Ltd.	Purvi Vanijya Niyojan Ltd.
		Shashi Commercial Co Ltd.	Shashi Commercial Co Ltd.
		BSL Ltd.	BSL Ltd.
		AD Hydro Power Ltd.	AD Hydro Power Ltd.
		Maral Overseas Ltd.	Maral Overseas Ltd.
		BMD Pvt Ltd.	BMD Pvt Ltd.
		Bharat Investments Growth Limited	Bharat Investments Growth Limited
		Deepak Pens & Plastics Pvt. Limited #	Deepak Pens & Plastics Pvt. Limited
		India Texfab Marketing Limited	India Texfab Marketing Limited
		Investors India Limited	Investors India Limited
		LNJ Financial Services Limited	LNJ Financial Services Limited
		Nivedan Vanijya Niyojan Limited	Nivedan Vanijya Niyojan Limited

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

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
		M.L. Finlease Pvt Limited	M.L. Finlease Pvt Limited
		Sandhu Auto Deposits Limited #	Sandhu Auto Deposits Limited
		Raghav Commercial Ltd.	Raghav Commercial Ltd.
		Bhilwara Technical Textiles Ltd.	-
		Indo Canadian Consultancy Service Ltd.	-
		BG Wind Power Ltd.	-
		NJC Hydro Power Ltd.	-
		Chango Yangthang Hydro Power Ltd.	-
		Ravi Jhunjhunwala - HUF ##	Ravi Jhunjhunwala - HUF
		Sabhyata Foundation (Section 8 company)	Sabhyata Foundation (Section 8 company)
		LNJ Bhilwara -HEG Lok Nyas (Trust)	LNJ Bhilwara -HEG Lok Nyas (Trust)
		Graphite Education & Welfare Society	Graphite Education & Welfare Society

* Shri Dharmender Nath Davar who was on the Board resigned from the Directorship w.e.f. 24th July 2019. The transactions till the date of resignation have been reported in Part-B below

Deepak Pens & Plastics Pvt. Ltd. and Sandhu Auto Deposits Ltd. have been amalgamated with Jet (India) Pvt. Ltd. pursuant to scheme of amalgamation duly approved by NCLT, Kolkata w.e.f. 25th September, 2020

##Pursuant to Partition of Ravi Jhunhunwala - HUF, the same has been dissolved w.e.f. 25th September, 2020.

B. Transaction during the year with related parties *(₹ in Lakhs)*

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
1)	Associates	Bhilwara Energy Ltd	Reimbursement received	1.18	0.34
			Reimbursement made	0.54	8.30
		Bhilwara Infotechnology Limited	Maintenance charges paid	1.70	0.57
2)	Individuals having significant influence over the enterprise, and close family members of such individual.	Sh. L.N. Jhunjhunwala	Dividend paid	-	127.33
		Smt Mani Devi Jhunjhunwala	Dividend paid	-	73.22
		Sh Ravi Jhunjhunwala	Salary and allowances (including perquisites and contribution in PF and superannuation)#	147.34	240.54
			Dividend paid	-	96.39
		Sh Riju Jhunjhunwala	Director sitting fee	2.65	4.20
			Commission	-	25.00
			Dividend paid	-	165.27
			Reimbursement of expenses	0.15	0.30
		Sh Rishabh Jhunjhunwala	Dividend paid	-	131.86
		Smt Rita Jhunjhunwala	Dividend paid	-	158.91
			Rent paid	14.16	12.00
		Sh Nivedan Churiwal	Dividend paid	-	5.31
		Smt Shubha Churiwal	Dividend paid	-	3.71
		Smt Sudha Churiwal	Dividend paid	-	1.18

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

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
3)	Key Management Per-sonnel and close family members of Key Management Personnel				
(a)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and allowances (including perquisites and contribution in PF and superannuation)#	147.34	240.54
			Dividend paid	-	96.39
		Sh Riju Jhunjhunwala	Director sitting fee	2.65	4.20
			Commission	-	25.00
			Dividend paid	-	165.27
			Reimbursement of expenses	0.15	0.30
		Sh. Shekhar Agarwal	Director sitting fee	6.00	7.90
			Commission	-	25.00
			Reimbursement of expenses	0.24	0.36
		Sh. Dharmendar Nath Davar (Resigned w.e.f. 24th July, 2019)	Director sitting fee	-	4.75
			Commission	-	25.00
			Reimbursement of expenses	-	0.36
		Sh Satyendra Nath Bhattacharya (Resigned w.e.f. 23rd December, 2019)	Director sitting fee	-	3.00
			Commission	-	25.00
			Reimbursement of expenses	-	0.12
		Sh. Satish Chand Mehta	Director sitting fee	6.75	8.25
			Commission	-	25.00
			Reimbursement of expenses	0.39	0.48
		Dr. Kamal Gupta	Director sitting fee	11.60	14.10
			Commission	-	25.00
			Reimbursement of expenses	0.75	0.96
			Dividend Paid	-	0.14
		Dr. Om Parkash Bahl	Director sitting fee	11.40	12.70
			Commission	-	25.00
			Reimbursement of expenses	0.72	0.75
		Smt. Vinita Singhania	Director sitting fee	2.25	2.25
			Commission	-	25.00
			Reimbursement of expenses	0.18	0.18
		Smt. Ramni Nirula	Director sitting fee	6.20	5.65
			Commission	-	25.00
			Reimbursement of expenses	0.27	0.27
		Sh. Jayant Dawar	Director sitting fee	3.75	3.00
			Reimbursement of expenses	0.15	0.12
		Sh. Vivek Chaudhary-Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	25.66	28.90

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

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
		Sh. Manish Gulati - Executive Director	Salary and allowances (including perquisites and contribution in PF and superannuation)#	95.28	128.02
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and allowances (including perquisites and contribution in PF and superannuation)#	40.00	45.38
			Housing loan given	-	8.00
			Housing loan repayment -principal	2.67	0.89
			Housing loan repayment - interest	0.24	0.10
			Closing Balance as at end of year	4.44	7.11
(b)	Close family members of Key Management Personnel	Sh. L.N. Jhunjhunwala	Dividend paid	-	127.33
		Smt. Mani Devi Jhunjhunwala	Dividend paid	-	73.22
		Sh. Rishabh Jhunjhunwala	Dividend paid	-	131.86
		Smt. Rita Jhunjhunwala	Dividend paid	-	158.91
			Rent paid	14.16	12.00
4)	Post employment benefit Plan Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	Contribution in employee benefit scheme	-	-
		(b) Hindustan Electro Graphites Ltd. Senior Executive Superannuation Fund Trust	Contribution in employee benefit scheme	176.86	184.10
5)	Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd.	Rent paid	43.52	43.52
			Reimbursement received	16.45	8.99
			Reimbursement made	51.03	36.23
			Dividend paid	-	541.49
			Purchase of shares of BEL	-	8,484.54
		Shashi Commercial Co. Ltd.	Rent paid	28.84	30.55
			Dividend paid	-	506.65
			Reimbursement received	0.14	-
		Purvi Vanijaya Niyojan Ltd.	Rent paid	3.50	3.50
			Reimbursement made	0.33	0.33
			Reimbursement received	0.09	-
			Dividend paid	-	1,236.44
		Giltedged Industrial Securities Ltd.	Rent paid	27.62	25.92
			Dividend paid	-	357.52
			Reimbursement received	0.24	-
		Malana Power Co. Ltd.	Reimbursement received	5.09	0.44
		BSL Ltd.	Rent received	12.19	12.18
			Purchase of fabrics	1.18	4.50
			Reimbursement received	0.75	-
		AD Hydro Power Ltd.	Reimbursement received	8.65	0.25
		Maral Overseas Ltd.	Reimbursement received	12.31	0.76
		BMD Pvt Ltd.	Reimbursement received	3.69	0.54

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

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
	Indo Canadian Consultancy Services Ltd.	Reimbursement received	3.34	-
	BG Wind Power Limited	Reimbursement received	0.33	-
	NJC Hydro Power Limited	Reimbursement received	0.33	-
	Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.14	-
	Bhilwara Technical Textiles Ltd.	Reimbursement received	0.24	-
	Bharat Investments Growth Ltd.	Reimbursement received	0.14	-
		Dividend paid	-	1,848.68
	Deepak Pens & Plastics Pvt Limited	Dividend paid	-	352.37
	India Texfab Marketing Limited	Dividend paid	-	155.04
	Investors India Limited	Dividend paid	-	27.19
	LNJ Financial Services Limited	Dividend paid	-	1,011.24
		Reimbursement received	0.14	-
	Nivedan Vanijya Niyojan Limited	Dividend Paid	-	50.01
		Reimbursement received	0.14	-
	M.L. Finlease Pvt Limited	Dividend paid	-	259.85
	Sandhu Auto Deposits Limited	Dividend paid	-	401.83
	Raghav Commercial Limited	Dividend paid	-	1,086.12
		Reimbursement received	0.33	-
	Ravi Jhunjhunwala - HUF	Dividend paid	-	152.10
	Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	500.00	500.00
	LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	133.00	931.00
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	1,526.42	-

Note: Remuneration amount of key Managerial Personnel represents remuneration paid for the whole year irrespective of the period for which the person is key Managerial Personnel.

C) Details of Outstanding Balances as at the end of year

(₹ in Lakhs)

Sl.No.	Related Party	Name of the Related Party	Particulars	As At 31st March, 2021	As At 31st March, 2020
1	Associates	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
			Loan and Advances given	0.11	0.11
		Bhilwara Infotechnology Ltd.	Investments	419.00	419.00

There is no provision for doubtful debts related to amount of outstanding balances due from related parties.

D) Commitments with Related Parties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
The Company has with RSWM Ltd. on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of AD Hydro Power Ltd.	600.00	600.00

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

E) Transactions with Key Managerial Personnel

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Short term benefits	280.46	398.88
Post employment benefits#	27.82	43.95
Director's sitting Fee	50.60	65.80
Commission paid to independent directors	-	225.00
Reimbursement of expenses and incidental expenses	2.85	3.90
Dividend paid by the Company	-	261.80
Housing loan given	-	8.00
Housing loan repayment -principle	(2.67)	(0.89)
Housing loan repayment -interest	(0.24)	(0.10)
Total	**358.82**	**1,006.34**

Remuneration does not Include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Note 40 : Indian Accounting Standard-19 "Employee Benefits"

(₹ in Lakhs)

(A) Defined Contribution Plan

The Company makes contribution to provident fund, ESIC and retirement benefits plans for eligible employees under the scheme and recognised as expense and included in the Note no. 30 Employee Benefits under the head "Contribution to provident and other funds". The details are as under:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Employer's contribution to provident fund	256.10	291.45
Employer's contribution to superannuation Fund	173.34	181.55
Employer's contribution to ESIC	31.11	43.58
Other funds	18.51	19.79

(B) Defined Benefit Plan

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India (LIC) as permitted by Law. The management of fund is entrusted with the LIC. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment Risk

The probability or likelihood of occurrence of losses related to the expected return on investment. if the actual return on plan assets is below the expected return, it will create plan deficit.

(ii) Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

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

(iii) Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(iv) Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet: *(₹ in Lakhs)*

Particulars	As At 31st March, 2021	As At 31st March, 2020
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	**1,175.77**	**1,240.30**
Current service cost	65.29	69.61
Interest cost	79.48	96.12
Past service cost including curtailment gains/(losses)	-	-
Benefits paid	(220.32)	(262.18)
Actuarial changes gain/(loss)	(8.90)	31.92
Present value of defined benefit obligation at the end of the year	**1,091.32**	**1,175.77**
II. Movement in fair value of Plan assets:		
Fair value of plan assets at the beginning of the year:	1,468.01	1,397.76
Interest income	99.24	108.33
Company's contribution	-	-
Benefits paid	(17.97)	-
Remeasurement- return on plan assets excluding amount included in interest income	131.58	(38.08)
Fair value of plan assets at the end of the year	1,680.85	1,468.01
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,091.32	1,175.77
Fair value on plan assets	1,680.85	1,468.01
Surplus/(deficit)	589.53	292.24
Effect of asset ceiling if any	-	-
Net assets/(liability) recognized in balance sheet	**589.53**	**292.24**
IV (a) Amount recognized in statement of profit and loss		
Current service cost	65.29	69.61
Net Interest expense on net defined benefit liability / (asset)	(19.76)	(12.21)
Net Cost	**45.53**	**57.41**
The above amount has been included in Note-30 "Employee benefit expenses" under the head "Salaries and wages" in the Statement of Profit and loss		
IV (b) Amount recognized in other comprehensive Income		
Actuarial gain/ (loss) on obligation	8.90	(31.92)
Remeasurement- Return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	131.58	(38.08)
Net Income/(expense) for the period recognised in OCI	**140.48**	**(70.00)**

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

Particulars	As At 31st March, 2021	As At 31st March, 2020
V. Bifurcation of actuarial gain/loss on obligation.		
1. Actuarial changes arising from changes in demographic assumptions (gain/ (loss))	-	0.19
2. Actuarial changes arising from changes in financial assumptions (gain/ (loss))	(0.92)	11.34
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	9.82	(43.45)
4. Actuarial Gain/(Loss) arising for the year on plan assets	131.58	(38.08)
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer Management Fund	100%	100%
VII. The Principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount Rate (per annum)	**6.75%**	**6.76%**
Salary escalation (per annum)	**5.00**	**0.00% for 1st year & there after 5%**
Retirement age	**58/60**	**58/60**
Mortality Rate during employment	**100% of IALM (2012 - 14)**	**100% of IALM (2012 - 14)**
The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.		
VIII. Withdrawal rates:		
Age:		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
IX. Sensitivity Analysis of the defined benefit obligation.		
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.		
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase / (decrease) in obligation	(43.85)	(44.71)
Impact due to decrease of 0.50 %-increase / (decrease) in obligation	47.14	47.98
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase / (decrease) in obligation	42.85	42.96
Impact due to decrease of 0.50 %-increase / (decrease) in obligation	(40.47)	(40.66)
X. The defined benefit obligation shall mature after the year end as follows:		
a) 0-1 year	106.93	120.23
b) 1-2 year	44.80	80.07
c) 2-3 year	83.20	87.96
d) 3-4 years	87.40	77.14
e) 4-5 years	49.95	103.21
f) More than 5 years	719.02	707.16

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

XI. The Company expects to make a contribution of ₹33.01 lakhs (31st March, 2020 ₹ 57.76 lakhs) to defined benefit plans during the financial year 2021-22.

(C) Other long term employee benefits (Compensated absences)

(i) Amount recognized towards compensated absences in statement of profit and loss in Note no. 30 "Employee Benefit Expense" under the head "salaries and wages" is (₹.2.81) Lakhs (previous year ₹70.31 Lakhs)

(ii) Liability towards compensated absences as at the end of the year is as under: *(₹ in Lakhs)*

Particulars	At at 31.03.2021	At at 31.03.2020
Current liability	45.61	67.26
Non-current liability	358.35	391.34

Note 41 : Leases

(i) Company as a lessee

(a) The depreciation expense on ROU assets of ₹78.95 Lakhs (previous year ₹ 25.80 Lakhs) is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Interest expense on the lease liability amounting to ₹14.22 Lakhs (previous year ₹6.10 Lakhs) has been included a component of finance costs in the Statement of Profit and Loss.

(c) The change in the carrying value of Right of Use asset during the year is as under:

Particulars	Gross Carrying Value	Depreciation	Net Carrying Value
(i) Land			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	840.16	206.47	
Addition during the year	-	-	
Depreciation during the year	-	15.59	
As at March 31, 2020	840.16	222.06	618.10
As at April 1, 2020	840.16	222.06	618.10
Addition during the year	-	-	
Depreciation during the year	-	15.55	
As at March 31, 2021	840.16	237.61	602.55
(ii) Buildings			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	-	
Addition during the year	131.62	-	
Depreciation during the year	-	10.21	
As at March 31, 2020	131.62	10.21	121.41
As at April 1, 2020	131.62	10.21	121.41
Addition during the year	48.36	-	
Depreciation during the year	-	63.40	
As at March 31, 2021	179.98	73.61	106.37

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

(d) The following is the break-up of current and non-current lease liabilities

Particulars	As at 31st march,2021	As at 31st march,2020
Current lease liabilities	73.10	49.78
Non current lease liabilities	81.29	114.38
Total	**154.38**	**164.16**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on April 1, 2019 using the modified retrospective method . On transition the leases that were classified as finance leases, applying Ind AS 17, an amount of ₹633.69 Lakhs has been reclassified from Property, Plant and Equipment to Right of use assets. An amount of ₹1.20 Lakhs has been reclassified from other financial liability - current to lease liabilities- current and an amount of ₹41.31 Lakhs has been reclassified from other financial liability - non current to lease liabilities - non current. The lease term in respect of all Operating leases ending within 12 months from the date of initial application and accordingly the company has elected to account for such leases as short term lease and has recognised the lease payments as rental expense. The cummulative effect of applying the standard was nil and there has been no adjustment to retained earnings.The aggregate depreciation expense on ROU asset is included under depreciation and amortisation expense in the Statement of Profit or Loss.

(e) The following is the movement in lease liabilities

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Balance at the beginning of the year	164.16	-
Transition effect	-	42.51
Additions during the year	48.36	131.62
Finance cost accrued during the year	14.22	6.10
Payment of lease liabilities	72.37	16.06
Balance at the end of the year	**154.38**	**164.16**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the Year Ended 31st March, 2021		For the Year Ended 31st March, 2020	
	Minimum Payments	Present value of payments	Minimum Payments	Present value of payments
With in one year	76.21	73.10	52.16	49.79
After one year but not more than 5 years	72.12	61.39	104.71	90.32
More than 5 years	93.10	19.90	103.11	24.05
Total Minimum lease payments	**241.43**	**154.38**	**259.98**	**164.16**
Less: Amount representing finance charges	87.06		95.82	
Present value of minimum lease payments	154.38	154.38	164.16	164.16

The Company does not face liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The discount rate applied to lease liabilities is 7% p.a.

(g) The Company incurred ₹36.88 Lakhs (previous year ₹93.02 Lakhs) for the year ended March 31, 2021 towards expense relating to short-term leases having tenure of less than 12 months. The amount of lessee's lease commitments for short term leases is as hereunder:

(₹ in Lakhs)

Particulars	
Less than one year	21.52

(ii) Company as a lessor

The Company has given on lease building under operating lease. The rental income recorded for the year ended March 31, 2021 is ₹115.49 Lakhs (previous year ₹138.12 Lakhs). In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases', disclosure of the future minimum lease income in the aggregate and for each of the following periods is as follows:

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Not later than one year	107.69	135.72
(ii) Later than one year and not later than five years	447.36	494.86
(iii) Later than five years	39.58	252.36
Total	**594.63**	**882.94**

Note 42 : Events after the Reporting Period

The Board of directors have recommended the payment of final dividend of Nil per equity share (previous year Nil) which is subject to the approval of shareholders in the Annual General Meeting.

Note 43 Corporate Social Responsibility(CSR)

As per section 135 of the Company Act, 2013, a company meeting the applicable threshold, need to spend atleast 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in schedule VII of the Companies Act 2013.

(a) Gross amount required to be spent by the Company during the year ₹4,184.60 Lakhs (31st March, 2020 ₹4,179.54 Lakhs)

(b) Amount spent during the year :

(₹ in Lakhs)

CSR Activities	For the year ended 31st March,2021	For the year ended 31st March,2020
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	4,185.70	2,217.31

Amount unspent during the year was nil (31st March, 2020 ₹1962.23 Lakhs)

Note: 44. Capitalization of Pre-Operative Expenditure

The following expenditure has been included under capital work in progress:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bank and LC charges	218.53	179.79
Travelling expenses	6.68	6.02
Power cost	12.81	8.61
Total	**238.02**	**194.42**

The amount capitalized during the year is ₹ Nil (previous year ₹ Nil)

The Company has opted to avail the choice provided under paragraph 46A of AS 11: The effects of changes in foreign exchange rates inserted vide Notification No 914 (E) dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, The following exchange differences on long term foreign currency monetary items are being dealt with in the following manner:

- Foreign exchange difference on acquisition of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/ liability. It has transferred the differences arising out of foreign currency translation in respect of acquisition of depreciable capital assets to the respective assets account / capital work-in-progress. In case this accounting practice had not been adopted, the pre-tax Profit for the financial year ended 31st March 2015 would have been up by ₹248.22 Lakhs (Gain) ((Previous year ₹5,064.34 (Loss)) with a consequential impact on both the Basic and Diluted EPS.

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

Note 45: Details of Loans given, Investments made and Guarantee given covered U/S 186(4) of The Companies Act, 2013

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Loan given	-	-
Guarantee given (with RSWM Ltd and Bhilwara Energy Limited on joint and several basis) in favour of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd against loan availed by M/s AD Hydro Power Ltd from International Finance Corporation (IFC).	600.00	600.00
Investment made (for detail of investments made, refer note no. 9)	31,130.50	31,130.50

Note 46: Financial Instruments and Risk Management

Note 46 A: Capital Management

The Company's objective when managing capital are to:

i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total equity.

The Company is not subject to any externally imposed capital requirements.

(i) The gearing ratios were as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Debt*	29,651.42	59,261.72
b) Cash & Cash Equivalents	(2,137.39)	(3,280.33)
(c) Net Debt (a)+(b)	27,514.03	55,981.39
Total equity	3,39,863.11	3,42,287.92
Net Debt to Equity Ratio	**0.08**	**0.16**

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer note 19 for the details of borrowings.

(ii) Loan Covenants:

The Company is long term debt free as on reporting period.

Note 46B: Financial Instruments- Accounting Classification and Fair Value Measurement

As at 31st March,2021

(₹ in Lakhs)

Particulars	Carrying amount					Total carrying amount	Total Fair Value
	At Amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (refer note 9) #							
-Equity instruments	-				0.01	0.01	0.01
-Fixed maturity plans					62,098.60	62,098.60	62,098.60
-Mutual funds					27,642.50	27,642.50	27,642.50

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

-Non convertible debentures					-	-	-
-Infra trust					5,253.60	5,253.60	5,253.60
Trade receivables (refer note 10)	28,942.10			-	-	28,942.10	28,942.10
Cash and cash equivalents (refer note 15)	2,137.39			-	-	2,137.39	2,137.39
Other bank balances (refer note 16)	52,920.26					52,920.26	52,920.26
Loans (refer note 11)	2,560.74			-	-	2,560.74	2,560.74
Other financial assets (refer note 12)	3,105.76					3,105.76	3,105.76
Derivative financial instruments (refer note 12)	**-**			**10.97**	**-**	**10.97**	**10.97**
Total financial assets	**89,666.26**	**-**	**-**	**10.97**	**94,994.70**	**1,84,671.93**	**1,84,671.93**
Financial liabilities							
Borrowings (refer note 19)	29,651.42				-	29,651.42	29,651.42
Trade payables (refer note 20)	25,731.28				-	25,731.28	25,731.28
Lease liabilities (refer note 21A)	154.38					154.38	154.38
Other financial liabilities (refer note 21B)	6,603.67				-	6,603.67	6,603.67
Derivative financial instruments (refer note 21B)	-				-	-	-
Total financial liabilities	**62,140.75**	**-**	**-**	**-**	**-**	**62,140.75**	**62,140.75**

As at 31st March, 2020 *(₹ in Lakhs)*

Particulars	at Amortised cost	Carrying amount: At fair value through OCI – Designated upon initial recognition	At fair value through OCI – Mandatory	At fair value through profit or loss – Designated upon initial recognition	At fair value through profit or loss – Mandatory	Total carrying amount	Total Fair Value
Financial assets							
Investments (refer note 9) #							
-Equity instruments					0.01	0.01	0.01
-Fixed maturity plans					57,691.78	57,691.78	57,691.78
-Mutual funds					18,763.28	18,763.28	18,763.28
-Non convertible debentures					3,290.85	3,290.85	3,290.85
-Infra Trust					4,715.04	4,715.04	4,715.04
Trade receivables (refer note 10)	39,940.82					39,940.82	39,940.82
Cash and cash equivalents (refer note 15)	3,280.33					3,280.33	3,280.33
Other bank balances (refer note 16)	40,448.07					40,448.07	40,448.07
Loans (refer note 11)	1,819.46					1,819.46	1,819.46
Other financial assets (refer note 12)	686.07					686.07	686.07
Derivative financial instruments (refer note 12)	-				-	-	-
Total Financial Assets	**86,174.75**	**-**	**-**	**-**	**84,460.95**	**1,70,635.70**	**1,70,635.70**
Financial Liabilities							
Borrowings (refer note 19)	59,261.72	-	-	-	-	59,261.72	59,261.72
Trade payables (refer note 20)	13,380.70	-	-	-	-	13,380.70	13,380.70
Lease liabilities (refer note 21A)	164.16					164.16	164.16
Other financial liabilities (refer note 21B)	6,457.61	-	-	-	-	6,457.61	6,457.61
Derivative financial instruments (refer note 21B)	**-**	**-**	**-**	**-**	**118.20**	**118.20**	**118.20**
Total Financial Liabilities	**79,264.19**	**-**	**-**	**-**	**118.20**	**79,382.39**	**79,382.39**

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

Investment value excludes investment in Associates of ₹31,130.50 lakhs (March 31, 2020: ₹31,130.50 lakhs) which are shown at cost in balance sheet as per Ind AS 27 Separate Financial Statements.

(i) Fair value Measurement

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. Sensitivity of Level 3 Financial Instruments is insignificant

As at 31st March,2021 *(₹ in Lakhs)*

Particulars	Carrying amount	Fair value: Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in associates)	0.01	0.01		
-Fixed maturity plans	62,098.60	-	62,098.60	-
-Mutual funds	27,642.50	-	27,642.50	-
-Infra trust	5,253.60	-	-	5,253.60
Derivative financial instruments	**10.97**	**-**	**10.97**	**-**
Total	**95,005.67**	**0.01**	**89,752.06**	**5,253.60**

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

As at 31st March,2020

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in associates)	0.01	0.01	-	-
-Fixed maturity plans	57,691.78	-	57,691.78	-
-Mutual funds	18,763.28	-	18,763.28	-
-Non convertible debentures	3,290.85	-	3,290.85	-
-Infra trust	4,715.04			4,715.04
Total	**84,460.96**	**0.01**	**79,745.91**	**4,715.04**
Financial Liabilities measured at Fair value through profit or loss				
Derivative financial instruments	118.20	-	118.20	-
Total	**118.20**	**0.00**	**118.20**	**0.00**

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

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Investments in mutual funds/ fixed maturity plans: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) declared by fund house.

Investment in Market Linked Non-convertible debentures: Fair value is determined by reference to valuation provided by CRISIL.

Investment in Infrastructure Trust: Fair value is derived on the basis of valuation certificate by independent professional based on net asset at fair value approach, in this approach the net asset at fair value is used to capture the fair value of these investments.

Derivative contracts: The Company has entered into foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates . These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Note 46C: Financial risk management

This note explains the risk which Company is exposed to and policies and framework adopted by the Company to manage these risks.

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to manage finances for the day to day operations of the Company. The Company's principal financial asset includes trade and other receivables, and cash and bank balances that arise directly from its operations.

The corporate treasury department reports quarterly to the Company's risk management Committee, an independent body who monitors risk and policies implemented to mitigate risk exposures.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below.

(A) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

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

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

a) Foreign currency forward contracts outstanding as at the balance sheet date

Category	Currency	Nature	As at 31st March, 2021			As at 31st March, 2020		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)
Against receivables	USD/ INR	Sold	13	200.00	14,700.94	2	40.00	2,921.60

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

b) Particulars of foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)
I. Financial Liabilities					
Loan (A)	USD	-	-	-	-
	Euro	105.00	9,040.40	20.00	1,669.18
Creditors (B)	USD	174.59	12,833.08	30.99	2,335.21
	Euro	14.99	1,290.92	6.47	540.09
Other payables (C)	USD	10.91	801.77	23.86	1,797.89
	Euro	4.45	383.50	3.49	291.68
Total exposure to foreign currency risk (liabilities) (D=A+B+C)	**USD**	**185.50**	**13,634.85**	**54.86**	**4,133.10**
	Euro	124.45	10,714.81	29.97	2,500.95
II. Financial Assets					
Trade receivables (E)	USD	198.17	14,566.44	318.71	24,013.18
	Euro	47.67	4,104.13	53.22	4,441.59
Total exposure to foreign currency risk (assets) (F=E)	**USD**	**198.17**	**14,566.44**	**318.71**	**24,013.18**
	Euro	47.67	4,104.13	53.22	4,441.59
Net exposure to foreign currency risk after considering natural hedge- Receivable/(Payable) (G=F-D)	USD	12.67	931.58	263.85	19,880.08
	Euro	(76.78)	(6,610.68)	23.25	1,940.64
Foreign currency forward contracts outstanding in respect of receivables (H)	USD	200.00	14,700.94	40.00	2,921.60
	Euro	-	-		
Foreign currency forward contracts outstanding in respect of Payables (I)	USD	-	-	-	-

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

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (G-H)	USD	-	-	223.85	16,958.48
	Euro	-	-	23.25	1,940.64
Net exposure to foreign currency risk in respect of Payables after natural hedge and considering forward contracts # (G-I)	USD	-	-	-	-
	Euro	(76.78)	(6,610.68)	-	-

to the extent of receivable/payable in books of account

(c) Sensitivity:

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

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant and its impact on the Company's profit before tax :

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
USD Sensitivity		
Increase in exchange rate by 5% (Previous year 5%)	-	847.92
Decrease in exchange rate by 5% (Previous year 5%)	-	(847.92)
EURO Sensitivity		
Increase in exchange rate by 5% (Previous year 5%)	-	97.03
Decrease in exchange rate by 5% (Previous year 5%)	-	(97.03)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest Risk Exposure:

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

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	29,651.42	59,261.72
Total Borrowings	**29,651.42**	**59,261.72**

As at the end of the reporting period, the Company has the following fixed rate borrowings outstanding: (₹ in Lakhs)

Particulars	As At 31st March, 2021			As At 31st March, 2020		
	Weighted Average Interest Rate	Outstanding Balance (` in Lakhs)	% of Total Loans	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans
Term loans from banks and other parties	-	-	-	-		
Working capital loans from banks	3.66%	29,651.42	100	5.71%	59,261.72	100
Total	**3.66%**	**29,651.42**	**100**	**5.71%**	**59,261.72**	**100**

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

(b) Sensitivity:

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

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Rate - increase by 60 basis points	-	-
Interest Rate - decrease by 60 basis points	-	-

(iii) Security Price risk:

(a) Price Risk:

The Company manages the surplus funds majorly through investments in debt based Fixed Maturity Plans, mutual fund schemes, Non-convertible debentures and infrastructure trust. The price of investment in Fixed Maturity Plans, mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The price of investment in Non-convertible debentures is reflected through valuation by CRISIL on weekly basis. The price of investment in infrastructure trust is reflected through valuation certificate by the independent professional on quarterly basis where valuation determined based on fair value of assets of trust as on date of valuation. The Company is exposed to price risk on such Investments.

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Investments in fixed maturity plans, mutual fund schemes, Non-convertible debentures and Infrastructure trust	94,994.70	84,460.95

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower. (₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NAV increase by 1%	949.95	844.61
NAV decrease by 1%	(949.95)	(844.61)

(B) Credit Risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total Company's revenue for the financial year 2020-21 and 2019-20

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

(i) Expected Credit Loss for Financial Assets

(₹ in Lakhs)

As at 31st March 2021				
Financial assets to which loss allowance is measured using 12 months expected credit loss (ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
Loans to employees	71.26	0%	-	71.26
Security deposits	2,489.48	0%	-	2,489.48

(₹ in Lakhs)

Financial assets to which loss allowance is measured using lifetime Expected credit loss (ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade Receivables-								
Other than ECGC Domestic	1,584.46	8,615.37	23.22	27.91	62.30	29.60	352.35	10,695.21
Other than ECGC Export	714.11	17,981.22	-	-	-	-	-	18,695.33
Other than ECGC	2,298.57	26,596.59	23.22	27.91	62.30	29.60	352.35	29,390.54
Due under ECGC	-	-	-	-	-	-	-	-
Expected probability of default	-	-	25%	50%	75%	100%	100%	
Expected credit losses	0.00	0.00	5.81	13.96	46.72	29.60	352.35	448.44
Carrying amount of trade receivables	2,298.57	26,596.59	17.42	13.96	15.57	0.00	0.00	28,942.10

For the year ending 31st March 2020

(₹ in Lakhs)

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
Loans to employees	127.35	0%	-	127.35
Security deposits	1,692.11	0%	-	1,692.11

(₹ in Lakhs)

Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade receivables-								
Other than ECGC Domestic	187.09	11,258.30	-	-	138.78	-	572.19	12,156.36
Other than ECGC Export	251.05	26,545.14	-	-	-	-	-	26,796.19
Other than ECGC	438.13	37,803.44	-	-	138.78	-	572.19	38,952.55
Due under ECGC	-	-	-	-	-	-	1,664.55	1,664.55
Expected probability of default	-	-	25%	50%	75%	100%	100%	
Expected credit losses	0.00	0.00	0.00	0.00	104.09	0.00	572.19	676.28
Carrying amount of Trade receivables	438.13	37,803.44	0.00	0.00	34.70	0.00	1,664.55	39,940.81

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

Expected credit loss allowance norms of trade receivables

Ageing of debtor on the basis of invoice date	Provision in 2020-21	Provision in 2019-20
Upto 12 Months	Nil	Nil
12 to 15 months	25%	25%
15 to 18 months	50%	50%
18 to 21 months	75%	75%
21 to 24 months	100%	100%
More than 24 months	100%	100%

(ii) Reconciliation of loss allowance provision - trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

(₹ in Lakhs)

Particulars	Current Year ended 31st March,2021	Previous Financial year ending 31st March,2020
As at the beginning of year	676.28	945.73
Provided during the year	-	-
Reversal of provisions	(227.84)	(269.46)
As at the end of the year	448.44	676.28

C) Liquidity Risk:

Liquidity risk is defined as the risk that Company will not be able to settle or meet its obligation on time or at a reasonable price. The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities to meet financial obligations as and when due.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings (current)	29,651.42				29,651.42
Trade payables	25,731.28	-	-	-	25,731.28
Lease liabilities	73.10	58.55	2.83	19.90	154.38
Other financial liabilities	6,603.67	-	-	-	6,603.67
Total	**62,059.47**	**58.55**	**2.83**	**19.90**	**62,140.75**
Financial Assets					
Investments (other than investment in associates)	55,910.30	39,084.41	-	-	94,994.70
Trade receivables	28,942.10				28,942.10
Cash and cash equivalents	2,137.39				2,137.39
Other bank balances (other than earmarked balances)	47,197.00				47,197.00
Loans	31.38	2,529.36	-	-	2,560.74
Others financial assets	1,049.81	2,066.91	-		3,116.73
Total	**1,35,267.99**	**43,680.68**	**-**	**-**	**1,78,948.67**

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

As at 31st March, 2020 (₹ in Lakhs)

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings (current)	59,261.72	-	-	-	59,261.72
Trade payables	13,380.70	-	-	-	13,380.70
Lease liabilities	49.79	86.69	3.64	24.05	164.16
Other financial liabilities	6,575.81	-	-	-	6,575.81
Total	**79,268.02**	**86.69**	**3.64**	**24.05**	**79,382.40**
Financial Assets					
Investments (other than investment in associates)	1,653.30	82,807.65	-	-	8,4860.95
Trade receivables	39,940.82	-	-	-	39,940.82
Cash and cash equivalents	3,280.33	-	-	-	3,280.33
Other bank balances (other than earmarked balances)	27,251.90	-	-	-	27,251.90
Loans	77.90	1,741.56	-	-	1,819.46
Others financial assets	686.07	-	-	-	686.07
Total	**72,890.31**	**84,549.21**	-	-	**1,57,439.52**

Note 47: Carrying Amount of pledged Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
First Charge		
Current Assets		
(a) Trade receivables	28,942.10	39,940.82
(b) Inventories	58,060.95	1,00,513.85
Total (A)	87,003.05	1,40,454.67
Secondary Charge		
Property, plant and equipment	1,05,791.61	83,880.78
Total (B)	**1,05,791.61**	**83,880.78**
Total (A+B)	**1,92,794.66**	**2,24,335.45**

Note 48: Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

(i) Disaggregation of revenue from contracts with customers

The table below presents disaggregated revenues from contracts with customers offerings and contract-type. (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Type of product		
- Graphite electrode	1,13,863.89	1,99,197.76
- Mix graphite product	7,986.98	9,213.59
- Power	1,592.40	1,777.16
Total	**1,23,443.27**	**2,10,188.51**

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

Total Revenue from Contracts with Customers (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from customers based in India	46,172.50	46,702.97
Revenue from customers based outside India	77,270.77	1,63,485.55
Total	**1,23,443.27**	**2,10,188.51**

Timing of Revenue Recognition

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from goods transferred to customers at a point in time	1,23,443.27	2,10,188.51
Revenue from goods transferred to customers over time	-	-
Total	**1,23,443.27**	**2,10,188.51**

Export benefits are in the nature of government grants covering following benefits

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Merchandise Exports from India Scheme(MEIS)	777.64	2,567.72
(b) Duty drawback benefits	763.74	805.63
	1,541.37	3,373.35

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 10 and 24 respectively.

The revenue recognised during the year ended 31st March 2021 includes revenue against advances from customers amounting to ₹163.65 Lakhs (Previous Year- ₹ 74.86 lakhs) at the beginning of the year.

The revenue of.₹ Nil has been recognised during the year ended 31st March 2021 (Previous Year -Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Particulars	As at 31st March 2021	As at 31st March 2020
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 49 : Reconciliation of cash flow from financing Activities

(Changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Borrowings (Current)	Borrowings (Non-Current)	Borrowings (Current)	Borrowings (Non-Current)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	59,261.72	-	66,636.47	-
Changes during the year				

Contd..

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

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Borrowings (Current)	Borrowings (Non-Current)	Borrowings (Current)	Borrowings (Non-Current)
a) Changes from financing cash flow	(29,677.26)	-	(7,403.93)	-
b) the effect of changes in foreign exchanges rates- (gain)/loss	133.52		29.18	
c) Changes in fair value	-	-	-	-
d) Other changes	-	-	-	-
Closing Balance of financial liabilities coming under the financing activities of Cash Flow Statement	**29,651.42**	-	**59,261.72**	-

Note 50: Details of Research and Development expenditure

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Capital	-	-
b) Revenue	113.47	169.89

Note 51 : Subsequent Events

The Board of Directors at its meeting held on May 27, 2021 has recommended a dividend of ₹3 per equity share (Previous year NIL) subject to the approval of shareholders at annual general meeting.

Note: 52

There has been a Supreme Court (SC) judgement dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. In view of the management, the liability for the period from date of the SC order to 31st March, 2019 is not significant and has been provided in the books of accounts. During the current year ended 31st March, 2020, the group has incorporated the effect of changes in the books of accounts. The group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

Note: 53

The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced erstwhile scheme of export benefits of Remission of State and Central taxes levies (ROSCTL) w.e.f January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.

Note: 54

Previous year figures have been regrouped, wherever necessary.

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Independent Auditors' Report

To the Members of
HEG Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HEG Limited ('the Company'), and its associates, which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the company and its associates as at 31st March 2021, and the consolidated loss, consolidated total comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No.	Key audit matters	Auditor's Response
1.	**Valuation of inventory as at the year end March 31, 2021** The inventories are valued at the lower of cost and net realizable value in accordance with applicable accounting standard. There is a risk that inventories may be stated at values that are more than their net realizable values (NRV). We identified the valuation of inventories as a key audit matter because the company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.	**Our audit procedures involved the following:** • Reviewing the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Understanding and testing the design and operating effectiveness of controls as established by the management in determination of cost and net realizable value of inventory. • Obtaining an understanding of determination of cost as well as net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgments applied by the management for such valuation. • Reviewing of the selling price of finished goods at the year end and in subsequent period.

2.	**Assessment of Provisions and Contingent liabilities of the company in respect of litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt** **There is high level of judgement required in estimating the level of provisioning. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet.** **We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.**	**Our audit procedures involved the following::** • Obtaining an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and internal control relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. • Discussing and analysing material legal cases with the Company's legal department. • Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon. • Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of internal tax experts. • Evaluating management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the financial statements. • Assessing the adequacy of the disclosures with regard to facts and circumstances of the legal matters.

Matters reported in the Auditor's report of an Associate of the Company are being reproduced hereunder:

(A) Material uncertainty related to going concern of a subsidiary of an associate

We draw attention to the matter related to material uncertainty related to going concern of a subsidiary of Bhilwara Energy Limited, an associate of the Company, reported in the Auditor's Report on Consolidated financial statements of the associate which is being reproduced hereunder:

In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate

In "Chango Yangthang Hydro Power Limited" the Board of directors decision to surrender the ChangoYangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse, the company has written off Capital Work in progress during the previous year 2017-18 amounting to INR 2,713.18 lakhs. These events or conditions, indicate that there exists material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern since the company was incorporated as a Special Purpose Vehicle for this particular project.

The opinion of the auditor of the said company is not modified in respect of this matter. Also the opinion of the auditor of the associate company is not modified in respect of this matter.

(B) Emphasis of Matter

We draw attention to the Emphasis of matters reported in the Auditor's Report on Consolidated financial Statements of Bhilwara Energy Limited, an associate of the Company, which are being reproduced hereunder:

(i) In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate

The company has surrendered ChangoYangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of INR 3789.45 lakhs and Security Deposit of INR 180 lakhs with interest since the project is not executable purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/ authorities.

GoHP has formed a committee to deal with the issues of various projects which includes ChangoYangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW ChangoYangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CHYPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

In View of this, the company has reiterated its demand for refund of money along with the Interest and the management is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full. The upfront fee and security deposit as mentioned above have been grouped under Other Non-Current Assets and Non-Current Loans-Security Deposit respectively.

We also draw attention to note no. 55(f) to the consolidated financial statements in this regard.

(ii) In NJC Hydro Power Limited, a subsidiary of the associate

There is uncertainty relating to the effects of outcome of petition filled by the company with Hon'ble Guwahati High Court for seeking refund of upfront premium as per provisions of MoA, in view of the WII report recommending no construction of Nyamjnag Chhu HEP at site and arbitration notice sent by the company for invoking arbitration as per the directions of the Hon'ble Supreme Court.

We also draw attention to note no. 55(d) to the consolidated financial statements in this regard.

(iii) In BG Wind Power Limited, a subsidiary of the associate

In case of BG Wind Power Limited, the Power Purchase Agreement (PPA) with DISCOM has expired on March 31, 2019. BG Wind Power Limited, Subsidiary is pursuing for Power Purchase Agreement (PPA) with DISCOM @ INR 3.14 per Kwh as per RERC third amendment regulation dated 5th March 2019 for the entire duration of the project. The Discom has yet not renewed the PPA. The Company has continued to recognise Revenue from Sale of Power of INR 554.64 lakhs and Generation Based Incentive (GBI) of INR 89.35 lakhs and shown under Unbilled Revenue as the management of the company believes that PPA will be signed. The company has filed the writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

We also draw attention to note no. 55(c) to the consolidated financial statements in this regard.

(iv) In Malana Power Company Limited, a subsidiary of the associate

There is uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

We also draw attention to note no. 55(a) to the consolidated financial statements in this regard.

(v) In AD Hydro Power Limited, a subsidiary of the associate

There is uncertainty relating to the effects of outcome of litigation with parties using the transmission line.

We also draw attention to note no. 55(b) to the consolidated financial statements in this regard.

The opinion of the auditor of the associate company is not modified in respect of matters stated above. Further, our opinion on the consolidated financial statements is not modified in respect of these matters.

Other Matters

(i) The consolidated financial statements include the Company's share of net profit of ₹736.12 Lakhs and total comprehensive income of ₹760.30 Lakhs for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements 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 associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report of the company (but does not include the Consolidated financial statements and our auditor's report thereon), which we obtained at the time of issue of this auditors' report, and the Directors' Report of the company including annexures, if any, thereon, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's report including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the company including its associates in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The Board of Directors of the company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Board of Directors of the Company.

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

The respective Board of Directors of the company and of its associates are also responsible for overseeing the financial reporting process of the company and its associates.

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors of the company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the company and its associate companies incorporated in India is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the company and its associates.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates. Refer Note 38 to the consolidated financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

For **SCV & Co. LLP**

Chartered Accountants
Firm Reg. No.000235N/N500089
Sanjiv Mohan
Partner
M. No. 086066
UDIN: 21086066AAAAJN9499

Place: Ludhiana
Date: 27th May, 2021

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HEG Limited of even date)

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

We have audited the internal financial control over financial reporting of HEG Limited ("the Company") and its associate companies incorporated in India as of 31st March 2021 in conjunction with our audit of consolidated financial statements of Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its associates, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on the reports of other auditors as referred in other matters paragraph, the Company and its associate companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to separate financial statements of two associate companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089
Sanjiv Mohan
Partner
M. No. 086066
UDIN: 21086066AAAAJN9499

Place: Ludhiana
Date: 27th May, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	4	68,350.53	73,357.94
(b) Capital work-in-progress	5	37,326.58	10,060.75
(c) Right of use asset	6	708.92	739.51
(d) Investment property	7	321.41	337.33
(e) Intangible assets	8	20.18	30.05
(f) Financial assets			
(i) Investments in associate companies	9A	40,774.78	40,014.48
(ii) Other investments	9B	39,084.41	82,807.65
(iii) Loans	11	2,529.36	1,741.56
(iv) Other financial assets	**12**	**2,066.91**	-
(g) Income tax assets(net)	25	14,641.81	14,393.15
(h) Other non-current assets	13	11,228.40	14,464.98
Total Non-current assets		**2,17,053.28**	**2,37,947.40**
2) Current assets			
(a) Inventories	14	58,060.95	1,00,513.85
(b) Financial assets			
(i) Investments	9	55,910.30	1,653.30
(ii) Trade receivables	10	28,942.10	39,940.82
(iii) Cash and cash equivalents	15	2,137.39	3,280.33
(iv) Bank balances other than (iii) above	16	52,920.26	40,448.07
(v) Loans	11	31.38	77.90
(vi) Other financial assets	12	1,049.81	686.07
(c) Other current assets	13	8,311.21	19,287.46
Total current assets		**2,07,363.40**	**2,05,887.79**
Total assets		**4,24,416.68**	**4,43,835.19**
EQUITY and LIABILITIES			
EQUITY			
(a) Equity share capital	17	3,859.59	3,859.59
(b) Other equity	18	3,45,647.80	3,47,312.32
Total equity		**3,49,507.39**	**3,51,171.92**
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	-
(ii) Lease liabilities	21 A	81.29	114.38
(iii) Other financial liabilities	21 B	-	-
(b) Provisions	22	358.35	391.34
(c) Deferred tax liabilities (net)	23	9,674.62	10,205.13
(d) Other non-current liabilities	24	391.92	301.21
Total Non-current liabilities		**10,506.18**	**11,012.06**
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	29,651.42	59,261.72
(ii) Trade payable			
-Total outstanding dues of micro enterprises and small enterprises	20	1,208.30	658.05
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	24,522.98	12,722.65
(iii) Lease liabilities	21 A	73.10	49.78
(iv) Other financial liabilities	21 B	6,603.67	6,575.81
(b) Other current liabilities	24	1,231.21	1,254.73
(c) Provisions	22	484.67	520.70
(d) Income tax liabilities (net)	25	627.77	607.77
Total current liabilities		**64,403.11**	**81,651.22**
Total liabilities		**74,909.29**	**92,663.28**
Total equity and liabilities		**4,24,416.68**	**4,43,835.19**

See accompanying notes to the consolidated financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	Revenue from operations	26	1,25,622.84	2,14,902.47
II.	Other income	27	11,290.84	14,375.68
III.	**Total income (I + II)**		**1,36,913.68**	**2,29,278.15**
IV.	**Expenses:**			
	Cost of materials consumed	28	50,493.86	1,55,813.14
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods and work-in-progress	29	30,415.46	6,294.52
	Employee benefits expense	30	5,452.82	6,560.47
	Finance costs	31	1,136.83	3,651.17
	Depreciation and amortization expense	32	7,311.56	7,213.16
	Other expenses	33	45,178.96	46,816.99
	Total expenses (IV)		**1,39,989.49**	**2,26,349.45**
V.	**Profit before tax (III - IV)**		**(3,075.81)**	**2,928.70**
VI.	**Tax expense:**			
	(1) Current tax			
	- Current tax adjustment related to earlier years	34	20.00	(18.55)
	(2) Deferred tax	34	(565.87)	(2,389.90)
	Total tax expense: (VI)		**(545.87)**	**(2,408.45)**
VII.	**Share of profit/(Loss) of associates**		**736.12**	**1,425.81**
VIII.	**Profit for the year (V-VI+VII)**		**(1,793.82)**	**6,762.96**
IX.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of employee defined benefit plan	35	140.48	(70.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	34	(35.36)	17.62
X.	**Other comprehensive income of associates**		**24.18**	**(10.58)**
XI.	**Total comprehensive income for the year (VII+VIII+X) (comprising loss/profit and other comprehensive income for the year)**		**(1,664.51)**	**6,700.00**
	Earnings per equity share: (of ₹ 10/-each)			
	(1) Basic (₹)	36	(4.65)	17.52
	(2) Diluted (₹)	36	(4.65)	17.52

See accompanying notes to the consolidated financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Consolidated Statement of Changes in Equity for the year ended 31st March,2021

(₹ in Lakhs)

A) Equity Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of reporting period	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting period	3,859.59	3,859.59

B) Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of Defined Benefit Obligations	
Balance at the beginning of reporting period i.e. 1st April, 2020	**10,726.49**	**-**	**2,029.93**	**-**	**3,34,595.95**	**(40.05)**	**3,47,312.32**
Profit for the year	-	-	-	-	(1,793.82)	-	(1,793.82)
Other comprehensive income for the year	-	-	-	-		129.30	129.30
Total comprehensive income for the year	**-**	**-**	**-**		**(1,793.82)**	**129.30**	**(1,664.51)**
Payment of dividend	-	-	-	-	-	-	-
Payment of dividend distribution tax					-		-
Balance at the end of reporting period i.e. 31st March, 2021	**10,726.49**	**-**	**2,029.93**	**-**	**3,32,802.13**	**89.26**	**3,45,647.80**

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of Defined Benefit Obligations	
Balance at the beginning of reporting period i.e. 1st April, 2019	**10,726.49**	**-**	**2,029.93**	**-**	**3,62,729.69**	**22.91**	**3,75,509.02**
Profit for the year	-	-	-	-	6,762.96		6,762.96
Other comprehensive income for the year	-	-	-	-		(62.96)	(62.96)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**6,762.96**	**(62.96)**	**6,700.00**
Payment of dividend	-	-	-	-	(28,946.63)	-	(28,946.63)
Payment of dividend distribution tax	-	-	-	-	(5,950.06)	-	(5,950.06)
Balance at the end of reporting period i.e. 31st March, 2020	**10,726.49**	**-**	**2,029.93**	**-**	**3,34,595.95**	**(40.05)**	**3,47,312.32**

See accompanying notes to the standalone financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Consolidated Cash Flow Statement for the year ended 31st March,2021

(₹ in Lakhs)

	PARTICULARS	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	**(3,075.81)**	**2,928.70**
	Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	7,311.56	7,213.16
	Interest paid	1,136.83	3,651.17
	Net profit/(loss) on property, plant and equipment sold / discarded	594.02	87.87
	Allowances for expected credit losses	(227.84)	(325.89)
	Unrealized gain/(loss) due to effect of exchange rate changes in assets and liabilities	56.47	(2,587.89)
	Bad debts	395.09	78.92
	Gain on sale/fair valuation of investments	(6,110.84)	(7,325.25)
	Dividend received	(104.42)	(124.67)
	Rent received	(115.49)	(138.12)
	Interest received	(2,888.32)	(3,591.99)
	Adjustments for changes in working capital		
	(Increase)/decrease in trade receivables	10,853.66	81,819.63
	(Increase)/decrease in inventories	42,452.91	30,324.80
	(Increase)/decrease in loans, financial and other assets	10,364.43	6,834.96
	Increase/(decrease) in liabilities and provisions	12,474.25	(34,598.24)
	Cash generated from operations	**73,116.51**	**84,247.14**
	Income tax paid (net)	248.66	10,376.10
	Net cash generated from operating activities (A)	**72,867.84**	**73,871.03**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipments (including capital work-in-progress)	(30,131.44)	(11,124.24)
	Proceeds from sale of property, plant and equipments	72.17	124.58
	(Increase)/decrease in advances for capital expenditure	3,236.63	(12,559.84)
	Bank balances not considered as cash and cash equivalents	(14,535.79)	12,368.42
	Increase/(decrease) in creditors for capital expenditure	-	1,574.05
	Payment for purchase of investments	(13,949.98)	(1,09,200.84)
	Proceeds from sale of investments	9,527.09	87,638.53
	Rent received	115.49	138.12
	Dividend received	104.42	124.67
	Interest received	**2,532.23**	**3,371.71**
	Net cash from/(used in) investing activities (B)	**(43,029.18)**	**(27,544.84)**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of working capital borrowings (on net basis) (also refer note no. 49)	(29,677.26)	(7,403.93)
	Interest Paid (including interest on lease liability)	(1,246.18)	(3,651.17)
	Payment of lease liability	(58.15)	(9.96)
	Dividend paid	-	(28,946.63)
	Dividend distribution tax paid	-	(5,950.06)
	Net cash from/(used in) financing activities (C)	**(30,981.59)**	**(45,961.76)**
	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1,142.93)**	**364.42**
	Cash and cash equivalents at the beginning of the period	3,280.33	2,915.91
	Cash and cash equivalents at the end of the period	2,137.39	3,280.33

Refer note 15 of financial statements for components of cash and cash equivalents.

See accompanying notes to the consolidated financial statements

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

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Vice Chairman
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Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 1: Corporate Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total capacity of about 76.5 MW.

The Company is a public limited company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)."

These consolidated Ind AS financial statements were approved for issue by the Company's Board of Directors in their meeting held on 27th May, 2021.

Note 2:

2.1 Statement of Compliance

The consolidated financial statement comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of Preparation and Presentation

((i) The consolidated financial statements have been prepared on historical cost convention on accrual basis except for certain financial instruments (including derivative instruments) are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

The policies have been consistently applied to all the years presented unless otherwise stated.

(ii) The functional and presentation currency of the Company is Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

2.3 Basis of consolidation

The consolidated financial statements relate to the Company and its associates. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The consolidated financial statements have been prepared on the following basis:-

a. Interest in associates is consolidated using equity method as per IND AS 28 – 'Investment in Associates and Joint Ventures'. Under the equity method, an investment in an associate is initially recognized in the consolidated financial statements at cost and adjusted thereafter to recognize Company's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment

b. When there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of interest in the associate.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

c. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

The aggregate of Company's share of profit or loss of an associate is shown on the face of the Statement of Profit and Loss

2.4 Significant accounting policies

(i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below.

Revenue recognized from major business activities:

(a) Sale of products

The Company derives revenue primarily from sale of Graphite Electrodes.

Revenue from contracts with customers is recognised as and when the Company satisfies performance obligation by transfer of control of goods at an amount that reflects the consideration entitled in exchange for those goods.

Generally control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risk of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amount collected on behalf of third parties (For example taxes and duties collected on the behalf of government). Consideration is generally due upon satisfaction of performance obligation and receivable is recognized when it becomes unconditional.

The Company does not adjust short term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods will be transferred to the customer within a period of one year.

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board (SEB) or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other Income

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized to the extent sold at actual rate of net realization.

(ii) Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(iii) Interest income from financial assets is recognised when it is probable that economic benefit will flow to the Company and the amount of income can be measured reliably and is accrued on a time basis by reference to the principal amount outstanding and at effective interest rate applicable.

(iv) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(v) Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

basis of technical evaluation and are charged off to revenue.

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

(iii) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance under non-current asset and the cost of asset not put to use before balance sheet date are disclosed under capital work in progress.

On transition to Ind As, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2016 measured as per previous GAAP and use that carrying value as its deemed cost of the property, plant and equipment.

(iv) Investment property

Investment properties comprises freehold land and building (including property under construction) that are held for long-term rental yields or for capital appreciation and both are classified as investment property. Investment properties are measured initially at cost, comprising the purchase price and directly attributable transaction cost. Subsequently investment property is carried at cost model, which is cost less accumulated depreciation and impairment losses if any in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

(v) Intangible Assets

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible asset recognized as at 1st April,2016, measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(vi) DEPRECIATION

A) PROPERTY, PLANT AND EQUIPMENT

Based on internal assessment and independent technical evaluation carried out by external valuer, The Management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The method of depreciation and useful life considered on different assets is as below:

(i) Depreciation on all the assets at Hydel Power Project at Tawa is provided on Straight Line Method. The useful life of assets determined is as below:

Sl. No.	Description of asset	Rate of Depreciation (%)	Useful Life (Approx)
1	Factory building	3.02	33
2	Non factory building	3.02	33
3	Plant and machinery		
	i) Dams, spillways weirs, canals, reinforced concrete flumes and symphons	1.95	51
	ii) Hydraulic control valves and other hydraulic works	3.40	30
	iii) Transformers having a rating of 100 KVA and over	7.81	13
4	Electrical installation		
	i) Batteries	33.40	3
	ii) Lines on fabricated steel operating at normal voltages higher than 66 kv	5.27	19
	iii) Residual	7.84	13
5	Furniture and fixtures	12.77	8
6	Office equipment and other assets	12.77	8
7	Vehicles	33.40	3

(ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of plant and machinery, depreciation is provided on Straight Line Method and in case of other assets on Written Down Method. The useful life of assets determined is as below:

Assets description	Useful Life
Building	20 - 60 Years
Plant and machinery	1-24 Years
Railway siding	9 Years
Office equipment (includes computers and data processing units)	5-20 Years
Electrical installation	5-20 Years
Furniture and fixtures	15 Years
Vehicle	5-10 Years

(iii) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

(iv) Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

(B) Investment property

Investment property is depreciated using written down value method over their estimated useful life. Investment property generally has a useful life of 58 years. Useful life has been determined as prescribed in Schedule II to the Companies Act, 2013.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(vii) Amortization

Intangible Assets

Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and are as under

Assets description	Useful Life
Computer software	05 Years

Amortisation method, useful lives and residual value are reviewed at the end of each financial year with the effect of any changes in estimate accounted for on a prospective basis.

(viii) Impairment of Non-Financial Assets

Intangible assets, investment property and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

(ix) Foreign Currencies

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee Benefits

(A) Post Employment Benefits

(a) Defined Contribution Plan

(i) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Company makes contribution to Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees salary and the tenure of employment with the company.

Liability with regard to Gratuity is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The Company fully contributes all ascertained liabilities to the Hindustan Electro Graphite's Staff Gratuity Fund Trust (The Trust), trustees administers the contributions made to the Trust and contribution are invested in a scheme with Life Corporation of India as permitted by Indian Law.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Company recognizes the net obligation in the balance sheet as an asset or liability.

B) Short term employee benefits

A liability is recognised for benefit:

Expense in respect of short term benefits including non-accumulated absences is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(C) Other long term employee benefits- Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

(xi) Leases

Policy applicable after April 1, 2019

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term leases i.e. leases of 12 months or below:

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

The Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(xii) Segment Reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products/ services.

(1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.

(2) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.

(3) Income not allocable to the segments is included in unallocable income.

(4) Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the Company.

(5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

(xiii) Income Tax

Income Tax expense comprises of current and deferred income tax.

(1) Current income tax

Current income tax for current and prior period is recognized at the amount expected to be paid to the tax authorities using tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in equity and other comprehensive income..

(2) Deferred Income Tax

Deferred income tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statement.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

(xiv) Government grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(xv) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred..

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(xvi) Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

(xvii) Earnings Per Share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares if any.

(xviii) Financial instruments

(i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Transaction cost directly attributable to the acquisition of financial assets and financial liabilities at value through Profit or Loss are recognised immediately in Profit or Loss

(ii) Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:-

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised in profit or loss if instrument measured at fair value through other comprehensive income (FUOCI)

Investment in equity instruments at fair value through other comprehensive income. The Company can make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. These elected investments are initially measured at fair value plus transaction cost, subsequently in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income and accumulated in reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investment. This election is not permitted if the equity investment is held for trading. Dividends on their investment in equity instrument are recognised in profit or loss, when the Company's right to receive the dividend is established.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

B. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

(iii) Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the financial assets expire, or

(ii) The Company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

C. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and buy back of equity shares and share options are recognized as a deduction from equity, net of any tax effects.

(xix) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 "Statement of Cash flows" using the indirect method for operating activities.

(xx) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity period of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(xxi) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.5 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary..

Fair Value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 48.

Recognition of deferred tax assets

Management judgement is required for the calculation of provision for current income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

2.6 Applicability of new and revised Ind AS

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would be applicable w.e.f. 1st April, 2021.

2.7 Inventory:

Management has carefully estimated the net realisable value of the inventories, taking into account the most reliable evidence available at each reporting date, the future realisation of the invention may be affected by market driven changes.

Note 3: Current – non-current classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing/servicing and their realization in cash or cash equivalents.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 4: Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount of		
Freehold land	317.81	317.81
Leasehold land	-	-
Buildings	10,789.72	11,681.31
Plant and equipment	55,012.77	58,589.26
Furniture and fixtures	113.36	139.12
Vehicles	630.33	743.19
Office equipment	235.35	246.64
Electrical installation	999.93	1,163.46
Railway sidings	251.26	477.15
Total property, plant and equipment	**68,350.53**	**73,357.94**

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Railway sidings	Total
	Freehold	Leasehold								
Gross Carrying amount as at 1st April, 2019	**317.81**	**840.16**	**25,608.08**	**1,34,903.53**	**573.23**	**1,093.63**	**1,165.62**	**3,214.03**	**921.69**	**1,68,637.77**
Additions	-		863.51	1,374.79	39.38	393.55	89.64	156.04	-	2,916.91
Disposals/deletions	-		(51.77)	(432.13)	(14.82)	(217.91)	(130.92)	(24.72)	-	(872.27)
Adjustments	-	-	-	-	-	-	-	-	-	-
Amount reclassified to Right of use asset under Note-7(As per Ind-AS 116)		(840.16)								(840.16)
Gross carrying amount as at 31st March, 2020 (A)	**317.81**	**-**	**26,419.82**	**1,35,846.19**	**597.78**	**1,269.27**	**1,124.34**	**3,345.35**	**921.69**	**1,69,842.25**
Additions	-		43.39	2,528.34	1.15	122.68	69.22	100.82	-	2,865.60
Disposals/deletions	-		(272.60)	(1,980.70)	(4.14)	(135.20)	(42.75)	(243.23)	(274.27)	(2,952.89)
Adjustments	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31st March, 2021 (B)	**317.81**	**-**	**26,190.60**	**1,36,393.83**	**594.79**	**1,256.75**	**1,150.81**	**3,202.94**	**647.42**	**1,69,754.97**
Accumulated depreciation as at 1st April, 2019	**-**	**206.47**	**13,844.31**	**71,881.10**	**446.48**	**463.56**	**922.26**	**2,022.24**	**402.90**	**90,189.32**
Depreciation for the year	-		937.71	5,707.14	21.04	205.98	75.37	172.40	41.64	7,161.28
Disposals/deletions	-	-	(43.51)	(331.31)	(8.86)	(143.46)	(119.93)	(12.75)	-	(659.82)
Amount reclassified to Right of use Asset under Note-7(As per Ind-AS 116)		(206.47)								(206.47)
Accumulated depreciation as at 31st March, 2020 (C)	**-**	**-**	**14,738.51**	**77,256.93**	**458.66**	**526.08**	**877.70**	**2,181.89**	**444.54**	**96,484.31**
Depreciation for the year	-		905.71	5,780.76	24.12	201.64	75.73	180.41	38.46	7,206.83
Disposals/deletions	-		(243.34)	(1,656.62)	(1.36)	(101.30)	(37.96)	(159.29)	(86.84)	(2,286.70)
Accumulated depreciation as at 31st March, 2021(D)	**-**	**-**	**15,400.88**	**81,381.07**	**481.43**	**626.42**	**915.46**	**2,203.01**	**396.16**	**1,01,404.44**

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Railway sidings	Total
	Freehold	Leasehold								
Net carrying amount as at 31st March, 2020 (A)-(C)	**317.81**	**-**	**11,681.31**	**58,589.26**	**139.12**	**743.19**	**246.64**	**1,163.46**	**477.15**	**73,357.94**
Net carrying amount as at 31st March, 2021 (B)-(D)	**317.81**	**-**	**10,789.72**	**55,012.77**	**113.36**	**630.33**	**235.35**	**999.93**	**251.26**	**68,350.53**

a) Assets amounting to ₹83.13 Lakhs (Previous Year ₹83.13 Lakhs) (gross) are owned jointly with RSWM Ltd.

b) Property , plant and equipment pledged as security

Refer to note no. 47 for information on property, plant and equipment pledged as security by the Company.

c) The borrowing cost capitalized during the year is NIL (previous year NIL)

d)Also refer Note 2.3(iii) for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015

Note 5 : Capital Work In Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Building and plant and equipment under erection/installation (including project and pre-operative expense) (also refer Note - 44)	37,326.58	10,060.75

Capital work in progress includes capital goods lying at stores ₹20925.31 Lakhs (Previous year ₹ 621.41 Lakhs).

For details on Capital Commitments refer Note - 38(2)

The borrowing cost capitalized during the year is NIL (Previous year NIL)

Note 6: Right of Use Asset

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March, 2020
Carrying amount of		
Land	602.55	618.10
Building	106.37	121.41
Total	**708.92**	**739.51**

Particulars	Land	Building	Total
Gross Carrying amount as at 1st April, 2019	-	-	-
Amount reclassified from property, plant and equipment under note-4 (As per Ind-AS 116)	840.16	-	840.16
Additions	-	131.62	131.62
Disposals/deletions	-		-
Adjustments	-		-
Gross carrying amount as at 31st March, 2020 (A)	**840.16**	**131.62**	**971.78**
Gross carrying amount as at 1st April, 2020	**840.16**	**131.62**	**971.78**
Additions	-	48.36	48.36
Disposals/deletions	-	-	-
Adjustments	-	-	-
Gross carrying amount as at 31st March, 2021 (B)	**840.16**	**179.98**	**1,020.16**
Accumulated depreciation as at 1st April, 2019	-	-	-
Amount reclassified from property, plant and equipment under note-4 (As per Ind-AS 116)	206.47	-	206.47
Depreciation for the year	15.59	10.21	25.80
Disposals/deletions	-	-	-
Accumulated Depreciation as at 31st March, 2020 (C)	**222.06**	**10.21**	**232.27**

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	Land	Building	Total
Accumulated depreciation as at 31st March, 2020	**222.06**	**10.21**	**232.27**
Depreciation for the year	15.55	63.40	78.95
Disposals/deletions	-	-	-
Accumulated depreciation as at 31st March, 2021 (D)	**237.61**	**73.61**	**311.23**
Net carrying amount as at 31st March, 2020 (A)-(C)	**618.10**	**121.41**	**739.51**
Net carrying amount as at 31st March, 2021 (B)-(D)	**602.55**	**106.37**	**708.92**

(ii) Refer note 41 for other disclosures related to leases.

Note 7 : Investment Property

Carrying amount of Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Building	**321.41**	**337.33**

		Building
Gross Block		
As at 1st April, 2019		**440.83**
Additions		-
Disposals		-
As at 31st March, 2020	(a)	**440.83**
Additions		-
Disposals		-
As at 31st March, 2021	(b)	**440.83**
Accumulated Depreciation		
At 1st April, 2019		**86.69**
Charge for the year		16.80
Disposals		-
As at 31st March, 2020	(c)	**103.50**
Charge for the year		15.92
Disposals		-
As at 31st March, 2021	(d)	**119.42**
Carrying value		
As at 31st March, 2020	(a-c)	**337.33**
As at 31st March, 2021	(b-d)	**321.41**

(i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental income	110.69	133.35
Direct operating expenses from property that generated rental income	4.83	4.53
Profit from investment properties before depreciation	105.86	128.81
Depreciation	15.92	16.80
Profit from investment properties	89.94	112.01

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(ii) Fair value of Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of investment property	5,358.07	5,360.05

The Company obtains Independent Valuations of its investment property as per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.d for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property."

Fair Value Hierarchy

The fair values of investment properties have been determined by the independent chartered valuer. All fair value estimates for Investment properties have been categorized as level 3.

Note 8: Intangible Assets

Carrying amount of intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Software	20.18	30.05
	20.18	30.05

	Amount
Gross carrying amount	**Computer Software**
As at 1st April, 2019	499.28
Additions	4.10
Disposals	-
As at 31st March, 2020 (a)	**503.37**
Additions	-
Disposals	-
As at 31st March, 2021 (b)	**503.37**
Amortisation	
As at 1st April, 2019	**464.06**
Charge for the year	9.26
Disposals	-
As at 31st March, 2020 (c)	**473.32**
Charge for the year	9.86
Disposals	-
As at 31st March, 2021 (d)	**483.19**
Carrying value	
As at 31st March, 2020 (a-c)	**30.05**
As at 31st March, 2021 (b-d)	**20.18**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note: The Company has not internally developed computer softwares.

Also refer Note 2.3(v) for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015

Note : 9 Investments

(₹ in Lakhs)

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
9A.	**Investments in Associate Companies**					
	Investments carried at cost					
	Investments in Equity instruments					
(a)	**Equity Instruments in Associate Companies (Unquoted)**					
8,12,32,560	(Previous year 8,12,32,560) Fully paid up equity shares of Bhilwara Energy Ltd.#	10	30,711.50	30,711.50	-	-
12,62,048	(Previous year 12,62,048) Fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.)	10	419.00	419.00	-	-
	Add: Share of profit in Associates up to reporting date		9,644.28	8,883.98	-	-
	Total (9A)		**40,774.78**	**40,014.48**	**-**	**-**
9B.	**Other Instruments**					
	Investments carried at Fair value through profit or loss					
(a)	**Investments in Equity instruments (Quoted)**					
18	(Previous year 18) Equity Shares of ₹ 2/- each of Ballarpur Ind. Ltd.	2	0.01	0.01	-	-
(b)	**Investments in Mutual Funds (Quoted)**					
35,416.31	(Previous Year-NIL) Invesco India Liquid Fund	1000	-	-	1,000.89	-
19,871.53	(Previous Year-Nil) Reliance Nippon life Mutual Fund	1000	-	-	1,000.05	-
2,52,97,878.79	(Previous Year-25297878.79) ICICI Prud. Equity -Arbitrage		-	6,825.90	7,096.61	-
2,58,74,546.00	(Previous Year-23492086.437) Kotak Equity Arbitrage Fund		-	6,828.91	7,835.10	-
88,05,577.94	(Previous Year-4004902.00) IDFC Arbitrage Fund		-	1,030.49	2,356.34	-
3,41,08,007.08	(Previous Year-27446136.956) AXIS Bank Arbitrage Fund		-	4,077.97	5,267.20	-
1,08,46,524.43	(Previous Year-NIL) UTI Bank Arbitrage Fund		-	-	3,086.31	-
(c)	**Investments in Fixed Maturity Plans Scheme(Quoted)**					
10,00,00,000	(Previous Year-10,00,00,000) ICICI Prudential FMP Series 83 1406 Days Plan D- Direct Growth	10	12,980.60	12,056.60	-	-
2,50,00,000	(Previous Year-2,50,00,000) ICICI Prudential -FMP -Sr 83 - 1100 Days Plan	10	-	2,937.75	3,136.28	-
2,50,00,000	(Previous Year-2,50,00,000) SBI Debt Fund Series C-19 (1100 days)	10	-	2,929.28	3,124.45	-

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
75,00,000	(Previous Year-75,00,000) Axis Fixed Term Plan - Series 95 (1185 days)	10	-	882.56	946.97	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 235 - 1140	10	-	1,763.15	1,883.82	-
1,00,00,000	(Previous Year-1,00,00,000) Reliance Fixed Horizon Fund-XXXIX-Series 6	10	1,286.92	1,179.57	-	-
1,00,00,000	(Previous Year-1,00,00,000) ABSL FTP Series QN	10	-	1,149.17	1,219.84	-
1,50,00,000	(Previous Year-1,50,00,000) SDFS C20 - 1100 Days	10	-	1,749.50	1,870.23	-
2,50,00,000	(Previous Year-2,50,00,000) HDFC FMP 1105D August 2018 (1)	10	-	2,911.85	3,128.83	-
1,50,00,000	(Previous Year-1,50,00,000) HDFC FMP 1105D August 2018 (2)	10	-	1,745.09	1,867.68	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 240-1160	10	-	1,755.32	1,881.89	-
2,00,00,000	(Previous Year-2,00,00,000) Aditya Birala Sunlife Fixed Term Plan Series RC (1295 days)	10	2,512.32	2,332.82	-	-
1,70,00,000	(Previous Year-1,70,00,000) Aditya Birla Sunlife Fixed Term Plan Series QV (1100 days)	10	-	1,967.80	2,099.13	-
1,50,00,000	(Previous Year-1,50,00,000) Aditya Birla Sunlife Fixed Term Plan Series QU (1100 days)	10	-	1,744.55	1,858.94	-
3,00,00,000	(Previous Year-3,00,00,000) Aditya Birla Sunlife Fixed Term Plan Series RN (1240 days)	10	3,732.63	3,455.22	-	-
1,50,00,000	(Previous Year-1,50,00,000) UTI Fixed Term Income Fund Series XXX - II (1107 days)	10	-	1,746.90	1,872.89	-
2,00,00,000	(Previous Year-2,00,00,000) ICICI Pru Fixed Maturity Plan-Sr 84 - 1245 days Plan N	10	2,518.48	2,317.12	-	-
1,50,00,000	(Previous Year-1,50,00,000) RELIANCE FX HRZ FUND XXXIX S15	10	1,894.61	1,740.59	-	-
1,00,00,000	(Previous Year-1,00,00,000) ICICI Pru Fixed Maturity Plan-Sr 84 - 1288 days Plan O	10	1,257.46	1,156.43	-	-
1,00,00,000	(Previous Year-1,00,00,000) Kotak FMP Series 251-1265 days	10	1,254.74	1,156.15	-	-
1,00,00,000	(Previous Year-1,00,00,000) HDFC FMT 1246D November, 2018 (1) - Series 43	10	1,254.48	1,155.16	-	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 242-1152	10	-	1,751.31	1,877.88	-
1,50,00,000	(Previous Year-1,50,00,000) Kotak FMP Series 243 - 1319 days	10	1,928.52	1,769.49	-	-
1,50,00,000	(Previous Year-1,50,00,000) Reliance Fixed Horizon Fund-XXXIX Series 2	10	1,935.17	1,772.39	-	-
1,20,00,000	(Previous Year-1,20,00,000) ICICI Prudential -FMP -Series 83 - 1101 Days Plan Z	10	-	1,396.21	1,499.00	-

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

No of Units		Face Value	Non - current		Current	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
1,00,00,000	(Previous Year-1,00,00,000) Reliance Fixed Horizon Fund-XXXIX Series 9	10	1,274.88	1,169.84	-	-
(d)	Investments in Non Convertible Debentures(Quoted)				-	-
NIL	(Previous Year-150) HDB FINANCIAL SERVICES LIMITED - SR A/0(ML)/1 BR NCD #	1000000	-	-	-	1,653.30
NIL	(Previous Year-150) HDB FINANCIAL SERVICES LIMITED - SR 2019 A/0(ML)/2 BR NCD	1000000	-	1,637.55	-	
(e)	**Investments in Infrastructure Trust (Unquoted)**					
4400000	(Previous Year-4400000) ORIENTAL INFRATRUST	100	5,253.60	4,715.04		
	Total (9B)		**39,084.41**	**82,807.65**	**55,910.30**	**1,653.30**
	Total (9A+9B)		**79,859.18**	**1,22,822.13**	**55,910.30**	**1,653.30**
	Aggregate amount of quoted investments		33,830.81	78,092.61	55,910.30	1,653.30
	Market value of quoted investments		33,830.80	78,092.61	55,910.30	1,653.30
	Aggregate carrying value of unquoted investments		46,028.38	44,729.52	-	-
	Aggregate amount for impairment in value of investments		0.00	0.00	-	

Investments having maturity period of less than 12 months from 31st March, 2021 i.e. balance sheet date have been reclassified as current investment

Note 1 :-Refer Note: 46B for Classification of Financial Assets

For change in Company's ownership interest in Bhilwara Energy Ltd. During the financial year ended 31st March, 2020 the Company has acquired 3,23,51,004 equity shares of Bhilwara Energy Ltd. from other shareholders for a consideration of ₹16,204.62 Lakhs. Post the above acquisition of shares, the holding of Company Bhilwara Energy Ltd. an associate company, has increased from 29.48% to 49.01%.

Note 10 : Trade Receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2021	As at 31st March, 2020
a) Trade receivable considered good-secured		
b) Trade receivable considered good-unsecured	28,895.16	39,906.12
c) Trade receivable which have significant increase in credit risk; and	113.43	138.78
d) Trade receivable credit impaired	381.95	572.19
Less: Expected credit loss allowance	(448.44)	(676.28)
There is no amount due from Directors or other Officer of the Company or any of them either severally or jointly with any other person or firms or private company respectively in which any Director is a partner or a Director or a member.	-	-
Total	**28,942.10**	**39,940.82**

Refer Note: 46C for credit risk and expected credit loss related to trade receivables

Refer Note: 46B for classification of financial assets

Refer Note: 47 for information of trade receivables pledged as security by the Company.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 11: Financial Assets-Loans

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial asset at amortised cost				
Security deposits	2,489.48	1,692.11	-	-
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	39.88	49.45	31.38	77.90
c) Loans which have significant increase in credit risk; and	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**2,529.36**	**1,741.56**	**31.38**	**77.90**

Refer Note: 46B for Classification of Financial Assets

Note 12: Other Financial Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets at amortised cost				
Interest accrued but not due	3.32	-	1,038.85	686.07
Bank balances having maturity period of more than 12 months	2,063.59	-	-	-
Financial assets at fair value through profit or loss				
*Derivative financial instruments			10.97	-
Total	**2,066.91**	**-**	**1,049.81**	**686.07**

Refer Note: 46B for Classification of Financial Assets

The Company enters into derivative financial instruments (usually foreign exchange forward contracts)to manage its exposure to foreign exchange rate risk. For details of derivate financial instruments refer note 48.

Note 13: Other Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good unless stated otherwise				
Capital advances	10,714.75	13,951.38	-	-
Other advances (other than advances to related party)	-	-	644.73	719.84
Advances to related parties	-	-	0.11	0.11
Prepaid expenses	42.81	13.71	1,392.56	1,358.49
Balances with statutory authorities	-	-	3,511.95	1,866.51
GST refunds receivable	-	-	296.18	11,386.58
Payments under protest (excluding direct taxes other than TDS)	470.85	499.89	-	-
Export Benefits Receivable (including MEIS licenses in hand)	-	-	1,141.86	3,401.26
Other employee advances			35.49	51.76
Gratuity fund receivable (also refer note 40)	-	-	589.54	292.24
Others			698.79	210.66
Total	**11,228.40**	**14,464.98**	**8,311.21**	**19,287.46**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Detail of payments under protest(excluding direct taxes other than TDS) is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Entry tax	222.84	219.85
Central sales tax	105.92	57.09
Excise duty/service tax	79.62	79.62
MPST/MPCT	0.46	3.29
Tax deducted at source	62.01	62.01
Commercial legal cases	-	78.04
Total	**470.85**	**499.89**

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favour in respect of all the items listed above and no value adjustment is considered necessary.

Note 14: Inventories (Valued at lower of cost or Net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials [Includes material in transit ₹10,109.74 Lakhs ; Previous year: ₹342.98 Lakhs]	13,641.45	23,791.36
Finished goods	16,799.35	36,566.62
Work-in-progress	23,890.92	34,539.11
Stores and spares	3,729.23	5,616.76
[Includes stores in transit ₹321.03 Lakhs ; Previous year: ₹2,489.35 Lakhs]		
Total	**58,060.95**	**1,00,513.85**

(a) The cost of inventories recognised as an expense during the year was ₹1,28,880.03 Lakhs (March 31,2020 ₹1,36,720.53 Lakhs)

(b) The cost of inventories recognised as an expense includes ₹2,350 Lakhs (31 March, 2020 ₹45,910.08 Lakhs) in respect of write down of inventories to net realisable value.

(c) The cost of inventories recognised as an expense includes ₹474.75 Lakhs (31 March, 2020 ₹522.00 Lakhs) in respect of write down of inventories on account of slow moving items.

(d) The cost of inventories recognised as an expense include ₹857 Lakhs (31 March, 2020 Nil) as reduction to cost in respect of reversal of write down of inventories arising from increase in net realisable value.

(e) Inventory pledged as security.

Refer note no. 47 for information of inventory pledged as security by the Company.

Note15 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	704.79	1,589.14
In cash credit accounts	1,413.19	1,682.45
Cheques, drafts in hand	**11.22**	**-**
Cash on hand	**8.19**	**8.73**
Total cash and cash equivalent	**2,137.39**	**3,280.33**

Refer Note: 46B for Classification of Financial Assets

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note16 : Other Bank balances (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
I. Earmarked deposits with banks		
a) As margin money against LC for raw material and capital goods *	5,172.53	12,562.45
b) As margin money against bank guarantee *	-	20.88
c) Held for unpaid dividend/unclaimed dividend	550.74	612.84
II. Deposits with banks/financial Institutions		
Original maturity of more than 3 months but less than 12 months	47,196.99	27,251.90
Total	**52,920.26**	**40,448.07**

* (a) & (b) includes interest accrued.

Refer Note: 46B for Classification of Financial Assets

Note 17: Equity Share Capital (₹in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised		
5,50,00,000 (previous year 5,50,00,000) Equity Shares of ₹10/- each	5,500.00	5,500.00
15,00,000 (previous year 15,00,000) Preference shares of ₹10/- each	1,500.00	1,500.00
Issued, Subscribed and fully paid-up	**7,000.00**	**7,000.00**
3,85,95,506 (previous year 3,85,95,506) Equity Shares of ₹10/- each	3,859.55	3,859.55
1,150 (previous year 1,150) Forfeited Equity Shares	0.04	0.04
Total	**3,859.59**	**3,859.59**

a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	2020-21		2019-20	
	No. of Shares	(₹in Lakhs)	No. of Shares	(₹in Lakhs)
Equity Shares				
At the beginning of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55
Change during the year	-	-	-	-
Outstanding at the end of the year	3,85,95,506	3,859.55	3,85,95,506	3,859.55

b) Terms/Rights attached to equity shares

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend (if any) 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

c) Detail of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.90
Microlight Investments Limited	46,65,579	12.09	46,65,579	12.09
Life Insurance Corporation of India	24,25,714	6.28	24,25,714	6.28
Bharat Investments Growth Limited	24,64,913	6.39	24,64,913	6.39

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares except Bharat Investments Growth Limited, in which significant beneficial owner is Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO, who is also the promoter of the Company and exercise significant influence over it.

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	Aggregate No. of Shares				
	2020-21	2019-20	2018-19	2017-18	2016-17
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
b) Equity shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
c) Equity shares bought back by the Company.	-	-	13,63,636	-	-

e) Details of shares held by holding Company or its ultimate holding company or their subsidiaries or associates

There is no holding company /ultimate holding company of the Company.

Note 18: Other Equity (₹ in Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
A.	Capital Reserves		
	Balance as per the last financial statements	10,726.49	10,726.49
	Add: Additions during the year	-	-
	Closing balance	**10,726.49**	**10,726.49**
B.	Capital Redemption Reserve		
	Balance as per the last financial statements	2,029.93	2,029.93
	Add: Addition during the year	-	-
	Closing balance	**2,029.93**	**2,029.93**
C.	Securities Premium		
	Balance as per the last financial statements	-	-
	Add: Addition during the year	-	-
	Closing balance	-	-
D.	General Reserve		
	Balance as per the last financial statements	-	-
	Add: Addition during the year	-	-
	Closing balance	-	-

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

	Particulars	As at 31st March, 2021	As at 31st March, 2020
E.	**Retained Earnings**		
	Balance as per the last financial statements	3,34,595.95	3,62,729.69
	Add: Amount transferred from statement of profit and loss	(1,793.82)	6,762.96
	Less: Dividend Paid	-	28,946.63
	Less: Dividend distribution tax on paid on dividend	-	5,950.06
	Closing balance	**3,32,802.13**	**3,34,595.95**
F.	**Items of other comprehensive income**		
	Balance as per the last financial statements	(40.05)	22.91
	Remeasurement of defined benefit plans	**129.30**	**(62.96)**
	Closing balance	**89.25**	**(40.05)**
	Total	**3,45,647.80**	**3,47,312.32**

Nature and Purpose of Reserves

1) Capital Reserve:

The Company created part of Capital Reserve on account of warrant money forfeited and part on profit made on hive off of Steel business .

2) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buy back of its own shares. The reserve can be utilised for issuing bonus shares.

3) Securities Premium:

This represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

4) General Reserve

This represents retained earnings which are kept aside out of Company's profits. It is a free reserve which can be utilized to meet any future contingencies and to pay dividend to shareholders.

5) Retained Earnings

Retained earnings refer to net earnings not paid out as dividend but retained by the Company to be reinvested in its core business. The amount is available for distribution of dividend to its equity shareholders.

6) Reserve for other items through Other comprehensive income

The reserve represents cumulative gains and losses on remeasurement of defined benefit plan net of taxes. The balance in Other Comprehensive income can be transferred to Other Components of equity i.e. retained earnings as and when the Company decides to do so.

Note 19: Borrowings

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Loans repayable on demand from banks	-	-		
Working capital loans from banks	-	-	29,651.42	59,261.72
Total	**-**	**-**	**29,651.42**	**59,261.72**

Current Borrowings

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	Maturity date	Terms of Repayment	Interest Rate	As at 31st March, 2021	As at 31st March, 2020
Loans repayable on demand	Payable on demand	Payable on demand	At negotiated rates		
Secured					
Working capital from banks				22,827.82	48,261.72
Unsecured					
Working capital from banks				6,823.60	11,000.00
Total				**29,651.42**	**59,261.72**

a) Working Capital Borrowings from Banks are secured by first charge against hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.

b) Pari-passu second charge over entire fixed assets (including land & building and plant & machineries) of the Company in respect of Graphite & Thermal Power Unit at Mandideep and Hydel Power unit at Tawa Nagar, Hoshangabad.
Refer Note: 46B for Classification of Financial Liabilities

Refer Note No. 47 for carrying amount of assets pledged as security for borrowings.

Note: 20 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(A) Total outstanding dues of micro enterprises and small enterprises	1,208.30	658.05
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24,522.98	12,722.65
Total	**25,731.28**	**13,380.70**

Refer Note: 46B for Classification of Financial Liabilities

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with them. This information has been relied upon by the auditors. The detail information relating to Micro, Small and Medium Enterprises is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The amount remaining unpaid to any supplier at the end of each accounting year.		
a) Principal	1,208.30	658.05
b) Interest	-	-
b) 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 each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

NOTE 21A : Lease Liabilities

(₹ in Lakhs)

Particulars	Non- Current As at 31st March, 2021	Non- Current As at 31st March, 2020	Current As at 31st March, 2021	Current As at 31st March, 2020
Lease liability - land (refer note - 41)	35.05	40.00	4.96	1.32
Lease liability - building (refer note - 41)	46.24	74.38	68.14	48.47
Total	**81.29**	**114.38**	**73.10**	**49.78**

NOTE 21B : Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non- Current As at 31st March, 2021	Non- Current As at 31st March, 2020	Current As at 31st March, 2021	Current As at 31st March, 2020
Interest accrued but not due on borrowings	-	-	6.11	115.46
Security deposits	-	-	107.32	137.86
Unpaid dividends-unclaimed#	-	-	550.74	612.84
Derivative financial instruments	-	-	-	118.20
Creditors for capital purchases				
Payable to Micro Enterprises and Small Enterprises	-	-	137.67	102.84
Payable to other than Micro Enterprises and Small Enterprises	-	-	3,193.34	1,939.08
Other payables				
Employees related	-	-	952.58	899.01
Others	-	-	1,655.91	2,650.52
Total	**-**	**-**	**6,603.67**	**6,575.81**

Unpaid dividends do not include any amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer Note: 46B for Classification of Financial Liabilities

Note 22: Provisions

(₹ in Lakhs)

Particulars	Non- Current As at 31st March, 2021	Non- Current As at 31st March, 2020	Current As at 31st March, 2021	Current As at 31st March, 2020
Provision for employee benefits				
Compensated absences	358.35	391.34	45.61	67.26
Other provisions				
Provision against indirect taxes (pending litigations)	-	-	439.06	453.44
Total	**358.35**	**391.34**	**484.67**	**520.70**

Movement of provision against indirect taxes (pending litigations)

(₹ in Lakhs)

Nature of Provisions	Non- Current 2020-21	Non- Current 2019-20	Current 2020-21	Current 2019-20
Carrying amount at the beginning of the year	-	-	**453.44**	**534.07**
Additional provision made during the year	-	-	-	53.87
Amount reversed during the year	-	-	14.38	134.49
Carrying amount at the end of the year	-	-	**439.06**	**453.44**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 23: Deferred Income Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	8,337.35	8,743.95
Fair valuation of investments	2,420.99	1,787.38
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax	63.80	155.99
Allowances for expected credit loss	112.86	170.21
Unabsorbed depreciation and unused losses	907.06	-
Net deferred tax liability (A)-(B)	**9,674.62**	**10,205.13**

The following is the analysis of the deferred income tax asset/(liability)presented in the consolidated balance sheet

Movement in deferred income tax assets and liabilities for the year ended March 31, 2021

Particulars	As at 1st April, 2020	Recognized in the profit or loss	Recognized in OCI	As at 31st March, 2021
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	8,743.95	(406.60)	-	8,337.35
Fair valuation of Investments	1,787.38	633.61	-	2,420.99
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax	155.99	(56.84)	(35.36)	63.80
Allowances for expected credit loss	170.21	(57.35)	-	112.86
Unabsorbed depreciation and Unused losses	-	**907.06**	-	**907.06**
Net Deferred tax Liability (A)-(B)	**10,205.13**	**(565.87)**	**35.36**	**9,674.62**

Movement in deferred income tax assets and liabilities for the year ended March 31, 2020

Particulars	As at 1st April, 2019	Recognized in the profit or loss	Recognized in OCI	As at 31st March, 2020
Deferred tax liabilities (A)				
Difference between carrying value of property, plant and equipment as per books of account and tax base	12,333.88	(3,589.92)	-	8,743.95
Fair valuation of Investments	**940.12**	**847.26**	**-**	**1,787.38**
Deferred tax assets (B)				
Expenses deductible on payment basis under Income tax	330.87	(192.50)	17.62	155.99
Allowances for expected credit loss	330.48	(160.27)	-	170.21
Net Deferred tax Liability (A)-(B)	12,612.65	(2,389.89)	(17.62)	10,205.13

Note 24: Other Liabilities

Particulars	Non-Current As at 31st March, 2021	Non-Current As at 31st March, 2020	Current As at 31st March, 2021	Current As at 31st March, 2020
Deposits from employees against various schemes	391.92	301.21	28.66	93.53
Advance from customers	-	-	142.55	163.65
Statutory dues payable	-	-	163.89	197.36
Others payable	-	-	896.11	800.20
Total	**391.92**	**301.21**	**1,231.21**	**1,254.73**

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 25: Current Tax Asset & Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Income tax assets	14,641.81	14,393.15
Income tax liabilities	(627.77)	(607.77)
Total	**14,014.04**	**13,785.37**

Note 26: Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Sale of products				
Manufactured goods				
Graphite electrodes	1,21,850.87		2,08,411.35	
Power	1,592.40		1,777.16	
		1,23,443.27		**2,10,188.51**
Other operating income				
REC sales	577.22		1,273.07	
Fly ash income	60.98		67.54	
Export incentives	1,541.37		3,373.35	
		2,179.57		**4,713.96**
Total		**1,25,622.84**		**2,14,902.47**

Note 27: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest income from financial assets measured at amortized cost	2,721.82	3,543.50
Interest income from financial assets measured at fair value through Profit or loss	166.50	48.49
Rental income	115.49	138.12
Net gain on sale of investment measured at fair value through Profit or loss	419.42	1,416.96
Net gain on fair valuation of Investments measured at fair value through Profit or loss	5,691.42	5,908.29
Liabilities / provisions written back (including allowances for expected credit losses)	1,033.63	454.51
Dividend income from financial assets measured at fair value through Profit or loss	104.42	124.67
Foreign currency fluctuation (net)	495.08	1,531.54
Miscellaneous	543.06	1,209.60
Total	**11,290.84**	**14,375.68**

Note 28: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Raw Material Consumed				
Opening stock	23,448.37		26,546.27	
Add : Purchases	30,577.19		1,52,715.24	
	54,025.56		**1,79,261.51**	
Less: Closing stock	3,531.70		23,448.37	
Cost of raw material consumed		**50,493.86**		**1,55,813.14**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 29: Changes In Inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(1) Inventories at the beginning of the period		
Finished goods	36,566.62	37,749.92
Work-in-progress	34,539.11	39,650.33
Total	**71,105.73**	**77,400.25**
(2) Inventories at the end of the period		
Finished goods	16,799.35	36,566.62
Work-in-progress	23,890.92	34,539.11
Total	40,690.27	71,105.73
Net (increase)/decrease	**30,415.46**	**6,294.52**

Note 30: Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	4,769.17	5,592.68
Contribution to provident and other funds	479.06	536.37
Staff welfare expenses	204.59	431.42
Total	**5,452.82**	**6,560.47**

Note 31: Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Interest on working capital borrowings	1,079.36	3,635.21
(ii) Foreign exchange fluctuation on foreign currency loans to the extent regarded as an adjustment to interest costs	32.57	-
(iii) Others		
-Interest on lease liabilities	14.22	6.10
-Others	10.68	9.86
Total	**1,136.83**	**3,651.17**

Note 32: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(1) Depreciation of property, plant and equipment (refer note 4)	7,206.83	7,161.30
(2) Depreciation of right of use assets (refer note 6)	78.95	25.80
(3) Depreciation on investment property (refer note 7)	15.92	16.80
(4) Amortisation of intangible assets (refer note 8)	9.86	9.26
Total	**7,311.56**	**7,213.16**

Note 33: Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Consumption of stores and spare parts (Including Refractory Blocks)	8,809.82	8,362.08
Job/process charges	397.20	446.51
Power and fuel	13,938.23	16,330.61
Repairs and maintenance		
Plant and machinery	2,853.81	3,419.43
Building	425.26	536.65

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Others	658.09	923.11
Insurance	1,106.50	886.22
Rent (refer note 41)	36.88	93.02
Rates and taxes	86.27	76.72
Directors' sitting fees and incidental expenses	53.45	69.70
Commission paid to directors	-	225.00
Freight & forwarding	6,643.06	6,412.19
Packing expenses (including packing material consumption)	1,406.62	1,288.70
Commission	1,056.13	1,429.13
Claims and rebates	195.88	425.54
Donations	0.21	271.65
Contribution made to political parties	100.00	400.00
Power generation charges	247.14	252.00
Travelling expenses	82.41	410.10
Postage and communication	41.20	86.83
Payment to auditors (refer details below*)	20.66	24.16
Contribution towards Corporate Social Responsibility (refer note 43)	4,185.70	2,217.31
Legal and professional	431.39	748.39
Vehicle running & maintenance	60.35	57.48
Bad debts	395.09	78.92
Duties and taxes	80.39	91.08
Net Loss on sale/discard of property, plant and equipments	594.02	87.87
Miscellaneous	**1,273.16**	**1,166.59**
Total	**45,178.96**	**46,816.99**

*Payments to the statutory auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As auditor		
Statutory audit	15.00	15.00
Other services		
Tax audit	2.00	2.00
Certification fees	2.31	1.42
Reimbursement of expenses	**1.35**	**5.75**
Total	**20.66**	**24.16**

Note 34: Tax expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A) Tax Expense Recognised in the statement of Profit and Loss		
1) Current tax		
Income tax	-	-
Income tax -previous year	20.00	(18.55)
2) Deferred tax	**(565.87)**	**(2,389.90)**
	(545.87)	**(2,408.45)**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

B) Tax Expense recognised in Other Comprehensive Income		
1) Current tax	-	-
2) Deferred tax	35.36	(17.62)
	35.36	**(17.62)**
C) Tax expense/(Income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-
	-	-
Total	**(510.52)**	**(2,426.07)**

The deferred tax income recognized during the year ended 31st March 2020 includes deferred tax income of ₹3,265.52 Lakhs relating to changes in tax rates in that year vis-a-vis previous year.

(a) Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit before tax	(3,075.81)	2,928.70
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**(774.12)**	**737.10**
Add/(Less) :		
Effect of expenses that are not deductible in determining taxable profits	1,083.51	728.63
Effect of expenses that are deductible in determining taxable profits	(18.21)	(14.05)
Tax rate differential and other adjustments on gain on sale / fair valuation of investments	(798.81)	(639.74)
Effect of income that is not taxable in determining taxable profits	(26.28)	(31.38)
Others	62.27	18.57
Effect of brought forward of unused tax losses	(58.88)	58.88
Effect of change in tax rate	-	(3,265.52)
Current tax adjustment related to earlier years	**20.00**	**(18.55)**
Total (B):	**263.60**	**(3,163.16)**
Income tax expense recognized for the year (A+B)	**(510.52)**	**(2,426.07)**

Note 35 : Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined benefits plans	140.48	(70.00)
Total	**140.48**	**(70.00)**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 36: Earnings per share

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit attributable to equity shareholders of the company	(1,793.82)	6,762.96
Weighted average number of equity shares for basic/diluted earning per share	3,85,95,506	3,85,95,506
Basic / diluted earning per share(`)	(4.65)	17.52

* There are no potential equity shares

NOTE 37: Segment Information

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the Company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The Reportable Segments are:

- Graphite electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power generation - The segment comprises of generation of power for captive consumption and sale.

Segment Measurement

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Inter segment transactions are carried out at arm's length price.

1) Segment Revenue and Results

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Segment Revenue								
Turnover	1,23,390.95	2,11,784.15	6,297.11	6,943.89	1.29	0.55	1,29,689.35	2,18,728.59
Less: Inter segment turnover	-	-	4,066.51	3,826.12	-	-	4,066.51	3,826.12
External turnover	**1,23,390.95**	**2,11,784.15**	**2,230.60**	**3,117.77**	**1.29**	**0.55**	**1,25,622.84**	**2,14,902.47**
Segment result before interest & taxes	(5,803.62)	(3,579.88)	(1,056.60)	1,355.46	(4,077.93)	(2,112.95)	(10,938.15)	(4,337.37)
Add: Interest income							2,888.32	3,591.99
Add: Gain on sale of investments (including gain/(loss) on fair valuation)							6,110.84	7,325.25
Less: Finance cost							1,136.83	3,651.17
Profit before tax							(3,075.81)	2,928.70
Less: Income tax (including deferred tax)							(545.87)	(2,408.45)

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Add: Share of profit of associates							736.12	1,425.81
Net profit for the period							(1,793.82)	6,762.96
Depreciation	6,075.15	5,983.05	1,157.63	1,172.53	78.78	57.56	7,311.56	7,213.16
Non cash expenses other than depreciation and amortization	406.22	93.29	187.21	0.83	-	0.88	593.43	95.00

2) Segment assets, liabilities and other details

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Segment assets	2,06,142.01	2,46,473.56	10,546.17	14,743.18	2,07,728.50	1,82,618.46	4,24,416.68	4,34,951.21
Segment liabilities	62,796.29	79,910.62	910.12	863.20	11,202.88	11,889.46	74,909.29	92,663.28
Capital expenditure incurred during the year	30,104.31	11,017.26	4.06	34.46	23.07	72.52	30,131.44	11,124.24

3) Details of Unallocated Items

(₹ in Lakhs)

Assets	As at 31st March, 2021	As at 31st March, 2020
Property, plant & equipments	222.49	215.26
Investment property	321.41	337.33
Investments	1,35,769.48	1,24,475.43
Inventories	14.68	14.68
Trade receivables	-	-
Cash and cash equivalents	307.23	1,385.09
Bank balances other than cash & cash equivalents	54,995.06	40,485.97
Financial assets-loans	40.12	47.49
Other financial assets	1,040.40	653.05
Other assets	375.81	1,264.04
Income tax asset	14,641.81	13,740.10
Total:	**2,07,728.50**	**1,82,618.46**

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(₹ in Lakhs)

Liabilities	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liability	9,674.62	10,205.13
Income tax liability	627.77	546.18
Other financial liability	664.18	776.25
Other liabilities	136.22	233.08
Provisions	100.09	128.81
Total	**11,202.88**	**11,889.46**

4) Geographical Information: The company operates in two principal geographical areas-India and Outside India.

Particulars	Within India #		Outside India		Total	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Segment revenue	48,352.08	51,416.92	77,270.77	1,63,485.55	1,25,622.84	2,14,902.47

5) The Company is domiciled in India. The Company's revenue from operations from external customers by location of the customers is as follows:

(₹ in Lakhs)

Revenue from External Customers	For the year ended 31st March, 2021	For the year ended 31st March, 2020
India	48,352.08	51,416.92
Turkey	10,346.22	14,801.72
Egypt	10,330.94	22,849.22
Korea (South)	8,761.38	30,561.39
USA	7,500.73	10,413.34
United Arab Emirates	4,688.02	15,412.97
Spain	4,615.69	12,649.50
Japan	3,992.35	0.00
Saudi Arabia	3,186.64	3,032.25
Others*	23,848.81	53,765.14
Total	**1,25,622.84**	**2,14,902.47**

*Others includes revenue from countries having less than 5% of total revenue from outside India

Export incentives have been included in segment revenues within India

6) The Company's major sales are export based which is diversified in different countries and no single customer contributes more than 10% of the total company's revenue in 2020-21 and 2019-20.

7) The Company has business operations only in India and does not hold any non current asset outside India.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 38 : Contingencies and Commitments

(₹ in Lakhs)

1) Contingent Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
For Taxation matters		
a) Excise duty under appeal	220.04	230.80
b) Service tax	-	824.66
c) Income tax	7,866.23	7,866.98
d) Sales tax	737.15	759.17
Other than Taxation matters		
a) Power related	4,522.23	3,780.75
b) Labour related matters	36.48	41.48
c) Others	1,005.00	63.81
d) Company's share in contingent liabilities of associate companies	2,726.95	2,730.84

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in note 13 of Other assets.

2) Commitment Outstanding

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 10,714.75 Lakhs, (previous year ₹13,951.38 Lakhs.)]	40,244.67	57,490.79
b) Pending export obligation against EPCG/Advance license	31,651.27	44,952.09

3) Financial Guarantee

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
The Company has with RSWM Ltd and Bhilwara Energy Limited on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd against loan availed by M/s AD Hydro Power Ltd from International Finance Corporation (IFC).*	600.00	600.00

*Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books of account.

Note 39: Related Party Disclosure

A) Names of related parties and transactions taken place during the year

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
I)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
		(ii) Bhilwara Infotechnology Ltd.	(ii) Bhilwara Infotechnology Ltd.

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
II)	Individuals having significant influence over the enterprise, and close family members of such individual.	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt. Mani Devi Jhunjhunwala
		Sh. Ravi Jhunjhunwala	Sh. Ravi Jhunjhunwala
		Sh. Riju Jhunjhunwala	Sh. Riju Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
		Sh. Nivedan Churiwal	Sh. Nivedan Churiwal
		Smt. Shubha Churiwal	Smt. Shubha Churiwal
		Smt. Sudha Churiwal	Smt. Sudha Churiwal
III)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Sh. Ravi Jhunjhunwala-CMD & CEO
		Sh. Riju Jhunjhunwala-Vice Chairman	Sh. Riju Jhunjhunwala - Non-Executive Director
		Sh. Shekhar Agarwal	Sh. Shekhar Agarwal - Vice Chairman
		-	Sh. Dharmendar Nath Davar *
		-	Sh Satyendra Nath Bhattacharya (upto 23rd December, 2019)
		Sh. Satish Chand Mehta	Sh. Satish Chand Mehta
		Dr. Kamal Gupta	Dr. Kamal Gupta
		Dr. Om Parkash Bahl	Dr. Om Parkash Bahl
		Smt. Vinita Singhania	Smt. Vinita Singhania
		Smt. Ramni Nirula	Smt. Ramni Nirula
		Sh. Jayant Dawar	Sh. Jayant Dawar (w.e.f. 14th August 2019)
		Sh. Vivek Chaudhary-Company Secretary	Sh. Vivek Chaudhary-Company Secretary
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Chief Operating Officer & Chief Marketing Officer (Executive Director w.e.f. 1st March 2020)
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer
IV)	Close family members of Key Management Personnel	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt .Mani Devi Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
V)	Post employment benefit plan trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust
VI)	Enterprises in which KMP is able to exercise significant influence and with whom transactions have been taken place during the year	RSWM Ltd.	RSWM Ltd
		Malana Power Company Ltd.	Malana Power Company Ltd.
		Giltedged Industrial Securities Ltd.	Giltedged Industrial Securities Ltd.
		Purvi Vanijya Niyojan Ltd.	Purvi Vanijya Niyojan Ltd.
		Shashi Commercial Co Ltd.	Shashi Commercial Co Ltd.
		BSL Ltd.	BSL Ltd.
		AD Hydro Power Ltd.	AD Hydro Power Ltd.
		Maral Overseas Ltd.	Maral Overseas Ltd.

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

	Relationship	Related Parties	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
		BMD Pvt Ltd.	BMD Pvt Ltd.
		Bharat Investments Growth Limited	Bharat Investments Growth Limited
		Deepak Pens & Plastics Pvt. Limited #	Deepak Pens & Plastics Pvt. Limited
		India Texfab Marketing Limited	India Texfab Marketing Limited
		Investors India Limited	Investors India Limited
		LNJ Financial Services Limited	LNJ Financial Services Limited
		Nivedan Vanijya Niyojan Limited	Nivedan Vanijya Niyojan Limited
		M.L. Finlease Pvt Limited	M.L. Finlease Pvt Limited
		Sandhu Auto Deposits Limited #	Sandhu Auto Deposits Limited
		Raghav Commercial Ltd.	Raghav Commercial Ltd.
		Bhilwara Technical Textiles Ltd.	-
		Indo Canadian Consultancy Service Ltd.	-
		BG Wind Power Ltd.	-
		NJC Hydro Power Ltd.	-
		Chango Yangthang Hydro Power Ltd.	-
		Ravi Jhunjhunwala - HUF ##	Ravi Jhunjhunwala - HUF
		Sabhyata Foundation (Section 8 company)	Sabhyata Foundation (Section 8 company)
		LNJ Bhilwara -HEG Lok Nyas (Trust)	LNJ Bhilwara -HEG Lok Nyas (Trust)
		Graphite Education & Welfare Society	Graphite Education & Welfare Society

* Shri Dharmender Nath Davar who was on the Board resigned from the Directorship w.e.f. 24th July 2019. The transactions till the date of resignation have been reported in Part-B below

Deepak Pens & Plastics Pvt. Ltd. and Sandhu Auto Deposits Ltd. have been amalgamated with Jet (India) Pvt. Ltd. pursuant to scheme of amalgamation duly approved by NCLT, Kolkata w.e.f. 25th September,2020

##Pursuant to Partition of Ravi Jhunhunwala - HUF, the same has been dissolved w.e.f. 25th September, 2020.

B. Transaction during the year with related parties *(₹ in Lakhs)*

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
1)	Associates	Bhilwara Energy Ltd	Reimbursement received	1.18	0.34
			Reimbursement made	0.54	8.30
		Bhilwara Infotechnology Limited	Maintenance charges paid	1.70	0.57
2)	Individuals having significant influence over the enterprise, and close family members of such individual.	Sh. L.N. Jhunjhunwala	Dividend paid	-	127.33
		Smt Mani Devi Jhunjhunwala	Dividend paid	-	73.22
		Sh Ravi Jhunjhunwala	Salary and allowances (including perquisites and contribution in PF and superannuation)#	147.34	240.54
			Dividend paid	-	96.39
		Sh Riju Jhunjhunwala	Director sitting fee	2.65	4.20
			Commission	-	25.00
			Dividend paid	-	165.27
			Reimbursement of expenses	0.15	0.30
		Sh Rishabh Jhunjhunwala	Dividend paid	-	131.86

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
		Smt Rita Jhunjhunwala	Dividend paid	-	158.91
			Rent paid	14.16	12.00
		Sh Nivedan Churiwal	Dividend paid	-	5.31
		Smt Shubha Churiwal	Dividend paid	-	3.71
		Smt Sudha Churiwal	Dividend paid	-	1.18
3)	Key management personnel and close family members of Key management personnel				
(a)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and allowances (including perquisites and contribution in PF and superannuation)#	147.34	240.54
			Dividend paid	-	96.39
		Sh Riju Jhunjhunwala	Director sitting fee	2.65	4.20
			Commission	-	25.00
			Dividend paid	-	165.27
			Reimbursement of expenses	0.15	0.30
		Sh. Shekhar Agarwal	Director sitting fee	6.00	7.90
			Commission	-	25.00
			Reimbursement of expenses	0.24	0.36
		Sh. Dharmendar Nath Davar (Resigned w.e.f. 24th July, 2019)	Director sitting fee	-	4.75
			Commission	-	25.00
			Reimbursement of expenses	-	0.36
		Sh Satyendra Nath Bhattacharya (Resigned w.e.f. 23rd December, 2019)	Director sitting fee	-	3.00
			Commission	-	25.00
			Reimbursement of expenses	-	0.12
		Sh. Satish Chand Mehta	Director sitting fee	6.75	8.25
			Commission	-	25.00
			Reimbursement of expenses	0.39	0.48
		Dr. Kamal Gupta	Director sitting fee	11.60	14.10
			Commission	-	25.00
			Reimbursement of expenses	0.75	0.96
			Dividend Paid	-	0.14
		Dr. Om Parkash Bahl	Director sitting fee	11.40	12.70
			Commission	-	25.00
			Reimbursement of expenses	0.72	0.75
		Smt. Vinita Singhania	Director sitting fee	2.25	2.25
			Commission	-	25.00
			Reimbursement of expenses	0.18	0.18

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
		Smt. Ramni Nirula	Director sitting fee	6.20	5.65
			Commission	-	25.00
			Reimbursement of expenses	0.27	0.27
		Sh. Jayant Dawar	Director sitting fee	3.75	3.00
			Reimbursement of expenses	0.15	0.12
		Sh. Vivek Chaudhary-Company Secretary	Salary and allowances (including perquisites and contribution in PF and superannuation)#	25.66	28.90
		Sh. Manish Gulati - Executive Director	Salary and allowances (including perquisites and contribution in PF and superannuation)#	95.28	128.02
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and allowances (including perquisites and contribution in PF and superannuation)#	40.00	45.38
			Housing loan given	-	8.00
			Housing loan repayment -principal	2.67	0.89
			Housing loan repayment - interest	0.24	0.10
			Closing balance as at end of year	4.44	7.11
(b)	Close family members of Key Management Personnel	Sh. L.N. Jhunjhunwala	Dividend paid	-	127.33
		Smt. Mani Devi Jhunjhunwala	Dividend paid	-	73.22
		Sh. Rishabh Jhunjhunwala	Dividend paid	-	131.86
		Smt. Rita Jhunjhunwala	Dividend paid	-	158.91
			Rent paid	14.16	12.00
4)	Post employment benefit Plan Trust	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	Contribution in employee benefit scheme	-	-
		(b) Hindustan Electro Graphites Ltd. Senior Executive Superannuation Fund Trust	Contribution in employee benefit scheme	176.86	184.10
5)	Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd.	Rent paid	43.52	43.52
			Reimbursement received	16.45	8.99
			Reimbursement made	51.03	36.23
			Dividend paid	-	541.49
			Purchase of shares of BEL	-	8,484.54
		Shashi Commercial Co. Ltd.	Rent paid	28.84	30.55
			Dividend paid	-	506.65
			Reimbursement received	0.14	-
		Purvi Vanijaya Niyojan Ltd.	Rent paid	3.50	3.50
			Reimbursement made	0.33	0.33
			Reimbursement received	0.09	-
			Dividend paid	-	1,236.44

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
	Giltedged Industrial Securities Ltd.	Rent paid	27.62	25.92
		Dividend paid	-	357.52
		Reimbursement received	0.24	
	Malana Power Co. Ltd.	Reimbursement received	5.09	0.44
	BSL Ltd.	Rent received	12.19	12.18
		Purchase of fabrics	1.18	4.50
		Reimbursement received	0.75	
	AD Hydro Power Ltd.	Reimbursement received	8.65	0.25
	Maral Overseas Ltd.	Reimbursement received	12.31	0.76
	BMD Pvt Ltd.	Reimbursement received	3.69	0.54
	Indo Canadian Consultancy Services Ltd.	Reimbursement received	3.34	-
	BG Wind Power Limited	Reimbursement received	0.33	-
	NJC Hydro Power Limited	Reimbursement received	0.33	-
	Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.14	-
	Bhilwara Technical Textiles Ltd.	Reimbursement received	0.24	-
	Bharat Investments Growth Ltd.	Reimbursement received	0.14	-
		Dividend paid	-	1,848.68
	Deepak Pens & Plastics Pvt Limited	Dividend paid	-	352.37
	India Texfab Marketing Limited	Dividend paid	-	155.04
	Investors India Limited	Dividend paid	-	27.19
	LNJ Financial Services Limited	Dividend paid	-	1,011.24
		Reimbursement received	0.14	-
	Nivedan Vanijya Niyojan Limited	Dividend paid	-	50.01
		Reimbursement received	0.14	
	M.L. Finlease Pvt Limited	Dividend paid	-	259.85
	Sandhu Auto Deposits Limited	Dividend paid	-	401.83
	Raghav Commercial Limited	Dividend paid	-	1,086.12
		Reimbursement received	0.33	
	Ravi Jhunjhunwala - HUF	Dividend paid	-	152.10
	Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	500.00	500.00
	LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	133.00	931.00
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	1,526.42	-

Note: Remuneration amount of Key Managerial Personnel represents remuneration paid for the whole year irrespective of the period for which the person is Key Managerial Personnel.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

C) Details of Outstanding Balances as at the end of year (₹ in Lakhs)

Sl.No.	Related Party	Name of the Related Party	Particulars	As At 31st March, 2021	As At 31st March, 2020
1	Associates	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
			Loan and Advances given	0.11	0.11
		Bhilwara Infotechnology Ltd.	Investments	419.00	419.00

There is no provision for doubtful debts related to amount of outstanding balances due from related parties.

D) Commitments with Related Parties (₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
The Company has with RSWM Ltd. on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of AD Hydro Power Ltd.	600.00	600.00

E) Transactions with Key Managerial Personnel (₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Short term benefits	280.46	398.88
Post employment benefits#	27.82	43.95
Director's sitting Fee	50.60	65.80
Commission paid to independent directors	-	225.00
Reimbursement of expenses and incidental expenses	2.85	3.90
Dividend paid by the Company	-	261.80
Housing loan given	-	8.00
Housing loan repayment -principle	(2.67)	(0.89)
Housing loan repayment -interest	(0.24)	(0.10)
Total	**358.82**	**1,006.34**

Remuneration does not Include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Note 40 : Indian Accounting Standard-19 "Employee Benefits" (₹ in Lakhs)

(A) Defined Contribution Plan

The Company makes contribution to provident fund, ESIC and retirement benefits plans for eligible employees under the scheme and recognised as expense and included in the Note no. 30 Employee Benefits under the head "Contribution to provident and other funds". The details are as under:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Employer's contribution to provident fund	256.10	291.45
Employer's contribution to superannuation Fund	173.34	181.55
Employer's contribution to ESIC	31.11	43.58
Other funds	18.51	19.79

(B) Defined Benefit Plan

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India (LIC) as permitted by Law. The management of fund is entrusted with the LIC. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment Risk

The probability or likelihood of occurrence of losses related to the expected return on investment. if the actual return on plan assets is below the expected return, it will create plan deficit.

(ii) Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

(iii) Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(iv) Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet: *(₹ in Lakhs)*

Particulars	As At 31st March, 2021	As At 31st March, 2020
I. Movement in the present value of defined Benefit Obligation: Present Value of Defined benefit obligation at the beginning of the year	**1,175.77**	**1,240.30**
Current service cost	65.29	69.61
Interest cost	79.48	96.12
Past service cost including curtailment (gains)/losses	-	-
Benefits paid	(220.32)	(262.18)
Actuarial changes (gain)/loss	(8.90)	31.92
Present value of defined benefit obligation at the end of the year	**1,091.32**	**1,175.77**
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year:	1,468.01	1,397.76
Interest income	99.24	108.33
Company's contribution	-	-
Benefits paid	(17.97)	-
Remeasurement- return on plan assets excluding amount included in interest income	131.58	(38.08)
Fair value of plan assets at the end of the year	1,680.85	1,468.01
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,091.32	1,175.77
Fair value on plan assets	1,680.85	1,468.01
Surplus/(deficit)	589.53	292.24
Effect of asset ceiling if any	-	-
Net assets/(liability) recognized in balance sheet	589.53	292.24
IV (a) Amount recognized in Statement of Profit and Loss		
Current service cost	65.29	69.61
Net interest expense on net defined benefit liability / (asset)	(19.76)	(12.21)
Net Cost	45.53	57.41
The above amount has been included in Note-30 "Employee benefit expenses" under the head "Salaries and wages" in the Statement of Profit and loss		

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	As At 31st March, 2021	As At 31st March, 2020
IV (b) Amount recognized in Other Comprehensive Income		
Actuarial gain/ (loss) on obligation	8.90	(31.92)
Remeasurement- return on plan assets (excluding amount included in net interest on net defined benefit liability/ (asset))	131.58	(38.08)
Net income/(expense) for the period recognised in OCI	140.48	(70.00)
V. Bifurcation of actuarial gain/loss on obligation.		
1. Actuarial changes arising from changes in demographic assumptions (gain/ (loss))	-	0.19
2. Actuarial changes arising from changes in financial assumptions (gain/ (loss))	(0.92)	11.34
3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss))	9.82	(43.45)
4 Actuarial gain/(loss) arising for the year on plan assets	131.58	(38.08)
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer management fund	100%	100%
VII. The principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount Rate (per annum)	**6.75%**	**6.76%**
Salary escalation (per annum)	**5.00%**	**0.00% for 1st year & thereafter 5%**
Retirement age	**58/60**	**58/60**
Mortality rate during employment	**100% of IALM (2012 - 14)**	**100% of IALM (2012 - 14)**

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Particulars	As At 31st March, 2021	As At 31st March, 2020
VIII. Withdrawal rates:		
Age:		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
IX. Sensitivity analysis of the defined benefit obligation.		
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.		
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase (decrease) in obligation	(43.85)	(44.71)
Impact due to decrease of 0.50 %-increase (decrease) in obligation	47.14	47.98
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase (decrease) in obligation	42.85	42.96
Impact due to decrease of 0.50 %-increase (decrease) in obligation	(40.47)	(40.66)
X.The defined benefit obligation shall mature after the year end as follows:		
a) 0-1 year	106.93	120.23
b) 1-2 year	44.80	80.07
c) 2-3 year	83.20	87.96
d) 3-4 years	87.40	77.14
e) 4-5 years	49.95	103.21
f) More than 5 years	719.02	707.16

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

XI. The Company expects to make a contribution of ₹33.01 lakhs (31st March, 2020 ₹57.76 lakhs) to defined benefit plans during the financial year 2021-22.

(C) Other long term employee benefits (Compensated absences)

(i) Amount recognized towards compensated absences in statement of profit and loss in Note no. 30 "Employee Benefit Expense" under the head "salaries and wages" is (₹2.81) Lakhs (previous year ₹70.31 Lakhs)

(ii) Liability towards compensated absences as at the end of the year is as under: *(₹ in Lakhs)*

Particulars	As at 31.03.2021	As at 31.03.2020
Current liability	45.61	67.26
Non-current liability	358.35	391.34

Note 41 : Leases

(i) Company as a lessee

(a) The depreciation expense on ROU assets of ₹78.95 Lakhs (previous year ₹25.80 Lakhs) is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Interest expense on the lease liability amounting to ₹14.22 Lakhs (previous year ₹ 6.10 Lakhs) has been included a component of finance costs in the Statement of Profit and Loss.

(c) The change in the carrying value of Right of Use asset during the year is as under: *(₹ in Lakhs)*

Particulars	Gross Carrying Value	Depreciation	Net Carrying Value
(i) Land			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	840.16	206.47	
Addition during the year	-	-	
Depreciation during the year	-	15.59	
As at March 31, 2020	840.16	222.06	618.10
As at April 1, 2020	840.16	222.06	618.10
Addition during the year	-	-	
Depreciation during the year	-	15.55	
As at March 31, 2021	840.16	237.61	602.55
(ii) Buildings			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	-	
Addition during the year	131.62	-	
Depreciation during the year	-	10.21	
As at March 31, 2020	131.62	10.21	121.41
As at April 1, 2020	131.62	10.21	121.41
Addition during the year	48.36	-	
Depreciation during the year	-	63.40	
As at March 31, 2021	179.98	73.61	106.37

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(d) The following is the break-up of current and non-current lease liabilities *(₹ in Lakhs)*

Particulars	As at 31st March,2021	As at 31st March,2020
Current lease liabilities	73.10	49.78
Non current lease liabilities	81.29	114.38
Total	**154.38**	**164.16**

Effective April 1, 2019, the Company adopted Ind AS 116 ""Leases"" applied to all lease contracts existing on April 1, 2019 using the modified retrospective method . On transition the leases that were classified as finance leases, applying Ind AS 17, an amount of ₹633.69 Lakhs has been reclassified from Property, Plant and Equipment to Right of use assets. An amount of ₹1.20 Lakhs has been reclassified from other financial liability - current to lease liabilities- current and an amount of ₹41.31 Lakhs has been reclassified from other financial liability - non current to lease liabilities - non current. The lease term in respect of all Operating leases ending within 12 months from the date of initial application and accordingly the Company has elected to account for such leases as short term lease and has recognised the lease payments as rental expense. The cummulative effect of applying the standard was nil and there has been no adjustment to retained earnings.The aggregate depreciation expense on ROU asset is included under depreciation and amortisation expense in the Statement of Profit or Loss.

(e) The following is the movement in lease liabilities *(₹ in Lakhs)*

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Balance at the beginning of the year	164.16	-
Transition effect	-	42.51
Additions during the year	48.36	131.62
Finance cost accrued during the year	14.22	6.10
Payment of lease liabilities	72.37	16.06
Balance at the end of the year	**154.38**	**164.16**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
With in one year	76.21	73.10	52.16	49.79
After one year but not more than 5 years	72.12	61.39	104.71	90.32
More than 5 years	93.10	19.90	103.11	24.05
Total minimum lease payments	**241.43**	**154.38**	**259.98**	**164.16**
Less: Amount representing finance charges	87.06		95.82	
Present value of minimum lease payments	154.38	154.38	164.16	164.16

The Company does not face liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The discount rate applied to lease liabilities is 7% p.a.

(g) The Company incurred ₹. 36.88 Lakhs (previous year ₹93.02 Lakhs)for the year ended March 31, 2021 towards expense relating to short-term leases having tenure of less than 12 months. The amount of lessee's lease commitments for short term leases is as hereunder:

(₹ in Lakhs)

Particulars	
Less than one year	21.52

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(ii) Company as a lessor

The Company has given on lease building under operating lease. The Rental income recorded for the year ended March 31, 2021 is ₹115.49 Lakhs (previous year ₹138.12 Lakhs). In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases', disclosure of the future minimum lease income in the aggregate and for each of the following periods is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Not later than one year	107.69	135.72
(ii) Later than one year and not later than five years	447.36	494.86
(iii) Later than five years	39.58	252.36
Total	**594.63**	**882.94**

Note 42 : Events after the Reporting Period

The Board of directors have recommended the payment of final dividend of Nil per equity share (previous year Nil) which is subject to the approval of shareholders in the Annual General Meeting.

Note 43 Corporate Social Responsibility (CSR)

As per section 135 of the Company Act, 2013, a company meeting the applicable threshold, need to spend atleast 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in schedule VII of the Companies Act 2013.

(a) Gross amount required to be spent by the Company during the year ₹4,184.60 Lakhs (31st March, 2020 ₹4,179.54 Lakhs)

(b) Amount spent during the year : *(₹ in Lakhs)*

CSR Activities	For the year ended 31st March, 2021	For the year ended 31st March,2020
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	4,185.70	2,217.31

Amount unspent during the year was nil (31st March, 2020 ₹1,952.23 Lakhs)

Note: 44. Capitalization of Pre-Operative Expenditure

The following expenditure has been included under capital work in progress: *(₹ in Lakhs)*

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bank and LC charges	218.53	179.79
Travelling expenses	6.68	6.02
Power cost	12.81	8.61
Total	**238.02**	**194.42**

The amount capitalized during the year is ₹ Nil (previous year ₹ Nil)

The Company has opted to avail the choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification No 914 (E) dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, The following exchange differences on long term foreign currency monetary items are being dealt with in the following manner:

•Foreign exchange difference on acquisition of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

• In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/ liability. It has transferred the differences arising out of foreign currency translation in respect of acquisition of depreciable capital assets to the respective assets account / capital work-in-progress. In case this accounting practice had not been adopted, the pre-tax Profit for the financial year ended 31st March 2015 would have been up by ₹248.22 Lakhs (Gain) ((Previous year ₹5,064.34 (Loss)) with a consequential impact on both the Basic and Diluted EPS.

Note 45: Details of Loans given, Investments made and Guarantee given covered U/S 186(4) of The Companies Act, 2013

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Loan given	-	-
Guarantee given (with RSWM Ltd and Bhilwara Energy Limited on joint and several basis) in favour of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd against loan availed by M/s AD Hydro Power Ltd from International Finance Corporation (IFC).	600.00	600.00
Investment made (for detail of investments made, refer note no. 9)	31,130.50	31,130.50

Note 46 : Financial Instruments & Risk Management
Note 46 A: Capital Management

The company's objective when managing capital are to:

i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total equity.

The Company is not subject to any externally imposed capital requirements.

(i) The gearing ratios were as follows: *(₹ in Lakhs)*

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Debt*	29,651.42	59,261.72
b) Cash & cash equivalents	(2,137.39)	(3,280.33)
(c) Net debt (a)+(b)	27,514.03	55,981.39
Total equity	3,39,863.11	3,42,287.92
Net Debt to Equity Ratio	**0.08**	**0.16**

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer note 19 for the details of borrowings.

(ii) Loan Covenants:
The Company is long term debt free as on reporting period.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 46B: Financial Instruments- Accounting Classification and Fair Value Measurement

As at 31st March,2021 (₹ in Lakhs)

Particulars	Carrying amount					Total carrying amount	Total Fair Value
	At Amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (refer note 9) #							
-Equity instruments	-				0.01	0.01	0.01
-Fixed maturity plans					62,098.60	62,098.60	62,098.60
-Mutual funds					27,642.50	27,642.50	27,642.50
-Non convertible debentures					-	-	-
-Infra trust					5,253.60	5,253.60	5,253.60
Trade receivables (refer note 10)	28,942.10			-	-	28,942.10	28,942.10
Cash and cash equivalents (refer note 15)	2,137.39			-	-	2,137.39	2,137.39
Other bank balances (refer note 16)	52,920.26					52,920.26	52,920.26
Loans (refer note 11)	2,560.74			-	-	2,560.74	2,560.74
Other financial assets (refer note 12)	3,105.76					3,105.76	3,105.76
Derivative financial instruments (refer note 12)	**-**			**10.97**	**-**	**10.97**	**10.97**
Total Financial Assets	**89,666.26**	**-**	**-**	**10.97**	**94,994.70**	**1,84,671.93**	**1,84,671.93**
Financial liabilities							
Borrowings (refer note 19)	29,651.42				-	29,651.42	29,651.42
Trade payables (refer note 20)	25,731.28				-	25,731.28	25,731.28
Lease liabilities (refer note 21A)	154.38					154.38	154.38
Other financial liabilities (refer note 21B)	6,603.67				-	6,603.67	6,603.67
Derivative financial instruments (refer note 21B)	-				-	-	-
Total financial liabilities	**62,140.75**	**-**	**-**	**-**	**-**	**62,140.75**	**62,140.75**

As at 31st March, 2020 (₹ in Lakhs)

Particulars	Carrying amount					Total carrying amount	Total Fair Value
	at Amortised cost	At fair value through OCI		At fair value through profit or loss			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (refer note 9) #							
-Equity instruments					0.01	0.01	0.01
-Fixed maturity plans					57,691.78	57,691.78	57,691.78
-Mutual funds					18,763.28	18,763.28	18,763.28
-Non convertible debentures					3,290.85	3,290.85	3,290.85
-Infra trust					4,715.04	4,715.04	4,715.04
Trade receivables (refer note 10)	39,940.82					39,940.82	39,940.82
Cash and cash equivalents (refer note 15)	3,280.33					3,280.33	3,280.33
Other bank balances (refer note 16)	40,448.07					40,448.07	40,448.07
Loans (refer note 11)	1,819.46					1,819.46	1,819.46
Other financial assets (refer note 12)	686.07					686.07	686.07
Derivative financial instruments (refer note 12)	-				-	-	-
Total Financial Assets	**86,174.75**	**-**	**-**	**-**	**84,460.95**	**1,70,635.70**	**1,70,635.70**
Financial liabilities							
Borrowings (refer note 19)	59,261.72	-	-	-	-	59,261.72	59,261.72
Trade payables (refer note 20)	13,380.70	-	-	-	-	13,380.70	13,380.70
Lease liabilities (refer note 21A)	164.16					164.16	164.16
Other financial liabilities (refer note 21B)	6,457.61	-	-	-	-	6,457.61	6,457.61
Derivative financial instruments (refer note 21B)	-	-	-	-	**118.20**	**118.20**	**118.20**
Total financial liabilities	**79,264.19**	**-**	**-**	**-**	**118.20**	**79,382.39**	**79,382.39**

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Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Investment value excludes investment in Associates of ₹31,130.50 lakhs (March 31, 2020: ₹31,130.50 lakhs) which are shown at cost in balance sheet as per Ind AS 27 Separate Financial Statements.

(i) Fair value Measurement

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. Sensitivity of Level 3 Financial Instruments is insignificant

As at 31st March,2021

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in associates)	0.01	0.01	-	-
-Fixed maturity plans	62,098.60	-	62,098.60	-
-Mutual funds	27,642.50	-	27,642.50	-
-Infra trust	5,253.60	-	-	5,253.60
Derivative financial instruments	**10.97**	**-**	**10.97**	**-**
Total	**95,005.67**	**0.01**	**89,752.06**	**5,253.60**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

As at 31st March,2020

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at Fair value through profit or loss				
Investments				
-Equity instruments (excluding investment in associates)	0.01	0.01	-	-
-Fixed maturity plans	57,691.78	-	57,691.78	-
-Mutual funds	18,763.28	-	18,763.28	-
-Non convertible debentures	3,290.85	-	3,290.85	-
-Infra trust	4,715.04			4,715.04
Total	**84,460.96**	**0.01**	**79,745.91**	**4,715.04**
Financial Liabilities measured at Fair value through profit or loss				
Derivative financial instruments	118.20	-	118.20	-
Total	**118.20**	**-**	**118.20**	**-**

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

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Investments in mutual funds/ fixed maturity plans: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) declared by fund house.

Investment in Market Linked Non-convertible debentures: Fair value is determined by reference to valuation provided by CRISIL.

Investment in Infrastructure Trust: Fair value is derived on the basis of valuation certificate by independent professional based on net asset at fair value approach, in this approach the net asset at fair value is used to capture the fair value of these investments.

Derivative contracts: The Company has entered into foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates . These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Note 46C: Financial Risk Management

This note explains the risk which Company is exposed to and policies and framework adopted by the Company to manage these risks.

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to manage finances for the day to day operations of the Company. The Company's principal financial asset includes trade and other receivables, and cash and bank balances that arise directly from its operations.

The corporate treasury department reports quarterly to the Company's risk management Committee, an independent body who monitors risk and policies implemented to mitigate risk exposures.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(A) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

a) Foreign currency forward contracts outstanding as at the balance sheet date

Category	Currency	Nature	As at 31st March, 2021			As at 31st March, 2020		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)
Against receivables	USD/ INR	Sold	13	200.00	14,700.94	2	40.00	2,921.60

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

b) Particulars of foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)
I. Financial Liabilities					
Loan (A)	USD	-	-	-	-
	Euro	105.00	9,040.40	20.00	1,669.18
Creditors (B)	USD	174.59	12,833.08	30.99	2,335.21
	Euro	14.99	1,290.92	6.47	540.09
Other payables (C)	USD	10.91	801.77	23.86	1,797.89
	Euro	4.45	383.50	3.49	291.68
Total exposure to foreign currency risk (liabilities) (D=A+B+C)	USD	185.50	13,634.85	54.86	4,133.10
	Euro	124.45	10,714.81	29.97	2,500.95
II. Financial Assets					
Trade receivables (E)	USD	198.17	14,566.44	318.71	24,013.18
	Euro	47.67	4,104.13	53.22	4,441.59
Total exposure to foreign currency risk (assets) (F=E)	USD	198.17	14,566.44	318.71	24,013.18
	Euro	47.67	4,104.13	53.22	4,441.59
Net exposure to foreign currency risk after considering natural hedge- Receivable/(Payable) (G=F-D)	USD	12.67	931.58	263.85	19,880.08
	Euro	(76.78)	(6,610.68)	23.25	1,940.64

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (₹ in Lakhs)	Amount in INR (₹ in Lakhs)
Foreign currency forward contracts outstanding in respect of receivables (H)	USD	200.00	14,700.94	40.00	2,921.60
	Euro	-	-		
Foreign currency forward contracts outstanding in respect of Payables (I)	USD	-	-	-	-
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (G-H)	USD	-	-	223.85	16,958.48
	Euro	-	-	23.25	1,940.64
Net exposure to foreign currency risk in respect of Payables after natural hedge and considering forward contracts # (G-I)	USD	-	-	-	-
	Euro	(76.78)	(6,610.68)	-	-

to the extent of receivable/payable in books of account

(c) Sensitivity:

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

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant and its impact on the Company's profit before tax :

(₹ in Lakhs

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
USD Sensitivity		
Increase in exchange rate by 5% (Previous year 5%)	0.00	847.92
Decrease in exchange rate by 5% (Previous year 5%)	-	(847.92)
EURO Sensitivity		
Increase in exchange rate by 5% (Previous year 5%)	-	97.03
Decrease in exchange rate by 5% (Previous year 5%)	-	(97.03)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(a) Interest Risk Exposure:

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

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	29,651.42	59,261.72
Total Borrowings	**29,651.42**	**59,261.72**

As at the end of the reporting period, the Company has the following fixed rate borrowings outstanding: (₹ in Lakhs)

Particulars	As At 31st March, 2021			As At 31st March, 2020		
	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans
Term loans from banks and other parties	-	-	-	-		
Working capital loans from banks	3.66%	29,651.42	100	5.71%	59,261.72	100
Total	**3.66%**	**29,651.42**	**100**	**5.71%**	**59,261.72**	**100**

(b) Sensitivity:

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

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Rate - increase by 60 basis points	-	-
Interest Rate - decrease by 60 basis points	-	-

(iii) Security Price risk:

(a) Price Risk:

The Company manages the surplus funds majorly through investments in debt based Fixed Maturity Plans, mutual fund schemes, Non-convertible debentures and infrastructure trust. The price of investment in Fixed Maturity Plans, mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The price of investment in Non-convertible debentures is reflected through valuation by CRISIL on weekly basis. The price of investment in infrastructure trust is reflected through valuation certificate by the independent professional on quarterly basis where valuation is determined based on fair value of assets of trust as on date of valuation. The Company is exposed to price risk on such Investments.

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Investments in fixed maturity plans, mutual fund schemes, non-convertible debentures and Infrastructure trust	94,994.70	84,460.95

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower. (₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NAV increase by 1%	949.95	844.61
NAV decrease by 1%	(949.95)	(844.61)

(B) Credit Risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total Company's revenue for the financial year 2020-21 and 2019-20

(i) Expected Credit Loss for Financial Assets
As at 31st March 2021

(₹ in Lakhs)

Financial assets to which loss allowance is measured using 12 months expected credit loss (ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
Loans to employees	71.26	0%	-	71.26
Security Deposits	2,489.48	0%	-	2,489.48

(₹ in Lakhs)

Financial assets to which loss allowance is measured using lifetime Expected credit loss (ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade Receivables-								
Other than ECGC Domestic	1,584.46	8,615.37	23.22	27.91	62.30	29.60	352.35	10,695.21
Other than ECGC Export	714.11	17,981.22	-	-	-	-	-	18,695.33
Other than ECGC	2,298.57	26,596.59	23.22	27.91	62.30	29.60	352.35	29,390.54
Due under ECGC	-	-	-	-	-	-	-	-
Expected probability of default	-	-	25%	50%	75%	100%	100%	
Expected credit losses	0.00	0.00	5.81	13.96	46.72	29.60	352.35	448.44
Carrying amount of trade receivables	2,298.57	26,596.59	17.42	13.96	15.57	0.00	0.00	28,942.10

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

For the year ending 31st March 2020 (₹ in Lakhs)

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
Loans to employees	127.35	0%	-	127.35
Security deposits	1,692.11	0%	-	1,692.11

(₹ in Lakhs)

Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade Receivables-								
Other than ECGC Domestic	187.09	11,258.30	-	-	138.78	-	572.19	12,156.36
Other than ECGC Export	251.05	26,545.14	-	-	-	-	-	26,796.19
Other than ECGC	438.13	37,803.44	-	-	138.78	-	572.19	38,952.55
Due under ECGC	-	-	-	-	-	-	1,664.55	1,664.55
Expected probability of default	-	-	25%	50%	75%	100%	100%	
Expected credit losses	0.00	0.00	0.00	0.00	104.09	0.00	572.19	676.28
Carrying amount of trade receivables	438.13	37,803.44	0.00	0.00	34.70	0.00	1,664.55	39,940.81

Expected credit loss allowance norms of Trade Receivables

Ageing of debtor on the basis of invoice date	Provision in % 2020-21	Provision in % 2019-20
Upto 12 Months	Nil	Nil
12 to 15 months	25%	25%
15 to 18 months	50%	50%
18 to 21 months	75%	75%
21 to 24 months	100%	100%
More than 24 months	100%	100%

(ii) Reconciliation of loss allowance provision - trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

(₹ in Lakhs)

Particulars	Current Year ended 31st March,2021	Previous Financial year ending 31st March,2020
As at the beginning of year	676.28	945.73
Provided during the year	-	-
Reversal of provisions	(227.84)	(269.46)
As at the end of the year	448.44	676.28

C) Liquidity Risk:

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities to meet financial obligations as and when due.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31st March, 2021 (₹ in Lakhs)

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings (Current)	29,651.42	-	-	-	29,651.42
Trade payables	25,731.28	-	-	-	25,731.28
Lease liabilities	73.10	58.55	2.83	19.90	154.38
Other financial liabilities	6,603.67	-	-	-	6,603.67
Total	**62,059.47**	**58.55**	**2.83**	**19.90**	**62,140.75**
Financial Assets					
Investments (other than investment in associates)	55,910.30	39,084.41	-	-	94,994.70
Trade receivables	28,942.10	-	-	-	28,942.10
Cash and cash equivalents	2,137.39	-	-	-	2,137.39
Other bank balances (other than earmarked balances)	47,197.00	-	-	-	47,197.00
Loans	31.38	2,529.36	-	-	2,560.74
Others financial assets	1,049.81	2,066.91	-	-	3,116.73
Total	**1,35,267.99**	**43,680.68**	**-**	**-**	**1,78,948.67**

As at 31st March, 2020 (₹ in Lakhs)

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings (current)	59,261.72	-	-	-	59,261.72
Trade payables	13,380.70	-	-	-	13,380.70
Lease liabilities	49.79	86.69	3.64	24.05	164.16
Other financial liabilities	6,575.81	-	-	-	6,575.81
Total	**79,268.02**	**86.69**	**3.64**	**24.05**	**79,382.40**
Financial Assets					
Investments (other than investment in associates)	1,653.30	82,807.65	-	-	84,460.95
Trade receivables	39,940.82	-	-	-	39,940.82
Cash and cash equivalents	3,280.33	-	-	-	3,280.33
Other bank balances (other than earmarked balances)	27,251.90	-	-	-	27,251.90
Loans	77.90	1,741.56	-		1,819.46
Others financial assets	686.07	-	-	-	686.07
Total	**72,890.31**	**84,549.21**	**-**	**-**	**1,57,439.52**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note 47: Carrying Amount of pledged Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
First Charge		
Current Assets		
(a) Trade receivables	28,942.10	39,940.82
(b) Inventories	58,060.95	1,00,513.85
Total (A)	**87,003.05**	**1,40,454.67**
Secondary Charge		
Property, plant and equipment	1,05,791.61	83,880.78
Total (B)	**1,05,791.61**	**83,880.78**
Total (A+B)	**1,92,794.66**	**2,24,335.45**

Note 48: Disclosure under Ind AS 115 “ Revenue from Contracts with Customers”

(i) Disaggregation of revenue from contracts with customers

The table below presents disaggregated revenues from contracts with customers offerings and contract-type. (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Type of product		
- Graphite electrode	1,13,863.89	1,99,197.76
- Mix graphite product	7,986.98	9,213.59
- Power	1,592.40	1,777.16
Total	**1,23,443.27**	**2,10,188.51**

Total Revenue from Contracts with Customers

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from customers based in India	46,172.50	46,702.97
Revenue from customers based outside India	77,270.77	1,63,485.55
Total	**1,23,443.27**	**2,10,188.51**

Timing of Revenue Recognition

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from goods transferred to customers at a point in time	1,23,443.27	2,10,188.51
Revenue from goods transferred to customers over time	-	-
Total	**1,23,443.27**	**2,10,188.51**

Export benefits are in the nature of government grants covering following benefits

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Merchandise Exports from India Scheme(MEIS)	777.64	2,567.72
(b) Duty drawback benefits	763.74	805.63
	1,541.37	3,373.35

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 10 and 24 respectively.

The revenue recognised during the year ended 31st March 2021 includes revenue against advances from customers amounting to ₹163.65 Lakhs (Previous Year- ₹74.86 lakhs) at the beginning of the year.

The revenue of.₹ Nil has been recognised during the year ended 31st March 2021 (Previous Year -Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Particulars	As at 31st March 2021	As at 31st March 2020
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 49 : Reconciliation of cash flow from financing Activities

(Changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Borrowings (Current)	Borrowings (Non-Current)	Borrowings (Current)	Borrowings (Non-Current)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	59,261.72	-	66,636.47	-
Changes during the year				
a) Changes from financing cash flow	(29,677.26)	-	(7,403.93)	-
b) the effect of changes in foreign exchanges rates- (gain)/loss	133.52		29.18	
c) Changes in fair value	-	-	-	-
d) Other Changes	-	-	-	-
Closing Balance of financial liabilities coming under the financing activities of Cash Flow Statement	**29,651.42**	**-**	**59,261.72**	**-**

Note 50: Details of Research and Development expenditure

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Capital	-	-
b) Revenue	113.47	169.89

Note 51 : Subsequent Events

The Board of Directors at its meeting held on May 27, 2021 has recommended a dividend of ₹3 per equity share (Previous year NIL) subject to the approval of shareholders at annual general meeting.

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Note: 52

There has been a Supreme Court (SC) judgement dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. In view of the management, the liability for the period from date of the SC order to 31st March, 2019 is not significant and has been provided in the books of accounts. During the current year ended 31st March, 2020, the group has incorporated the effect of changes in the books of accounts. The group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

Note: 53

The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced erstwhile scheme of export benefits of Remission of State and Central taxes levies (ROSCTL) w.e.f January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.

NOTE 54 A : Interest in Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of HEG Ltd with its following Associates.

Name of Company	Country of Incorporation/ Principal place of business	Activities	Proportion of Ownership of Interest	
			31st March, 2021	31st March, 2020
Associates				
Bhilwara Infotechnology Limited	India	IT enabled services	38.59%	38.59%
Bhilwara Energy Limited	India	Power generation and power consultancy	49.01%	49.01%

NOTE 54 B : Summarised Financial Information of Associates

(₹ in Lakhs)

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	As at 31st March, 2021	# As at 31st March, 2020	As at 31st March, 2021	# As at 31st March, 2020
I. Assets				
(A) Non current assets	**1,66,163.27**	**1,73,130.12**	**2,184.93**	**1,638.75**
(B) Current assets				
i) Cash and cash equivalent	1,647.07	5,519.06	542.93	464.98
ii) Others	11,965.05	8,833.56	2,451.41	2,785.06
Total current asset	**13,612.12**	**14,352.62**	**2,994.35**	**3,250.04**
Total asset (A+B)	**1,79,775.39**	**1,87,482.74**	**5,179.28**	**4,888.79**
II. Liabilities				
(A) Non current liabilities				
i) Financial liabilities				
A. Trade payables	-	-	-	-
B. Other financial liabilities	32,623.62	44,082.09	222.99	157.19
ii) Non financial liabilities				
iii) Provisions	433.30	479.30	129.01	116.08
iv) Deferred tax liabilities	559.75	-	-	-
Total Non current liabilities	**33,616.67**	**44,561.39**	**352.00**	**273.27**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

(B) Current liabilities				
i) Financial liabilities				
A. Trade payables	1,562.93	1,418.30	116.33	118.86
B. Other financial liabilities	6,543.23	5,787.20	113.78	186.31
ii) Non financial liabilities	229.58	358.41	84.54	90.06
iii) Provisions	283.87	406.60	30.00	26.77
iv) Current tax liabilities	260.03	242.90	-	-
Total current liabilities	**8,879.64**	**8,213.41**	**344.65**	**422.00**
Total liabilities (A+B)	**42,496.31**	**52,774.80**	**696.65**	**695.27**
Net assets (including non controlling interest((I-II)	**1,37,279.08**	**1,34,707.94**	**4,482.63**	**4,193.52**

The previous year figures mentioned above are the comparative figures as mentioned in the financial statements of associates for the year ended 31st March 2021.

NOTE 54 C: Summarised Performance of Associates

(₹ in Lakhs)

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I. Summarised performance of Associates				
(i) Revenue from operations	27,335.21	35,099.81	3,437.11	4,227.55
(ii) Profit/(loss) before tax	5,396.47	10,718.32	357.42	433.58
(iii) Profit/(loss) after tax (net of non-controlling interest)	1,279.59	2,932.24	282.77	319.22
(iv) Other comprehensive income(net of non-controlling interest)	44.36	(46.61)	6.33	31.22
(v) Total comprehensive income(for the purpose of calculation of company's share)	1,323.95	2,885.63	289.10	350.44
II. Company's share in associate				
Proportion of Company's ownership in associate	49.01%	49.01%	38.59%	38.59%
(i) Company's share in profit after tax	627.00	1,302.63	109.12	123.19
(ii) Company's share in other comprehensive income	21.74	(22.63)	2.44	12.05
(iii) Company's share in total comprehensive income	648.74	1,280.00	111.56	135.24
III. Other information				
(i) Depreciation & amortisation expense	6,971.30	7,612.97	95.89	109.32
(ii) Interest income	660.55	906.99	219.73	187.76
(iii) Interest expense	4,919.11	5,719.60	24.43	9.07
(iv) Tax expense	1,789.03	3,219.60	74.65	114.35

NOTE 54 D: Movement of Investment in Associates using equity method

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March,2020
Investment at cost - at the beginning of the Period	**31,130.50**	**14,925.88**
Add: Cost of investment acquired during the year (including goodwill)	-	16,204.62
Investment at cost -at the end of the reporting year	**31,130.50**	**31,130.50**
Profit till date at the beginning of the year	**8,883.98**	**7,468.75**
Add: Share of profit for the period	736.12	1,425.81
Add: Share of OCI for the period	24.18	(10.58)
Profit till date at the end of the reporting year	**9,644.28**	**8,883.98**
Investment at equity method - at the beginning of the year	**40,014.48**	**22,394.63**
Investment at equity method - at the end of the year	**40,774.78**	**40,014.48**

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

NOTE 54 E: Other Details mandated by Schedule III of Companies Act 2013, by way of additional information:

(₹ in Lakhs)

As at 31st March 2021

Name of entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Company	97.24%	339863.11	141.04%	(2,529.94)	81.30%	105.12	145.68%	(2,424.81)
Associates (Investment as per the equity method)								
Indian	2.76%	9,644.28	(41.04%)	736.12	18.70%	24.18	(45.68%)	760.30
Total	**100.00%**	**3,49,507.39**	**100.00%**	**(1,793.82)**	**100.00%**	**129.30**	**100.00%**	**(1,664.51)**

As at 31st March 2020

(₹ in Lakhs)

Name of entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Company	97.47%	3,42,287.93	78.92%	5,337.15	83.20%	(52.38)	78.88%	5,284.77
Associates (Investment as per the equity method)								
Indian	2.53%	8,883.98	21.08%	1,425.81	16.80%	(10.58)	21.12%	1,415.23
Total	**100.00%**	**3,51,171.91**	**100.00%**	**6,762.96**	**100.00%**	**(62.96)**	**100.00%**	**6,700.00**

Note 55:

The notes disclosed in the consolidated financial Statements of Bhilwara Energy Limited, one of the associate companies, referred in the Auditor's Report of Associate under 'Emphasis of matter' paragraph are being reproduced hereunder:

(a) In 2009, Malana Power Company Limited had given sub debt to AD Hydro Power Ltd. (ADHPL) amounting to ₹46,380.00 Lakhs at market interest rate and this sub debt was classified as Loans on transition to Ind AS based on the substance of the transaction and intention of the parties at that point of time. Subsequent to the year end, on May 12, 2021, Malana Power Company Limited and ADHPL have mutually agreed to modify the terms of repayment of sub debt of ₹31,780.00 Lakhs and accumulated interest of ₹23,395.89 Lakhs on total debt as follows:Interest on sub debt of ₹31,780.00 Lakhs out of total sub debt of ₹46,380.00 Lakhs will be Nil from April 01, 2020. At the discretion of ADHPL, ADHPL can repay ₹31,780.00 Lakhs and ₹23,395.89 Lakhs out of distributable profits of ADHPL or as per the agreement signed between Malana Power Company Limited, ADHPL and IFC. Based on the above modification, Malana Power Company Limited has derecognized the loan asset and accumulated interest receivable and transferred the balances to investment in ADHPL (subsidiary) and presented under "Deemed Equity Investment." The waiver of interest and modification of terms of the sub debt are not prejudicial to the interest of Malana Power Company Limited considering the parent and subsidiary relationship. The balance sub debt amounting to ₹14,600.00 Lakhs carry interest rate of @9.55% per annum.

(b) On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of ADHPL for three parties using the transmission line for transmitting the energy in which CERC stated the following:-With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at ₹23,892.00 Lakhs as against the capital cost submitted by ADHPL of ₹41,661.00 Lakhs (on the date of COD)/ ₹45,284.00 Lakhs (with additional capitalization) and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-2012 to 2018-2019. ADHPL has estimated an amount aggregating to ₹9,668.08 Lakhs being additional amount invoiced over and above the amount which should

Contd..

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period. The management is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations ("regulations") for the period 2009-2014 and 2014-2019 and Electricity Act, 2003.With respect to matter detailed in (a) above, ADHPL had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated October 17, 2019 stayed the CERC's order so far as raising adjustment of previously raised bills were concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. ADHPL has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income. Accordingly, trade receivables aggregating to ₹3,504.85 Lakhs are considered good and fully recoverable and in the opinion of the Management no provision is required towards amount already collected from the users of Dedicated Transmission Line till March 31, 2021 aggregating to ₹6,163.23 Lakhs.Pending litigation and final decision on the appeal by APTEL, the Management, based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on ADHPL.With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by ADHPL as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Dispatch Centre (NRLDC) to re-compute the same. However, the management is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial statements

(c) Pending execution of the PPA expired on March 31, 2019, the Company has recognised revenue @3.14/- kWh based on the order issued by RERC vide its third amendment regulation dated 5th March 2019 for execution of the PPA to DISCOM for entire balance project life. GBI also has taken at applicable rate @0.50/- kWh.

(d) "Environmental Clearance (EC) of Nyamjang Chhu HEP (6X130 MW) was challenged in National Green Tribunal (NGT) by NGO. NGT in their order dated 7th April, 2016 suspended the Environment Clearance granted to the project till the directions as given in the order are complied. NGT also directed MOEF&CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Neck Crane and for the conservation of the Black Neck Crane through the Wildlife Institute of India (WII). While the studies were in progress, Government of Arunachal Pradesh issued instant notice for termination on 22nd March, 2019 invoking its right to take over the project on "AS IS WHERE IS BASIS" and allotting the same to third party. The Company filed petition challenging instant notice for termination under section 9 of Arbitration Act in District Courts of Itanagar for immediate relief to maintain the status quo which was granted vide their order dated 30th April, 2019 and the termination notice was also suspended. WII submitted its report to GoAP and the same was submitted to court on pursuance of the company. In the report, WII has recommended no construction of Nyamjnag Chhu HEP at site. The project being not viable as per WII report, an application u/s 9 was filed seeking refund of upfront premium as per provisions of MoA. District Court vide their order dated 18th March, 2020 disposed of the petition and advised to invoke arbitration within 45 days. Due to Covid 19 pandemic lockdown the company approached District Court for extension of the interim protection by another 90 days which was turned down by them. The company filed an appeal with Gauhati High Court u/s 37 of the Arbitration Act challenging the earlier orders of District Courts. An appeal was admitted by The Hon'ble High Court but interim extension was not granted. Interim order of the Gauhati High court in this regard was challenged in Supreme Court by filing Special Leave petition. Hon'ble Supreme Court vide its order dated 08th May, 2020 granted the relief for extension with notice to the other party The Hon'ble Supreme Court disposed off the SLP vide its order dated 17th June, 2020 and granted to the company four weeks times to take appropriate steps in respect of commencing of Arbitral proceedings and also extended the benefit of interim relief granted by District Court, if steps are taken for commencing Arbitral proceedings. Pursuant to the direction of the Hon'ble Supreme Court, the company sent legal notice for invocation of Arbitration on 10th July, 2020 through legal Counsel. GOAP vide letter dated 03rd August, 2020 replied to the company notice for invocation of arbitration and also suggested about negotiations. Thus, a short rejoinder was sent to GoAP on 10th August 2020 wherein company agreed for the negotiations as mentioned in the GoAP notice. Subsequently, a letter

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

was received from GoAP for the negotiations and asked us to approach Chief Engineer (Monitoring), DHPD. The company has replied to GoAP and has agreed for discussion on the resolution of the issue. Recently on 5th April 2021, GoAP has advised company to take necessary action as mentioned in its previous letter. The matter relating to refund of upfront Premium is still sub-judice with Gauhati High Court."

(e) The company has license to implement a hydroelectric power project in the state of Arunachal Pradesh. Presently all activities are being carried out in process of project implementation and all direct and indirect expenditure is related to the project and, hence, forms part of capital work in progress. Preliminary expenses/ROC expenses are charged off to statement of profit & loss as period cost & other relevant details have been furnished in the note no.4 'Project & Pre-operative expenditure (pending allocation). Balance standing in this account at this of project commissioning will be allocated to the relevant assets.

(f) Due to various socio-legal issues and non-availability of the clearances from the appropriate authorities, the Board of Directors decided to surrender the project. Accordingly, the company submitted its letter dated 11th July 2017 to Directorate of Energy, Govt. of Himachal Pradesh for surrender of the project and refund of the entire upfront premium and security deposit paid on the project.Directorate of Energy vide letter dated 03rd May 2018 had advised the company to make a presentation on 08th Jun 2018 with complete status followed by the meeting dated 12th Jun 2018. In the said meeting, it was decided that current situation at project site and concerned villages shall be assessed jointly by team of officers from DoE, Sr. Project Authority and District Administration to ascertain the ground realities with regard to the opposition of the local people towards implementation of Chango Yangthang HEP and to gather their views in this regard. GoHP vide Notification dated 03rd Nov, 2018 has formed a committee to deal with the issues of various projects which includes Chango

Yangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed on 14th November 2018 which was attended by various villagers of the project affected area, officials of DoE, District administration and CYHPL. During the meeting, the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW Chango Yangthang HEP and refused to co-operate on the issue of development of any project. The said committee discussed the Sutlej Valley projects on 18th Feb 2019 which included CYHPL. During the meeting CYHPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same. In view of this, CYHPL has reiterated its demand for refund of money along with interest. The management in confident of recovering fully the upfront premium and security deposit.

Note: 56

Previous year figures have been regrouped, wherever necessary.

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

FORM NO. AOC-1

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

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

Part – A : Subsidiaries

The Company has no subsidiaries, hence not applicable.

Part – B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Name of Associates/Joint Ventures	Bhilwara Energy Ltd	Bhilwara Infotechnology Ltd
1. Latest audited Balance Sheet Date	31/03/2021	31/03/2021
2. Date on which the Associate was associated or acquired	28/03/2007	10/01/2012
3. Shares of Associate held by the company on the year end		
No. of Shares	8,12,32,560	12,62,048
Amount of Investment in Associates	30,711.50	419.00
Extend of Holding (in percentage)	49.01*	38.59
4. Description of how there is significant influence	Due to percentage of share capital	Due to percentage of share capital
5. Reason why the associate is not consolidated	-	-
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	35,684.73	1,729.73
7. Profit / Loss for the year		
i. Considered in Consolidation (₹ in Lakhs)	648.74	111.56
ii. Not Considered in Consolidation	-	-

*Refer Note No 9 for details on acquisition of shares of Bhilwara Energy Ltd.

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

As per our report of even date

For **SCV & Co. LLP**
Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan
Partner
Membership No. 086066

Place : Ludhiana
Dated: 27th May, 2021

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN No. : 00060972

Riju Jhunjhunwala
Vice Chairman
DIN No. : 00061060

Manish Gulati
Executive Director
DIN No. : 08697512

Shekhar Agarwal
Director
DIN No. : 00066113

Satish Chand Mehta
Director
DIN No. : 02460558

Gulshan Kumar Sakhuja
Chief Financial Officer
Membership No. 504626

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 27th May, 2021

Corporate Information

CHAIRMAN-EMERITUS
L. N. Jhunjhunwala

BOARD OF DIRECTORS
Ravi Jhunjhunwala
Chairman, Managing Director & CEO

Riju Jhunjhunwala
Vice-Chairman

Manish Gulati
Executive Director

Shekhar Agarwal
Director

Vinita Singhania
Director

Dr. Kamal Gupta, Director
Satish Chand Mehta, Director
Dr. O. P. Bahl, Director
Ramni Nirula, Director
Jayant Davar, Director

GROUP CHIEF FINANCIAL OFFICER
O. P. Ajmera

CHIEF FINANCIAL OFFICER
Gulshan Kumar Sakhuja

COMPANY SECRETARY
Vivek Chaudhary

BANKERS
State Bank of India
Punjab National Bank
HDFC Bank Ltd.
IDBI Bank Ltd.
Kotak Mahindra Bank Ltd.
Axis Bank Ltd.
YES Bank Ltd.
ICICI Bank Ltd.
CTBC Bank Ltd.

AUDITORS
SCV & Co. LLP
Chartered Accountants

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PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

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