

ELANTAS Beck India Ltd.

Annual Report 2011

Exhibitions

ELECRAMA 2012. Mumbai.



Electronics For You Expo 2012. New Delhi.



Board of Directors

Dr. Matthias Wolfgruber
Chairman

Dr. Wolfgang Schütt

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Pradeep Mallick

Mr. Prashant Deshpande
(Alternate to Dr. Matthias Wolfgruber)

Mr. Sharadkumar Shetye
(Alternate to Dr. Wolfgang Schütt)

Mr. Rajeev Bhide
Managing Director

Executive Management

Mr. Rajeev Bhide
Managing Director

Mr. Prashant Deshpande
Director- Marketing

Mr. Sharadkumar Shetye
Director- Manufacturing

Mr. Sanjay Kulkarni
General Manager - Finance & Materials

Company Secretary & Head-Legal

Mr. Shirish Dabir

Registered Office & Corporate Office

'Beck House', Damle Path,
Off Law College Road,
Pune 411 004

Works

147, Mumbai-Pune Road,
Pimpri, Pune 411 018

Plot No. 1 (A, B & C) & 122,
GIDC Industrial Area,
Ankleshwar 393 002

Regional Offices

Bengaluru, Kolkata, New Delhi

website

<http://www.elantas.com/beck-india>

Auditors

BSR & Co.
Chartered Accountants
703, Godrej Castlemaine,
Next to Ruby Hall Clinic,
Bund Garden Road,
Pune 411001.

Internal Auditors

Mahajan & Aibara
1 Chawla House,
62 Woodhouse Road, Colaba,
Mumbai 400 005.

Solicitors

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage,
127, M.G. Road, Fort,
Mumbai 400 001.

Bankers

The Bank of Nova Scotia
HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.

Registrars & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex,
Warehouse No 52 & 53, Plot No 13AB,
2nd Floor, Sakinaka, Andheri (East),
Mumbai 400 072.

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Directors' Report

To the Members,

The Directors have pleasure in presenting the Fifty-sixth Annual Report and the Audited Accounts for the financial year ended 31 December 2011.

Financial Highlights

(₹ '000)

	Year ended 31.12.2011	Year ended 31.12.2010
Income from operations	2,749,778	2,576,592
Profit before Interest, Depreciation & Tax	410,072	521,277
Depreciation	49,980	47,621
Interest	682	327
Profit Before Tax	359,410	473,329
Provision for tax	112,029	149,391
Net Profit	247,381	323,938
Profit & Loss Account brought forward	1,079,251	829,169
Profit available for appropriation	1,326,632	1,153,107
Appropriations:		
Proposed dividend	35,675	35,675
Tax on Dividend distributed	5,650	5,787
Transfer to General Reserve	24,738	32,394
Carried to Profit & Loss Account	1,260,569	1,079,251
	1,326,632	1,153,107

Performance

The sales at ₹ 2668 million for the year ended 31 December 2011 registered a 6 % growth over the sales of ₹ 2514 million for the previous year ended 31 December 2010. However In terms of sales quantity, the tonnage sold during the year ended 31 December 2011 has decreased by 3 % over the previous year.

Input costs, showed an unprecedented rise during the year under review, thereby putting the Company's contribution margins under severe pressure.

The combined impact of, the virtually flat sales during the year, significantly higher raw material procurement costs and, a weak economic climate during the year under review, resulted in a marked decrease in Profit Before Tax.

Dividend

The Directors are pleased to recommend a dividend of ₹ 4.50 per equity share, for the year ended 31 December 2011.

Directors

Dr. Matthias Wolfgruber and Mr. Ravindra Kulkarni retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

As per the requirement under the Listing Agreement, particulars of Directors seeking re-appointment at the ensuing Annual General Meeting form part of the Notice of the meeting.

None of the Directors is disqualified from being appointed as or holding office as Directors, as stipulated under Section 274 of the Companies Act, 1956.

Corporate Governance

The Company is diligently pursuing for the effective implementation of the Corporate Governance practices and periodical review of these practices is undertaken to ensure that they confirm with the requirements as per the Listing Agreement entered into by the Company.

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report, Report on Corporate Governance and the Auditors' Certificate regarding compliance of the same form an integral part of this Annual Report.

Listing on Bombay Stock Exchange

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, after due inquiry and on the basis of the information received from the operating management and relying upon the report of the Auditors regarding compliance with the Accounting Standards, the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed, along with appropriate explanations relating to material departures.
2. the accounting policies have been consistently applied, and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011, and the profit for the year ended on that date.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.

Cost Audit

Dhananjay V Joshi & Associates, Cost Accountants, have been re-appointed for the year 2012 to conduct an audit of the cost accounting records maintained by the Company.

Auditors

The Auditors, BSR & Co., Chartered Accountants, Pune, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee recommends the re-appointment of BSR & Co., as Auditors of the Company for the year 2012. The Company has received a letter from retiring Auditors to the effect that their appointment, if carried out, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, is given in Annexure A to this report.

Particulars of Employees

Information to be provided under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is given in Annexure B forming part of this report.

Corporate Social Responsibility

1. The Company sponsored the 'Annual Sale' of handicrafts & creations made by intellectually challenged persons, which was organized by Dilkhush Sheltered Workshop, a Mumbai based NGO, in December 2011. The Dilkhush Sheltered Workshop has been very active for the past two decades in the field of providing rehabilitation and occupational opportunities to such special individuals. The Company's representatives were present on this occasion.
2. A donation was given to a registered charitable organization 'Samavedana' which has been founded with the objective of providing financial aid to underprivileged people in the form of highly subsidized surgical and medical services.

Industrial Relations

The Company had reached amicable settlements with its workmen at Pimpri and Ankleshwar in 2010. These wage settlements, which are for a three year period from 1 January 2010 to 31 December 2012, were negotiated separately for the two sites on the basis of "Region cum Industry" principle.

During the year under review, industrial relations continued to remain cordial.

The Board wishes to place on record its appreciation to all employees for their continued contribution to the performance of the Company.

For and on behalf of the Board

Pune
21 February 2012

Suresh Talwar
Director

Rajeev Bhide
Managing Director

Annexure A to the Directors' Report

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

- Installation of bulk Storage Tanks of 25kl each, at Pimpri, for Raw Materials (Methoxy Propanol Acetate and Castor Oil) to eliminate barrel handling and improve operating efficiency
- Installation of pneumatic powder handling system for charging solid raw materials
- Installation of Barrel pumps and Oil Vacuum pumps in place of water jet vacuum pumps to save electricity, fuel and water
- Reduction in process cycle time for products 'Dobeckans' and 'Dobeckot 5401' to save electricity
- Installation of variable frequency drives for more number of motors
- Automatic packing system for UP resins to improve productivity and efficiency
- Installation of intermediate Storage tanks (Five) for Phenolic & Alkyd Resins used as intermediates for Varnishes to enhance energy efficiency, reduce drum handling to enhance storage capacity and eliminate drums filling for intermediates
- Replacement of 10-15 year old VF drives with new energy efficient versions for reaction kettles & thinning vessels. The Drives are housed in 3 Panel (2 drives per panel). These drives are integrated in the SIEMENS PCS7 System for monitoring & controlling
- Replaced two GA15FF Screw compressors with higher capacity & energy efficient GA55 VSD FF Screw compressor to meet compressed air requirement for Process, Instruments & Nitrogen Plant
- Replaced 12 Window Air Conditioners with BEE Five Star rated energy efficient Split Air Conditioners
- Energy efficient lighting is provided in warehouses. Total 35 lamps of 23 watts are installed

(b) Additional investments and proposals being implemented for reduction of consumption of energy:

- Process Instrumentation & automation to enhance productivity and efficiency
- Installation of Pneumatic conveying system for charging of Powders
- Relocation of Effluent Treatment Plant at Pimpri aimed at cost and energy efficient ETP operations
- Energy efficient lighting for Chemical & Electrical Laboratory
- Installation of Service tank for K16 Wire Enamels Reactor to enhance energy efficiency,
- Replacement of old accessories with new energy efficient versions.

(c) Impact of (a), (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- In the light of strong growth in the earlier years, we invested in new higher capacity utilities equipment. However, production volumes lower than the budget, resulted in rise in overall energy consumption per Metric Ton of production as the base consumption is higher for higher capacity equipment like compressors etc. Increase in rates of purchased electricity and fuel has also contributed to rise in per Tonne Energy cost.

(d) Total energy consumption and energy consumption per unit of production:

	Year ended 31 December 2011	Year ended 31 December 2010
a. POWER & FUEL CONSUMPTION		
1) Electricity		
a) Purchased Unit (KWH in '000)		
Total KWH	2,621	2,525
Total amount (₹ '000)	14,819	14,106
Rate / KWH (₹)	5.65	5.59
b) Own generation		
i) Through Diesel generator		
Units (KWH in '000)	168	234
Units per ltr. of Diesel Oil	3.16	3.20
Cost / Unit (₹)	14.01	12.73
ii) Through Steam turbine / generator		
Units (KWH)	-	-
Units per ltr. of fuel oil / gas	-	-
Cost / Unit (₹)	-	-
2) Coal		
Quantity (Tonnes)	-	-
Total amount (₹ lakhs)	-	-
Average Rate (₹ / MT)	-	-
3) Furnace Oil (LDO/HSD)		
Quantity (K. ltrs.)	287	263
Total amount (₹ '000)	16,043	11,293
Average Rate (₹ / KL)	55,899	42,870
4) Natural Gas		
Quantity (KM3)	474	469
Total amount (₹ '000)	9,514	7,230
Rate (₹ / KM3)	20,072	15,423
b. CONSUMPTION PER M.T. OF PRODUCTION		
Products : Wire Enamels, Impregnating Varnishes & Synthetic Resins		
Electricity (KWH)	167.93	160.43
Furnace Oil in ltrs. (LDO/HSD)	17.28	15.31
Coal	-	-
Natural Gas	28.55	27.25
Others	-	-

B TECHNOLOGY ABSORPTION

1. Specific areas in which R & D was carried out by the Company.

The Company's Research and Development Centre (R&D Centre) was engaged in the development of new synthetic insulation materials for application in the electrical industries, and in the absorption of technology acquired from overseas affiliates of the ELANTAS Group for the manufacture of certain wire enamels and varnishes to meet local customer requirements. The R&D Centre also worked on the development of more eco-friendly wire enamels based on raw materials having lower toxicity. Further, development of coatings for the construction industry with focus on developing water based products was also carried out.

The past efforts taken towards participating in training programme for M.Tech. students from local institutes on subjects which are complimentary to our business, were continued. Two poster presentations were made at a renowned Institute, on the use of Nano additives in wire enamels and synthesis of a new varnish intermediate.

2. Benefits derived as a result of the above R & D.

Some of the new products introduced and process improvements conducted were:

- Eco-friendly and less toxic and RoHS compliant variants of wire enamel and epoxy compound products
- Development of new modified Polyamide hardener for epoxy insulating systems

- Introduction of four new products in the E&EM business segment
- Bilateral exchange of technology with the Global R&D network of ELANTAS aimed at knowledge sharing, problem solving and shortcoming development lead-time
- Cost reduction and process improvement in manufacturing
- Development of a new substitute additive for manufacturing wire enamels

3. Future plan of action

- Focus on the introduction of water based and faster curing varnishes
- Continue development work on less toxic and RoHS compliant wire enamels and varnishes.
- Continue adaptation of new products from group companies under technology transfer in our business segments to cater to local demand potential
- Initiate and continue participation in new global R&D projects for the benefit of local and global customers
- Increase the level of interaction and collaboration with local institutes working in the area of research in polymer industry and other areas complimentary to the Company's business
- Undertake new project under the Responsible Care initiative

4. Expenditure on R & D

(₹ '000)

	Year ended 31.12.2011	Year ended 31.12.2010
(a) Capital	2,956	2,011
(b) Recurring	36,591	36,993
(c) Total	39,547	39,004
(d) Total R & D expenditure as a percentage of total turnover	1.35	1.42

5. Technology absorption, adaptation & innovation:

The technology received from our collaborators and / or affiliate companies in respect of new product is modified / adapted to suit customers' needs.

Information regarding technology acquired through purchase / licencing arrangements during the last five years:

Technology imported	Year of Import	Has the Technology been fully absorbed	If not, when to be absorbed
1. Absorption of wire enamel technology from affiliate company in Italy.	2011	Yes	-
2. Absorption of water based insulating varnish technology from affiliate company.	2011	No	2012

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding foreign exchange earnings and outgo is contained in Note Nos. 26 & 24 respectively to the financial statements.

Annexure B to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended 31 December 2011.

Name	Designation	Remuneration Subject to tax (₹)	Qualification	Age & Experience (Years)	Date of commencement of employment	Last employment held, Designation and Organization
Mr. Rajeev Bhide	Managing Director	7,106,798	B.Com., F.C.A., Post Graduation D.M.M.	54/31	01.03.2000	Vice-President-Finance. International Computers (India) Ltd., Pune.
Mr. Prashant Deshpande	Director- Marketing	5,364,209	B.E. (Elec.), M.B.A. P.G.- Power Systems	67/46	01.04.1986	Div. Marketing Manager. Crompton Greaves Ltd., Nasik.
Mr. Sharadkumar Shetye	Director- Manufacturing	4,861,929	B.Tech.(Chemical Engg.) D.B.M., M.M.S	63/41	20.10.1971	-

Notes:

1. The nature of employment is contractual.
2. Other terms and conditions: as per Company's rules.
3. Gross remuneration includes allowances, Company's contribution to provident and superannuation funds, provision for medical entitlement as per Company's rules, monetary value of perquisites calculated as per Income Tax Act / Rules and does not include provisions for leave encashment, premium for gratuity and group insurance.

Management Discussion & Analysis Report

The year under review saw a certain domestic economic situation develop which adversely influenced the performance of the Indian economy, especially of the manufacturing sector. Whilst high inflation continued to prevail, expensive crude oil, rising raw material prices and restricted credit availability collectively resulted in depressing demand, slowing down Industrial production and prospects of manufacturing growth fading as the year progressed.

On the background of this landscape, the Company's growth prospects were also severely affected and its margins remained under pressure, especially in the second half of the year under report. Consequently, its profits and profitability were lower, as compared to the previous year.

The Company however, continues to pay attention to its chosen focus areas of R&D, innovation, technical modernization and supply chain optimization in order to improve profitability, enhance competitiveness and innovate its product offerings to customers.

Segment wise Performance

Electrical Insulation Systems

Our Electrical Insulation Systems (EIS) business, comprising the Business Lines-Primary Insulation and Secondary Insulation, continues to be the mainstay of the Company's business, accounting for 81 % of the total business of the Company.

2011 was a turbulent year for the Indian Economy in general and for the Indian Power Sector in particular. After two consecutive years of 8% plus growth, the GDP growth for the current fiscal is optimistically projected at 6.8%, the lowest in the last three years. The growth index for manufacturing segment is slated to be just about 3.9% against an expansion of more than 7% witnessed during last fiscal. To add to this, RBI's initiatives during 2010 & 2011 to contain inflation by increasing bank rates for a record 13 consecutive times in about 20 months upto October 2011, also adversely affected the growth momentum by tightening money supply, curbing investments and dampening demand.

The power sector witnessed a sharp deceleration in growth during 2011. Almost all major segments like rotating machines, alternators, transformers, winding wires etc. remained subdued and under utilized during the year under review, particularly so, in the second half of the year. The common observation across various segments clearly indicates a sharp reduction in the electrical equipment enquiries and postponement of capital projects. The market uncertainty was such that a majority of our supply chain partners remained apprehensive building up inventories. Even today, there is a marked uncertainty in the economic environment which continues to cause industry to hold back expansion and growth plans.

The competition, particularly from overseas, on the other hand, continues to be in an aggressive mode focusing its attention on the major equipment manufacturers by offering attractive commercial terms for alternate systems.

On this background, with the demand pull virtually missing, the business of EIS remained under pressure throughout the year. In fact, with demand contraction during the year, the EIS business of the Company went down by a marginal 1.3% in volume, while showing a 7.3% value growth over 2010 achievements. The margins remained under pressure despite two back to back upward price revisions by the Company consequent to rising raw material costs. This pressure was magnified because of a sharp and severe depreciation in the Rupee towards the last quarter of 2011. In spite of these adverse developments, your Company has maintained market leadership in the EIS segment.

Looking ahead, although the business sentiments, for the time being continue to be depressed, your Company believes that the market will begin to recover slowly but surely. The Government of India's ambitious plans of addition of 100000 MW of power generating capacity during the XII Five Year Plan commencing April reinforces this belief. Accordingly, your Company has already initiated proactive measures to ensure that the increasing and diverse requirements coming from Indian Power sector are met satisfactorily.

Electronic & Engineering Materials

The business segment primarily includes three major product lines and involves the manufacture of a variety of performance oriented, speciality products and solutions going into diverse electronic, electrical and engineering applications. These are:

- Electronic & Electrical (EL) Compounds
- Speciality Resins
- Construction chemicals

As was seen in case of Electrical Insulations Systems, this business segment too was adversely affected due to high raw material costs, a weak rupee and a significant demand slow down, especially in the second half of the year under report.

Within this business segment, the business of Electronic & Electrical Compounds is a major thrust area for the Company and involves manufacturing insulating systems having casting, potting and encapsulating applications with end-use in electronic and electrical components & parts.

Focused efforts targeted at attaining major growth and an improved market position were taken by the management in this product line. These efforts encompassed technical improvements through a systematic scale-up process as well as enhancements in response time for new product and applications development. In addition, certain new products were developed and added in this market which helped expand our market and maintain leadership, particularly in auto electrical sector. The response from the customers to such new products was very encouraging.

The expanded range of EL Compound products under development now include speciality epoxy and polyurethane formulations & blends that can provide a menu of critical features to our products such as strength, flexibility, thermal conductivity, thermal shock and high glass transition temperature. Importantly, in keeping with global environmental concerns, the Company's product development initiatives are also aligned to offer a range of RoHS compliant products and systems to its customers.

In order to address concerns about continuing future availability of key raw materials, efforts are being made to develop synthetic alternatives in place of raw materials of natural origin.

The Company is quite optimistic about the revival of the Indian manufacturing economy and the emerging opportunities and business prospects in this business segment, as a consequence.

Current Future & Outlook

India Inc. stands precariously balanced at this juncture and while the past two years performance has been much below expectations, the acceleration of growth and progress in the coming years will largely depend on the following macro level economic and socio-economic factors:

- Government's ability to manage and control Country's widening trade and fiscal deficits and curb inflation
- Increased spending on the education sector and allowing greater participation of the private sector in the areas of vocational training and skills development, leading to enhanced employability and help address the problem of talent scarcity
- Timely and well planned enhancements to the country's infrastructure
- Intervention through bold policy reforms by a strong political leadership
- Revival in investment growth

As regards the outlook in the near future, the current situation does not directly indicate a quick economic recovery and certain key economic factors do not point towards an early revival of the markets. Especially for the Company's business, power sector reforms and implementation of new capacities remain solely on paper as of now. Nevertheless, the fundamental strength of the Indian economy and its potential for growth cannot be doubted and provide hope for future business growth.

Under the circumstances, the Company takes a cautious view of the immediate future, but believes that growth opportunities will selectively arise over the next years. Accordingly, it will continue to work on enhancing its competitiveness and responsiveness to the dynamic business environment.

Company Performance

The Company's performance during the year under report registered a de-growth in profitability as compared to the previous year. Sales at ₹ 2668 Mio. during the year ended 31 December 2011 showed a small increase of 6% over the previous year. However, in terms of volume, sales were almost flat as compared to the previous year.

As stated earlier, significant downward pressures on product margins brought about due to very severe increase in procurement costs of a host of key raw materials, coupled with the overall slowing down of the economy, resulted in a decrease in overall contribution margins vis-a vis Y2010. Despite a number of innovative steps taken by the Company to reduce costs through value engineering, Profit before Tax at ₹ 359 Mio. was lower than the previous year. Profit after Tax at ₹ 247 Mio. was lower than previous year by 24%. Net Cash Flows from operating activities during the year however, at ₹ 347 Mio. were higher as compared to ₹ 163 Mio., during the previous year mainly as a result of significant and more efficient working capital management.

Internal Control Systems

The Company has instituted a comprehensive system of internal controls aimed at safeguarding its assets from unauthorised use as well as ensuring proper authorisation of financial transactions. Standard Operating Procedures (SOP) have been developed, documented and implemented in all the significant operating and financial functions of the Company. Based on a system of checks and balances, these SOPs provide a reasonably sound basis of assurance with regard to propriety in usage, accounting and accounting controls, operations monitoring, management information & reporting as well as statutory and regulatory compliances.

The Board of Directors has appointed an external accounting firm to undertake internal audits within the Company. The internal auditors are empowered to examine and report to the independent Audit Committee upon the adequacy of and compliance with the various procedures, plans, policies and statutory requirements applicable to the Company. The internal auditors are also responsible for assessing and reporting on effectiveness of risk management, internal controls and governance process within the Company.

Also, the internal audit firm draws out an annual audit plan for verification in a manner such that all key and critical areas of business are reviewed at least once in 2 years. This plan is formally approved by the audit committee.

The management duly considers and takes appropriate measures in respect of the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

Technical Management and Infrastructure Development

The Company believes that its leadership position in the electrical insulations industry is an outcome of its long standing reputation, both, in India and overseas, for continued excellence in product quality coupled with technical services of the highest standards.

Such a reputation has been built over many decades of customer satisfaction and the Company strives to maintain it even today through technological superiority, operational excellence and cost effectiveness.

At Ankleshwar, a number of infrastructural modifications and additions have resulted in decongestion and optimisation of the Resin Plant, thereby enhancing production capacity of varnishes and thinners. Support infrastructure such as new access roads to the storage and despatch areas was also improved significantly during the year under review.

At Pimpri, steps were initiated to enhance production capacity in order to cater to the market potential for epoxy filled systems. Our plans to build capacity to satisfy the potential from new businesses in the E&EM segment were also finalised.

Besides the aforesaid, the Company undertakes, on an ongoing basis, technical improvements in Plant engineering and manufacturing processes by benchmarking with its overseas affiliates. Technical and Operations related focused groups established under the stewardship of ALTANA / ELANTAS, Germany, devote their efforts exclusively for ensuring optimization of the production methods & processes in terms of cost energy conservation and safety. The Company regularly participates in the deliberations of these focused groups.

The Company thus continuously strives to reduce running costs, lower energy consumption, enhance plant effectiveness, improve EH & S Standards and raise product performance.

The waste treatment plant at Pimpri was shifted during the year to a location adjacent to the production facilities. This was coupled with technological improvements such that the efficiency and treatment capability of the ETP has improved significantly. Significant reduction in energy consumption for the ETP is also expected to take place, as a consequence.

Quality, Environment Management and Occupational Health & Safety.

Quality, Safety & Occupational Health and Environment Stewardship are the core values of the Company, which continue to form the basis for all its decisions and actions.

The Company's accredited Integrated Management System (IMS), which encompasses the management of Quality, Environmental and Occupational Health & Safety was subjected to a surveillance audit by TÜV NORD during the year under report and the IMS certification was successfully renewed.

The Company is fully committed to strengthen the process of Quality, Environment, Occupational Health and Safety Management. It implements reasonable and practicable steps to protect the health and safety of its employees and the community, as well as to ensure that its products and processes do not cause any adverse impact on environment. It believes that sustainable development is possible only through conscious steps taken to reduce energy consumption, adopt eco-friendly processes and avoid wasteful use of scarce natural resources.

Research & Development

The setting up of two new fully equipped laboratories was started during the year under review. These new labs are expected to become fully operational in the first half of Y 2012. Being focused on R&D in the EL Compounds and the Wire Enamels & Varnishes businesses, these are now being positioned to enhance responsiveness and reduce product development cycle time. The Company's commitment to R&D was further reinforced by the recruitment of qualified researchers.

The R&D team continues to engage in supporting the Company's technologies through a wide range of activities aimed at maintaining a technological edge, providing effective solutions to customers and improving internal productivity through process improvements.

The process of innovation is key to the Company's operations. Also, R&D is that vital element of the Company's innovation engine, which helps to create value through continuous product development and process upgradation. The Company also tries to further its R&D objectives through collaborative projects with customers, external business partners and research institutions with a problem solving approach. The Company's active contribution to ALTANA's Global R&D initiatives also allows it to have ready access to recent technological developments in the processing, application and end-use of speciality insulation products.

Human Resources/Industrial Relations

The Company considers human resources as an invaluable asset and believes that the key to its success lies in recruiting, training and developing a pool of talent within its people whose skills, expertise and experience will become the basis to provide impetus towards market leadership. Engaged and committed employees carrying growing aspirations are the real growth drivers and the strength of this Company.

The Company's Human Resources Management Team continuously keeps an eye on the successful HR Management practices being followed locally as well as adapts HR Management practices followed overseas by ALTANA AG., for implementation within the Company.

During the year under review, the Company's employees participated in a Global Employee Engagement Survey conducted by ALTANA under the guidance and methodology of an internationally acclaimed firm of human resources management consultants. This was done to enable identification of areas where employee engagement levels could be improved through the implementation of necessary HR development practices.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be interpreted as "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

For and on behalf of the Board

Pune
21 February 2012

Suresh Talwar
Director

Rajeev Bhide
Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

1. ELANTAS Beck's Philosophy on Corporate Governance:

The Company looks upon Corporate Governance as a set of standards to ensure compliance with laws and regulations by following proper business ethics which lead to effective management of the affairs of the Company. By committing to such standards, the Company assures transparency, full disclosure and utmost accountability to its stakeholders and thereby enhances its wealth generating capacity and stakeholders' aspirations & values.

The Company not only adheres to the prescribed governance standards as per Clause 49, which are benchmark compliance rules for a listed company, but it constantly strives to adopt emerging best practices in other reputed companies in its continuous endeavour to achieve excellence.

2. Board of Directors

(a) Composition and functioning:

The Board comprises six Directors. Dr. Matthias Wolfgruber is the Non-Executive Chairman and Mr. Rajeev Bhide is the Managing Director. Dr. Wolfgang Schütt is Non-Executive Overseas Director. Mr. Suresh Talwar, Mr. Ravindra Kulkarni and Mr. Pradeep Mallick are Non-Executive Independent Directors. Mr. Prashant Deshpande and Mr. Sharadkumar Shetye, while being Executive Directors in the wholetime employment of the Company, are also Alternate Directors to Dr. Matthias Wolfgruber and Dr. Wolfgang Schütt respectively.

The Managing Director and the Executive Directors are involved in the day-to-day management of the Company, while the Non-Executive Directors bring in the vital external perspective and independence in decision making.

The composition of the Board and number of other Companies / Committees on which the Director of the Company is a Director / Member / Chairman:

Name of Director	Other Directorships	Other Committee Memberships (including Chairmanships) #	Other Committee Chairmanships #
Dr. Matthias Wolfgruber *	-	-	-
Dr. Wolfgang Schütt *	-	-	-
Mr. Suresh Talwar **	41	9	4
Mr. Ravindra Kulkarni **	9	4	-
Mr. Pradeep Mallick **	10	7	1
Mr. Rajeev Bhide ***	-	-	-
Mr. Prashant Deshpande *** (Alternate to Dr. Matthias Wolfgruber)	-	-	-
Mr. Sharadkumar Shetye *** (Alternate to Dr. Wolfgang Schütt)	-	-	-

* Non-Executive Director ** Non-Executive Director –Independent *** Executive Director

Memberships of Audit Committee and Share Transfer cum Investors' Grievance Committee of all Public Limited Companies have been considered.

(b) Meetings and Attendance:

- During the financial year ended 31 December 2011, four Board meetings were held on 15 February, 19 April, 19 July and 17 October.
- The Directors attended the meetings as follows:

Name of Director	Meetings held during the tenure of Director	Meetings attended	Last AGM
Dr. Matthias Wolfgruber	4	1	No
Dr. Wolfgang Schütt	4	1	No
Mr. Suresh Talwar	4	4	Yes
Mr. Ravindra Kulkarni	4	4	Yes
Mr. Pradeep Mallick	4	4	Yes
Mr. Rajeev Bhide	4	4	Yes
Mr. Prashant Deshpande	4	4 *	Yes
Mr. Sharadkumar Shetye	4	4 *	Yes
* Attended by invitation on 15 February 2011			

(c) Information placed before the Board:

The following information inter-alia is generally furnished to the Board on a periodic basis for review:

- annual operating business plans, capital & revenue budgets and updates thereto
- business performance and financial results on a quarterly basis
- business environment and relevant industry analysis
- investment of operating surpluses in mutual funds & bank deposits and the performance of such investments
- quarterly results of the Company including its segment-wise break-up
- appointment of statutory, internal and cost auditors
- observations of the internal auditor and issues related to internal controls and business process improvement
- minutes of the Audit Committee Meetings and of other committees
- position of accounts receivable, inventories and other significant items of working capital
- any materially significant default in discharge of financial obligations by and towards the Company
- status of pending litigations by and against the Company and position of contingent liabilities
- materially important show cause, demand and penalty notices
- significant developments in the area of human resources management and industrial relations
- details of the insurance programme implemented by the Company
- related party transactions for approval
- issue / revocation of Power of Attorney
- significant capital expenditure projects
- business risks with focus on specific risks faced by the Company as laid down in its Risk Management Manual and also risks in general
- information on other relevant matters requiring the approval of the Board

The Board is presented with the above information as and when it becomes materially significant for an effective review. These are either furnished as a part of the agenda papers sent in advance of the Board Meetings, or are tabled / presented for discussion in the course of the proceedings of the Board Meetings or meetings of the relevant Committees.

(d) Remuneration Policy:

Within the overall limits fixed by the shareholders in a General Meeting, the Board decides the remuneration of Executive Directors. Remuneration comprises basic salary, perquisites and performance based incentive, which is decided annually by the Board taking into consideration the Company's performance against financial targets and non-financial objectives as well as the performance of the individual concerned against individual objectives agreed during the course of the year.

The remuneration levels are governed by industry pattern, qualifications and experience of the employee, responsibilities shouldered, individual performance and Company performance. The objectives of the remuneration policy are to motivate employees to excel, recognize and reward merit, and retain talent within the organization.

Details of remuneration of Executive Directors for the year ended 31 December 2011:

(₹ '000)

Name and Designation	Salary	Perquisites	Performance Salary	Retirement benefits	Total	Term of Appointment
Mr. Rajeev Bhide (Managing Director)	2,174	1,946	2,400	587	7,107	5 Years from 1 August 2011
Mr. Prashant Deshpande (Director-Marketing)	1,958	1,260	1,640	506	5,364	1 Year from 28 May 2011
Mr. Sharadkumar Shetye (Director-Manufacturing)	1,846	1,215	1,325	476	4,862	1 Year from 28 May 2011
Total	5,978	4,421	5,365	1,569	17,333	

Notes:

- (1) The above excludes accrual for employee benefits as the amount pertaining to the Directors is not separately ascertainable as the accrual / contribution is done for the Company as a whole on the basis of an actuarial valuation.
- (2) The Company does not have a Stock Option Scheme.
- (3) Notice period for severance of agreement with the Executive Directors & Managing Director is six months. However, no severance fees are payable.

The Board of Directors decides the remuneration of Non-Executive Directors, which comprises sitting fees and commission based on the net profits of the Company. As approved by the members, commission is limited to 1 % of the net profits of the Company.

Details of remuneration of Non-Executive Directors for the year ended 31 December 2011:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	80,000	300,000
Mr. Ravindra Kulkarni	80,000	300,000
Mr. Pradeep Mallick	80,000	300,000
Total	240,000	900,000

3. Board Committees:

The Board currently has two committees: the Audit Committee and the Share Transfer cum Investors' Grievance Committee. The Board is responsible for constituting, assigning and co-opting the Members of the Committees.

(a) Audit Committee:

During the financial year ended 31 December 2011, four Audit Committee meetings were held on 15 February, 19 April, 19 July and 17 October.

The Audit Committee comprises Mr. Ravindra Kulkarni (Chairman), Dr. Wolfgang Schütt, Mr. Suresh Talwar and Mr. Pradeep Mallick. All members of the Audit Committee are Non-Executive Directors.

All the Members of the Audit Committee are financially literate with some having accounting or related financial management expertise.

The Managing Director, General Manager-Finance & Materials, representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee meetings. The Company Secretary is the Secretary of the Committee.

The Audit Committee ensures that the internal controls within the Company and financial reporting processes are robust. It regularly reviews the Financial Statements on a quarterly and yearly basis and periodically meets to review and discuss, inter-alia, related matters such as:

- financial reporting system, internal control systems and internal control procedures in the Company,
- reports of both Statutory Auditors and Internal Auditors,
- Internal Audit Programme & procedures and its approval and implementation,
- status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management,
- compliance with regulatory guidelines,
- compliance with respect to Clause 49 of the Listing agreement,
- position of overdue / doubtful book debts and action plans for collection,
- other activities included in the scope of the Audit Committee and forming part of the Terms of Reference approved by the Board of Directors,
- details, if any, of cheques bounced and consequent action taken.

The Audit Committee is at liberty to meet the operating management in order to review the operations of the Company. The minutes of the Audit Committee meetings are circulated to the Board, discussed and taken note of.

The Members attended the meetings as follows:

Name of the Member	Meetings held during the tenure of Member	Meetings attended
Mr. Ravindra Kulkarni	4	4
Dr. Wolfgang Schütt	4	1
Mr. Suresh Talwar	4	4
Mr. Pradeep Mallick	4	4

(b) Share Transfer cum Investors' Grievance Committee:

(i) Composition: The Share Transfer cum Investors' Grievance Committee (STIGC) comprises Mr. Ravindra Kulkarni (Chairman), Mr. Rajeev Bhide, Mr. Prashant Deshpande and Mr. Sharadkumar Shetye. STIGC deals with all matters relating to shareholders / investors complaints in addition to the approval of transfer / transmission of shares, issue of duplicate certificates and issuance of certificates after split / consolidation / renewals thereof. In the absence of the Chairman, the members present elect one amongst themselves to chair the meeting of the Committee. During the year ended 31 December 2011, twenty six STIGC meetings were held. As of 31 December 2011, there were no unresolved investor complaints pending and no shares pending transfer.

Mr. Shirish Dabir, Company Secretary & Head-Legal is designated as the Compliance Officer.

(ii) Complaints:

Number of Investor Complaints received during the period 1 January 2011 to 31 December 2011:	1
Number of Investor Complaints resolved during the period 1 January 2011 to 31 December 2011:	1
Number of Investor Complaints pending at the end of the period 1 January 2011 to 31 December 2011:	0
Number of SEBI registered Investor Complaints pending unresolved as at 31 December 2011:	0

4. Other Information:

(a) Code of Conduct:

The Company has drawn up a Code of Conduct for Executive Directors and Senior Management which has been adopted by the Board and posted on the Company's website as well as the Company's intranet for the ready reference of employees.

(b) Risk Management:

The Company reviews its risk management systems and processes from time to time. The findings are discussed from time to time at the meetings of the Audit Committee and the Board of Directors. The Company has put in place a comprehensive Enterprise Risk Management Manual which contains an in-depth evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Company has categorized its risks into three major categories viz. Financial, Strategic, and Operational risks. The Company also periodically reviews the risks like Fire & Explosion, Effluent/Gas leakages, Use of Wrong Materials, Accidents and Liability Suits.

(c) General Body Meetings:

(i) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place
31 December 2008	1 June 2009	4.00 p.m.	'Sunflower II', 30 th floor, World Trade Centre, Cuffe Parade, Mumbai.
31 December 2009	6 May 2010	2.30 p.m.	
31 December 2010	19 April 2011	3.00 p.m.	Hall No.4, 'A' Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune-411016.

(ii) The following are the Special Resolutions passed at the Annual General Meetings held in the past 3 years:

AGM held on	Special Resolutions
1 June 2009	Deletion of Articles 49 and 193 of the Articles of Association of the Company.
6 May 2010	Nil.
19 April 2011	Nil.

(iii) All resolutions moved at the Annual General Meetings were passed by a show of hands by the requisite majority of members attending the meetings.

(d) Postal Ballot

During the year, no special resolutions on matters requiring Postal Ballot, as recommended under Clause 49 of the Listing Agreement have been passed.

(e) Disclosures:

In terms of the requirements of Accounting Standard 18 on Related Party Disclosures issued by the Companies (Accounting Standard) Rules, 2006, transactions with related parties have been adequately disclosed in the notes to accounts forming part of the Balance Sheet as at 31 December 2011. There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives during the year that might have potential conflict with the interests of the Company.

There were no instances of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets, during the last three years.

There have been no instances of any personnel seeking access to the Audit Committee.

The Company is complying with the mandatory requirements and adoption of the non-mandatory requirements under Clause 49.

(f) Means of Communication:

The quarterly and annual financial results of the Company are announced within the stipulated period from the end of the respective quarter and are published in leading newspapers.

5. General Shareholders' Information:

(a) Company Registration details:

The Company is registered in the State of Maharashtra, India, under the jurisdiction of Registrar of Companies, Pune. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24222PN1956PLC134746.

(b) 56th Annual General Meeting:

Day, Date & Time	Wednesday, 18 April 2012 at 3.30 p.m.
Place	Hall No. 4, 'A' Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune – 411016.
Dates of Book Closure	From Thursday, 12 April 2012 to Wednesday, 18 April 2012 (both days inclusive).
Dividend payment date	On 15 May 2012, if declared in the Annual General Meeting on 18 April 2012, within the stipulated statutory period.

(c) Unclaimed dividends:

- Pursuant to Sections 205A and 205C of the Act, all unclaimed/unpaid dividend/s remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment, has to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- Following table gives information relating to outstanding dividend account and date when it becomes due for transfer to IEPF in the year 2012.

Financial Year	Dividend payment date	Proposed date for transfer to IEPF *
Y 2004	24.06.2005	24.06.2012
* Indicative date and actual date may vary.		

- In case of non receipt/ non encashment of dividend warrants pertaining to the above dividend payment date and thereafter, Members are requested to correspond with the Company.

(d) Company's financial year:

01 January to 31 December

(e) Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

The Company has paid the listing fees for the period 1 April 2011 to 31 March 2012.

(f) Stock Performance:

The monthly High / Low and Closing prices of the equity shares of the Company:

Year 2011	Price of Equity Shares of the Company			Sensex		
Months	High (₹)	Low (₹)	Close (₹)	High	Low	Close
January	878.95	805.05	820.15	20,664.80	18,038.48	18,327.76
February	900.00	779.00	780.25	18,690.97	17,295.62	17,823.40
March	1,419.00	746.00	1,357.00	19,575.16	17,792.17	19,445.22
April	1,365.00	1,150.00	1,235.20	19,811.14	18,976.19	19,135.96
May	1,268.00	1,151.00	1,165.00	19,253.87	17,786.13	18,503.28
June	1,679.00	1,100.00	1,597.35	18,873.39	17,314.38	18,845.87
July	2,024.80	1,552.00	1,944.05	19,131.70	18,131.86	18,197.20
August	2,000.00	1,480.00	1,807.75	18,440.07	15,765.53	16,676.75
September	1,930.00	1,715.00	1,851.35	17,211.80	15,801.01	16,453.76
October	1,970.00	1,790.00	1,831.00	17,908.13	15,745.43	17,705.01
November	1,900.00	1,700.00	1,769.00	17,702.26	15,478.69	16,123.46
December	1,769.00	1,376.05	1,438.40	17,003.71	15,135.86	15,454.92

Stock Code: BSE – 500123. ISIN Number for NSDL & CDSL - INE 280B01018

(g) Share Transfer System:

The share transfers received in physical form are processed by the Registrar and Transfer Agent and approved by the Share Transfer cum Investors' Grievance Committee of the Company which usually meets twice in a month or more depending upon the volume of transfers. The share certificates are returned to the member/s within the stipulated period, subject to the documents being valid and complete in all respects. A summary of transfer/ transmission of shares of the Company so approved is placed at every Board Meeting.

(h) Registrars and Share Transfer Agents:

Sharepro Services (India) Pvt. Ltd., Mumbai, are the Share Transfer Agents (STA) of the Company. The STA also handles transactions of shares in electronic form as depository interface for the Company.

(i) Dematerialisation:

As of 31 December 2011, 7757467 shares i.e. 97.85 % of the Company's total issued, subscribed and paid-up capital were held in dematerialised form.

(j) Distribution of Shareholding as of 31 December 2011:

Shareholding	No. of shareholders	No. of shares	% to total
Less than 500	3910	368513	4.65
501 to 1000	60	46578	0.59
1001 to 2000	35	49122	0.62
2001 to 3000	7	17150	0.22
3001 to 4000	4	13688	0.17
4001 to 5000	6	27109	0.34
5001 to 10000	5	36570	0.46
10001 and above	12	7368952	92.95
Total	4039	7927682	100.00

(k) Shareholders' Profile as on 31 December 2011:

Class of Shareholder	No. of shares	% to total
Promoters' Group	7020316	88.55
Mutual Funds and UTI	1580	0.02
Banks, Financial Institutions, Insurance Companies (including Foreign institutional investors: 106060 shares)	106110	1.34
Private corporate bodies	176336	2.22
Individuals (including NRIs: 10562 shares)	623340	7.87
Total	7927682	100.00

(I) Plant Locations, Registered Office and address for correspondence:

(i) Plant Locations: The Company's plants are located at two places as indicated below:

- 147, Mumbai-Pune Road, Pimpri, Pune - 411018, Maharashtra. [Tel: (020) 30610777]
- Plot No.1 (A, B & C) & 122, GIDC Industrial Area, Ankleshwar - 393 002
Dist: Bharuch, Gujarat. [Tel: (02646) 304736]

(ii) Registered Office:

- 'Beck House', Damle Path, Off Law College Road, Pune - 411004.
Tel: (020) 30210600/700

(iii) Address for correspondence:

In respect of transactions relating to shares:

Sharepro Services (India) Pvt. Ltd.

Sam Hita Warehousing Complex,

Warehouse No 52 & 53, Plot No 13AB,

2nd Floor, Sakinaka, Andheri (East), Mumbai - 400072.

Tel: (022) 67720300 / 347

Fax: (022) 28591568

In respect of any other matter:

ELANTAS Beck India Ltd.

'Beck House', Damle Path,

Off Law College Road, Pune - 411004.

Tel: (020) 30210600 / 700

For and on behalf of the Board

Pune
21 February 2012

Suresh Talwar
Director

Rajeev Bhide
Managing Director

Certificate of compliance with corporate governance requirements under Clause 49 of the Listing Agreement

To the Members of
ELANTAS Beck India Limited

We have examined the compliance of conditions of corporate governance by ELANTAS Beck India Limited ("the Company") for the year ended 31 December 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the information and explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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 BSR & Co.
Firm Registration No. 101248W
Chartered Accountants

Juzer Miyajiwala
Partner
Membership No.: 047483

Pune
21 February 2012

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement.

We, Rajeev Bhide, Managing Director and Sanjay Kulkarni, General Manager- Finance & Materials, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31 December 2011 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that 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.

For ELANTAS Beck India Ltd.

Pune
21 February 2012

Rajeev Bhide
Managing Director / CEO

Sanjay Kulkarni
General Manager- Finance
& Materials / CFO

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 December 2011.

For ELANTAS Beck India Ltd.

Pune
21 February 2012

Rajeev Bhide
Managing Director

Auditors' Report

To the Members of
ELANTAS Beck India Limited

We have audited the attached Balance Sheet of ELANTAS Beck India Limited ('the Company') as at 31 December 2011, the related Profit and Loss account and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

2. Further to our comments in the Annexure referred to above, we report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors of the Company, as on 31 December 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 December 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- f) in our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2011;
 - ii) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & Co.

Firm Registration No. 101248W

Chartered Accountants

Juzer Miyajiwala

Partner

Pune

21 February 2012

Membership No.: 047483

Annexure to the Auditors' Report - 31 December 2011

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the Members of the Company on the financial statements for the year ended 31 December 2011, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

Annexure to Auditors' Report – 31 December 2011 (Continued)

2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of resins (excluding natural resins) and varnishes and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Sales-tax, Service tax, Customs duty, Excise duty, Cess, Investor Education and Protection Fund and other material statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 December 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess, other than the dues listed in Appendix I, which have not been deposited by the Company on account of disputes.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

Annexure to Auditors' Report – 31 December 2011 (Continued)

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

For B S R & Co.

Firm Registration No. 101248W

Chartered Accountants

Juzer Miyajiwal

Partner

Membership No.: 047483

Pune

21 February 2012

Appendix I to the Auditors' Report

Sr. no.	Name of the Statute	Nature of the Dues	Amount (₹ '000)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Demand of duty on copper scrap	93	2004	Asst. Commissioner, Ankleshwar
			811	1990-1994	Central Excise and Service Tax Appellate Tribunal, Pune
		Denial of Modvat Credit on certified copy of Bill of Entry	93	1997	Asst. Commissioner, Surat
		Education cess on exports	21	2004	Dy. Commissioner, Pune
		Modvat on repacking activity	4,956	1994-1997	Dy. Commissioner, Pune
		Valuation under CAS - 4	86	2007	Central Excise and Service Tax Appellate Tribunal, Mumbai
2	Sales Tax	Rate of sales tax on Wire Enamels and Varnishes	8,301	2002-2003	Sales Tax Officer, Delhi
		Non submission of forms at the time of assessment	2,782	1995-1997, 1998-1999	Commissioner of Sales Tax, Delhi
			18,216*	2003-2004	Sales Tax Officer, Delhi
3	Finance Act, 1994	CENVAT credit claimed on the basis of letters	7,505	2005-2008	Deputy Commissioner of Excise and Service Tax-Large Taxpayer Unit, Mumbai
		Service tax credit on outward freight	4,221	2005-2008	Deputy Commissioner of Excise and Service Tax-Large Taxpayer Unit, Mumbai

* Forms have been submitted along with the appeal

Balance Sheet as at 31 December 2011

(Currency : ₹ '000)

	Notes	2011	2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	2	79,277	79,277
Reserves and surplus	3	1,773,906	1,567,850
		1,853,183	1,647,127
Deferred tax liability (net)	4	12,881	14,129
		1,866,064	1,661,256
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		678,732	618,652
Less : Accumulated depreciation / amortisation		345,755	297,333
Net block		332,977	321,319
Capital work-in-progress (including capital advances)		146,243	36,305
		479,220	357,624
Investments	6	803,567	594,470
Current assets, loans and advances			
Inventories	7	383,699	483,440
Sundry debtors	8	378,099	348,413
Cash and bank balances	9	122,127	153,684
Loans and advances	10	87,700	71,594
		971,625	1,057,131
Less : Current liabilities and provisions			
Current liabilities	11	306,611	267,246
Provisions	12	81,737	80,723
		388,348	347,969
Net current assets		583,277	709,162
		1,866,064	1,661,256
Significant accounting policies	1		
Notes to the accounts	15-35		

The accompanying notes form an integral part of the Balance Sheet.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firm Registration No. : 101248W

Juzer Miyajiwal

Partner

Membership No.: 047483

Pune, 21 February 2012

Shirish Dabir

Company

Secretary

For and on behalf of the Board of Directors

Suresh Talwar

Director

Ravindra Kulkarni

Director

Dr Matthias Wolfgruber

Chairman

Dr. Wolfgang Schütt

Director

Rajeev Bhide

Managing Director

Profit and Loss Account for the year ended 31 December 2011

(Currency : ₹ '000)

	Notes	2011	2010
Income			
Sales (gross)		2,929,243	2,752,514
Less : Excise duty (including education cess)		261,416	238,990
Sales (net)		2,667,827	2,513,524
Other income	13	81,951	63,068
		2,749,778	2,576,592
Expenditure			
Manufacturing and other expenses	14	2,339,706	2,055,315
Depreciation / Amortisation	5	49,980	47,621
Interest costs		682	327
		2,390,368	2,103,263
Profit before tax		359,410	473,329
Less : Provision for tax			
- current tax (net)	15	113,277	150,552
- deferred tax (release) / charge		(1,248)	(961)
- fringe benefit tax (net)		-	(200)
		112,029	149,391
Net profit		247,381	323,938
Balance brought forward		1,079,251	829,169
Amount available for appropriation		1,326,632	1,153,107
Appropriations :			
Proposed dividend (Final)		35,675	35,675
Dividend distribution tax (net of previous year's reversal ₹ 138)		5,650	5,787
Transfer to general reserve		24,738	32,394
Balance carried forward		1,260,569	1,079,251
Basic and diluted earnings per share (₹)	31	31.20	40.86
Significant accounting policies	1		
Notes to the accounts	15-35		

The accompanying notes form an integral part of the Profit and Loss account.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firm Registration No. : 101248W

Juzer Miyajiwala

Partner

Membership No.: 047483

Pune, 21 February 2012

Shirish Dabir

Company

Secretary

For and on behalf of the Board of Directors

Suresh Talwar

Director

Ravindra Kulkarni

Director

Dr Matthias Wolfgruber

Chairman

Dr. Wolfgang Schütt

Director

Rajeev Bhide

Managing Director

Cash Flow Statement for the year ended 31 December 2011

(Currency : ₹ '000)

Particulars	2011	2010
A. Cash flow from operating activities :		
Profits before tax	359,410	473,329
Adjustments for:		
Depreciation / Amortisation	49,980	47,621
Interest expense	682	327
Loss / (profit) on assets sold / scrapped (net)	456	169
Unrealised loss / (gain) on current investments (net)	142	(311)
Loss / (profit) on sale of investments	(13,808)	(4,291)
Interest income	(9,041)	(7,363)
Dividend income	(20,178)	(14,280)
	8,233	21,872
Operating profits before working capital changes	367,643	495,201
(Increase) / Decrease in working capital		
Trade receivables	(29,686)	(78,686)
Inventories	99,742	(162,320)
Loans and advances (other than advance tax)	(18,389)	(16,282)
Current liabilities (other than unclaimed dividends)	39,515	91,015
Provisions (other than taxation and dividends)	1,624	(5,853)
Net changes in working capital	92,806	(172,126)
Cash generated from operations	460,449	323,075
Taxes paid	(113,352)	(160,343)
Net cash flow from / (used in) operating activities	347,097	162,732
B. Cash flow from investing activities :		
Purchase of fixed assets	(172,624)	(81,235)
Sale of fixed assets	591	439
Purchase of investments	(1,226,572)	(704,217)
Sale of investments	1,031,141	660,496
Long term fixed deposits placed	(142,460)	(231,935)
Long term fixed deposits matured	163,143	206,024
Interest received	10,926	8,044
Dividend received	20,178	14,280
Net cash generated from / (used in) investing activities	(315,677)	(128,104)
C. Cash flow from financing activities :		
Interest paid	(682)	(327)
Dividend paid (including tax on dividend)	(41,613)	(41,215)
Net cash generated from / (used in) financing activities	(42,295)	(41,542)
D. Net increase / (decrease) in cash and cash equivalents	(10,875)	(6,914)
Cash and cash equivalents		
At the beginning of the year	37,159	44,073
At the end of the year	26,284	37,159

Fixed deposits with banks having original maturity of more than three months aggregating to ₹ 95,843 (Previous year ₹ 116,525) are not readily liquid and have been excluded from Cash and cash equivalents. (Refer note 9 & note 34)

The Company has undrawn working capital facilities of ₹ 80,000 (Previous year : ₹ 80,000)

The accompanying notes form an integral part of the Cash Flow statement.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firm Registration No. : 101248W

Juzer Miyajiwal

Partner

Membership No.: 047483

Pune, 21 February 2012

Shirish Dabir

Company

Secretary

For and on behalf of the Board of Directors

Suresh Talwar

Director

Ravindra Kulkarni

Director

Dr Matthias Wolfgruber

Chairman

Dr. Wolfgang Schütt

Director

Rajeev Bhide

Managing Director

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) issued by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousand.

1.2 Accounting estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is prospectively recognised in current and future periods.

1.3 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets includes non refundable taxes and duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Depreciation on fixed assets is provided on the straight line method, in the manner and as per the rates specified in Schedule XIV to the Companies Act, 1956 except for assets costing ₹ 5,000 or less, which are depreciated fully in the year of purchase. Leasehold land is amortised over the remaining period of the lease.

Assets retired from active use and held for disposal are stated at the lower of cost or net realizable value less costs of disposal.

Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use at the Balance Sheet date are disclosed under capital work -in -progress.

1.4 Intangible assets and amortization

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets are recorded at their acquisition price and are amortised over their estimated useful lives on a straight line basis, commencing from the date the assets are available for use. The useful life of the intangible assets is reviewed by the management at each Balance Sheet date. Computer software is amortised over the period of 3 years and other intangibles over a period of 5 years.

1.5 Impairment of assets

In accordance with AS 28-Impairment of Assets , the carrying amounts of the Company's assets including intangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is assessed at the recoverable amount subject to a maximum of depreciable historical cost.

1.6 Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as current investments. All other investments are classified as long term investments.

Long term investments are stated at cost less any other- than- temporary diminution in value, determined separately for each individual investment. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

1.7 Inventories

Inventories are stated at lower of cost and net realizable value.

The cost is determined on the basis of Weighted Average method and includes expenditure in acquiring the inventories and bringing them to their existing location and condition. Materials-in-transit are stated at purchase cost.

In the case of manufactured inventories, cost includes an appropriate share of production overheads. Finished goods inventory includes excise duty payable.

Net realizable value is the estimated net sales realization in the ordinary course of business. The comparison of cost and net realizable value is made on an item-by-item basis.

The net realizable value of work-in-progress is determined with reference to the net sales realization of related finished goods.

Raw materials and other supplies held for use in production of finished goods are not written down below cost, except in cases where the material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value. In such cases, the materials are valued at the lower of replacement cost or ultimate net realizable value.

1.8 Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which is at the point of shipment or dispatch of goods. Sales are accounted net of amounts recovered towards sales tax and trade discounts.

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

Interest income is recognised on a time proportion basis. Dividend income from investments is recognised when an unconditional right to receive payment is established.

1.9 Employee benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

(b) Post-employment benefits

- (i) Defined contribution plans: The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

- (ii) Defined Benefit Plans: The employees' gratuity fund scheme and cash rewards at the time of retirement are the Company's defined benefit plans. The present value of the obligation under each defined benefit plan is determined based on actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested. To the extent the benefits vests immediately, the expense is recognized immediately in the Profit and Loss account. Actuarial gains and losses are recognised immediately in the Profit and Loss account.

- (c) Long term employee benefits

The obligation for long term employee benefits such as long term compensated absences, long service awards etc. is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

When the benefits of a plan are improved, the portion of increased benefit relating to past service by employees is recognized immediately in Profit and Loss account.

1.10 Foreign exchange transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains / losses arising on account of such translation and subsequent realization / settlement of foreign exchange transactions are recognized in the Profit and Loss account.

1.11 Taxes on Income

Income tax expense comprises fringe benefit tax, current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

1.12 Earnings per Share ('EPS')

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Notes to the financial statements for the year ended 31 December 2011 (Continued)

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive.

1.13 Provisions and Contingencies

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.14 Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating lease are recognised as an expense in the Profit and Loss account on a straight – line basis over the lease term. Lease income under operating lease is recognised in the Profit and Loss account on a straight – line basis over the lease term.

2. Share capital

(Currency : ₹ '000)

	2011	2010
Authorised :		
15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each	150,000	150,000
Issued, subscribed and fully paid-up :		
7,927,682 (previous year: 7,927,682) equity shares of ₹10 each	79,277	79,277
Of the above :		
(a) 78,529 (previous year: 78,529) equity shares of ₹ 10 each are allotted as fully paid-up pursuant to a contract without payment being received in cash;		
(b) 840,000 (previous year: 840,000) equity shares of ₹ 10 each have been issued pursuant to the Scheme of Amalgamation with erstwhile Schenectady India Ltd. without payment being received in cash;		
(c) 5,628,010 (previous year: 5,628,010) equity shares of ₹ 10 each are allotted as fully paid-up by way of bonus shares by capitalisation of reserves;		
(d) 7,020,316 (previous year :7,020,316) equity shares of ₹ 10 each are held by the holding company ELANTAS GmbH, a wholly owned subsidiary of ALTANA Chemie GmbH.		

3. Reserves and surplus

(Currency : ₹ '000)

	2011	2010
Share premium account	69,518	69,518
Capital reserve (subsidy)	4,000	4,000
General reserve	415,081	382,687
Add : Amount transferred from Profit and Loss account	24,738	32,394
	439,819	415,081
Profit and Loss account	1,260,569	1,079,251
TOTAL	1,773,906	1,567,850

Notes to the financial statements for the year ended 31 December 2011 (Continued)

4. Deferred tax liability (net)

(Currency : ₹ '000)

	2011	2010
Deferred tax liability :		
Difference between book and tax depreciation/ amortisation	26,219	26,941
Deferred tax asset :		
Provision for doubtful debts	2,224	1,972
Provision for compensated absence and other employee benefits	11,114	10,840
	13,338	12,812
TOTAL	12,881	14,129

5. Fixed assets

(Currency : ₹ '000)

Description	Gross block			Depreciation / Amortisation				Net block		
	As at 1.1.2011	Additions	Deductions	As at 31.12.2011	As at 1.1.2011	For the year	On deductions	As at 31.12.2011	As at 31.12.2011	As at 31.12.2010
Tangible assets:										
Freehold land	35,483	-	-	35,483	-	-	-	-	35,483	35,483
Leasehold land	1,127	-	-	1,127	225	14	-	239	888	902
Buildings and roads	93,543	24,123	-	117,666	26,959	2,328	-	29,287	88,379	66,584
Plant and machinery	349,944	35,232	407	384,769	203,618	23,347	310	226,655	158,114	146,326
Furniture and fixtures	8,922	308	46	9,184	7,231	478	46	7,663	1,521	1,691
Motor vehicles	18,753	2,981	2,153	19,581	6,071	1,808	1,202	6,677	12,904	12,682
Intangible assets :										
Goodwill	10,536	-	-	10,536	6,691	2,108	-	8,799	1,737	3,845
Technical Know-How	74,371	-	-	74,371	32,687	14,874	-	47,561	26,810	41,684
Trademarks	22,232	-	-	22,232	11,283	4,447	-	15,730	6,502	10,949
Computer Softwares	3,741	42	-	3,783	2,568	576	-	3,144	639	1,173
Total	618,652	62,686	2,606	678,732	297,333	49,980	1,558	345,755	332,977	321,319
Previous year	573,425	48,316	3,089	618,652	252,193	47,621	2,481	297,333		
Capital work-in-progress (including capital advances)									146,243	36,305
TOTAL									479,220	357,624

6. Investments

a. Long term investments (at cost, unless otherwise stated)

(Currency : ₹ '000)

	2011	2010
Unquoted investments		
98,576 (previous year : 98,576) equity shares of ₹ 10 each fully paid up in Bharuch Eco Aqua Infrastructure Limited	986	986
Quoted investments		
33,604 (previous year : 33,604) equity shares of ₹ 10 each fully paid-up in Roplas (India) Limited.	235	235
Less : Provision for diminution in value of investment	235	235
	-	-
50 (previous year 50) equity shares of State Bank of India of ₹ 10 each fully paid-up at a premium of ₹ 90 per equity share	5	5

Notes to the financial statements for the year ended 31 December 2011 (Continued)

b. Current investments (at lower of, cost and fair market value)

(Currency : ₹ '000)

	2011	2010
<u>Investments in mutual funds</u>		
Nil units (previous year 3,291,670.236) of Birla Sun Life Savings Fund - Instl - Weekly Dividend-Reinvestment of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	32,919
67,668.548 units (previous year 676,685.886) of Birla Sun Life Floating Rate Fund - Retail - Long Term - Growth of face value ₹ 100 per unit (previous year ₹ 10 per unit)	10,771	10,771
Nil units (previous year 1,000,000.000) of Birla Sun Life Short Term FMP - Series 3 - Dividend of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	10,000
2,320,000.000 units (previous year Nil) of Birla Sun Life Fixed Term Plan Series CQ - Growth of face value ₹ 10 per unit	23,200	-
1,000,000.000 units (previous year Nil) of Birla Sun Life Fixed Term Plan Series CT - Growth of face value ₹ 10 per unit	10,000	-
1,000,000.000 units (previous year Nil) of Birla Sun Life Fixed Term Plan Series DB - Growth of face value ₹ 10 per unit	10,000	-
1,183,144.131 units (previous year Nil) of Birla Sun Life Dynamic Bond Fund - Retail - Growth of face value ₹ 10 per unit	20,000	-
1,353,497.548 units (previous year Nil) of Birla Sun Life Income Fund - Monthly Dividend - Reinvestment of face value ₹ 10 per unit	15,539	-
Nil units (previous year 3,511,617.867) of Birla Sun Life Ultra Short Term Fund - Institutional Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	38,073
Nil units (previous year 5,247,495.228) of HSBC Floating Rate Fund - Long Term Plan - Institutional Option - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	74,850
Nil units (previous year 2,978,156.929) of HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Weekly Dividend of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	29,863
2,096,686.856 units (previous year 2,935,845.921) of HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	42,021	58,521
1,619,028.675 units (previous year Nil) of HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth of face value ₹ 10 per unit	35,000	-
2,033,288.640 units (previous year Nil) of HDFC Short Term Plan - Dividend of face value ₹ 10 per unit	20,989	-
512,886.269 units (previous year Nil) of HDFC Short Term Plan - Growth of face value ₹ 10 per unit	10,000	-
3,981,342.516 units (previous year Nil) of DWS Ultra Short Term Fund Institutional Daily Dividend - reinvest of face value ₹ 10 per unit	39,885	-
3,559,080.453 units (previous year Nil) of DWS Short Maturity Fund - Monthly Dividend Plan - reinvest of face value ₹ 10 per unit	41,278	-
5,176,139.385 units (previous year Nil) of SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend Reinvestment of face value ₹ 10 per unit	51,792	-
1,492,725.568 units (previous year Nil) of SBI-Magnum Income Fund FR Savings Plus Bond Plan-Daily Dividend Reinvestment of face value ₹ 10 per unit	15,020	-
Nil units (previous year 3,938,377.219) of IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C Weekly Div of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	39,581

Notes to the financial statements for the year ended 31 December 2011 (Continued)

b. Current investments (at lower of, cost and fair market value)

(Currency : ₹ '000)

	2011	2010
1,785,961.659 units (previous year Nil) of IDFC Ultra Short Term Fund Weekly Dividend of face value ₹ 10 per unit	17,871	-
Nil units (previous year 617,400.666) of IDFC Money Manager Fund - Treasury Plan A - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	9,000
Nil units (previous year 689,664.685) of IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	10,000
Nil units (previous year 18,222.754) of IDFC Savings Advantage Fund - Plan A - Growth of face value ₹ 10 per unit (previous year ₹ 1000 per unit)	-	23,799
382,878.159 units (previous year 382,878.159) of IDFC Money Manager Fund - Investment Plan - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	5,403	5,403
2,000,000.000 units (previous year Nil) of IDFC Fixed Maturity Plan - Yearly Series 39 - Growth of face value ₹ 10 per unit	20,000	-
2,043,736.749 units (previous year Nil) of IDFC Fixed Maturity Plan - Yearly Series 40 - Growth of face value ₹ 10 per unit	20,437	-
2,612,381.428 units (previous year Nil) of IDFC - SSIF - Short Term - Plan A - Fortnightly Dividend of face value ₹ 10 per unit	26,693	-
60,452.457 units (previous year Nil) of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan of face value ₹ 1000 per unit	60,535	-
Nil units (previous year 745,531.861) of ICICI Prudential Flexible Income Plan Premium - Weekly Dividend of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	78,635
189,815.170 units (previous year Nil) of ICICI Prudential Flexible Income Plan Premium - Growth of face value ₹ 100 per unit	35,000	-
1,000,000.000 units (previous year Nil) of ICICI Prudential FMP Series 58-2Y Plan A Cumulative of face value ₹ 10 per unit	10,000	-
1,000,000.000 units (previous year Nil) of ICICI Prudential FMP Series 55-1Y Plan D Cumulative of face value ₹ 10 per unit	10,000	-
1,387,501.410 units (previous year Nil) of UTI Dynamic Bond Fund - Growth Plan of face value ₹ 10 per unit	15,129	-
Nil units (previous year 3,053,992.063) of Tata Floater Fund - Weekly Dividend of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	30,799
2,023,809.179 units (previous year Nil) of Tata Floater Fund - Daily Dividend of face value ₹ 10 per unit	20,310	-
3,840,701.774 units (previous year 3,840,701.774) of Tata Floater Fund - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	52,840	52,840
1,002,344.000 units (previous year Nil) of TATA Fixed Maturity Plan Series 34 Scheme B - Growth of face value ₹ 10 per unit	10,023	-
1,150,000.000 units (previous year Nil) of TATA Fixed Maturity Plan Series 38 Scheme E - Growth of face value ₹ 10 per unit	11,500	-
750,000.000 units (previous year Nil) of DSP BlackRock FMP - 12M Series 17 - Growth, Maturity Date 27-Mar-2012 of face value ₹ 1000 per unit	7,500	-
600,000.000 units (previous year Nil) of DSP BlackRock FMP - 12M Series 19 - Growth Maturity Date 10-May-2012 of face value ₹ 10 per unit	6,000	-
4,358,755.298 units (previous year Nil) of DSP BlackRock Short Term Fund - Monthly Dividend Reinvest of face value ₹ 10 per unit	47,237	-

Notes to the financial statements for the year ended 31 December 2011 (Continued)

b. Current investments (at lower of, cost and fair market value)

(Currency : ₹ '000)

	2011	2010
9,694.708 units (previous year Nil) of DSP BlackRock Money Manager Fund - Institutional Plan - Growth of face value ₹ 1000 per unit	13,500	-
1,000,000.000 units (previous year Nil) of Kotak FMP Series 40 - Growth of face value ₹ 10 per unit	10,000	-
3,000,000.000 units (previous year Nil) of Kotak FMP 18M Series 6 - Growth of face value ₹ 10 per unit	30,000	-
1,000,000.000 units (previous year 1,000,000.000) of Kotak Credit Opportunities - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	10,000	10,000
Nil units (previous year 4,992,103.842) of Kotak Floater Long Term - Weekly Dividend of face value ₹ 10 per unit (previous year ₹ 10 per unit)	-	50,322
1,168,493.708 units (previous year 1,933,402.060) of Kotak Floater Long Term - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	17,103	28,103
	803,567	594,470
Aggregate cost of unquoted investments	986	986
Aggregate carrying cost of quoted investments	802,581	593,484
Aggregate market value of quoted investments	840,061	609,132

Current Investments acquired during the year (including dividend reinvestment) :

- 2,114,825.319 units of Birla Sun Life Savings Fund - Instl - Weekly Dividend-Reinvestment amounting to ₹ 21,174.
- 1,000,000.000 units of Birla Sun Life Short Term FMP - Series 8 - Dividend amounting to ₹ 10,000.
- 2,320,000.000 units of Birla Sun Life Fixed Term Plan Series CQ - Growth amounting to ₹ 23,200.
- 1,000,000.000 units of Birla Sun Life Fixed Term Plan Series CT - Growth amounting to ₹ 10,000.
- 1,000,000.000 units of Birla Sun Life Fixed Term Plan Series DB - Growth amounting to ₹ 10,000.
- 2,014,655.535 units of Birla Sun Life Short Term Opportunities Fund - Institutional - Weekly Dividend amounting to ₹ 20,155.
- 3,010,008.170 units of Birla Sun Life Ultra Short Term Fund - Institutional - Weekly Dividend amounting to ₹ 30,628.
- 1,183,144.131 units of Birla Sun Life Dynamic Bond Fund - Retail - Growth amounting to ₹ 20,000.
- 1,353,497.548 units of Birla Sun Life Income Fund - Monthly Dividend - Reinvestment amounting to ₹ 15,539.
- 3,631,364.228 units of HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Weekly Dividend amounting to ₹ 36,411.
- 1,619,028.675 units of HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth amounting to ₹ 35,000.
- 2,033,288.640 units of HDFC Short Term Plan - Dividend amounting to ₹ 21,069.
- 512,886.269 units of HDFC Short Term Plan - Growth amounting to ₹ 10,000.
- 1,003,055.260 units of DWS Money plus fund- Institutional plan weekly dividend- reinvest amounting to ₹ 10,063.
- 1,000,818.470 units of DWS Ultra Short Term Fund Institutional Weekly Dividend amounting to ₹ 10,095.
- 1,035,919.493 units of DWS Treasury Fund Investment Institutional Plan - Weekly Dividend amounting to ₹ 10,438.
- 4,979,555.714 units of DWS Ultra Short Term Fund Institutional Daily Dividend - reinvest amounting to ₹ 49,885.
- 3,559,080.453 units of DWS Short Maturity Fund - Monthly Dividend Plan - reinvest amounting to ₹ 41,278.
- 7,574,700.248 units of SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend Reinvestment amounting to ₹ 75,792.
- 1,492,725.568 units of SBI-Magnum Income Fund FR Savings Plus Bond Plan-Daily Dividend Reinvestment amounting to ₹ 15,020.
- 1,132,846.545 units of IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C Weekly Div amounting to ₹ 11,402.
- 1,785,961.659 units of IDFC Ultra Short Term Fund Weekly Dividend amounting to ₹ 17,897.
- 2,000,000.000 units of IDFC Fixed Maturity Plan - Yearly Series 39 - Growth amounting to ₹ 20,000.

- 2,043,736.749 units of IDFC Fixed Maturity Plan - Yearly Series 40 - Growth amounting to ₹ 20,437.
- 2,612,381.428 units of IDFC - SSIF - Short Term - Plan A - Fortnightly Dividend amounting to ₹ 26,707.
- 12,473.308 units of Reliance Money Manager Fund - Retail Option - Weekly Dividend Plan amounting to ₹ 12,512.
- 2,747,248.316 units of Reliance Medium Term Fund - Weekly Dividend Plan amounting to ₹ 46,988.
- 60,452.457 units of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan amounting to ₹ 60,535.
- 609,861.067 units of ICICI Prudential Flexible Income Plan Premium - Weekly Dividend amounting to ₹ 64,351.
- 189,815.170 units of ICICI Prudential Flexible Income Plan Premium - Growth amounting to ₹ 35,000.
- 1,000,000.000 units of ICICI Prudential FMP Series 58-2Y Plan A Cumulative amounting to ₹ 10,000.
- 1,000,000.000 units of ICICI Prudential FMP Series 55-1Y Plan D Cumulative amounting to ₹ 10,000.
- 50,311.087 units of UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Reinvestment amounting to ₹ 50,322.
- 1,387,501.410 units of UTI Dynamic Bond Fund - Growth Plan amounting to ₹ 15,129.
- 1,125,692.998 units of Tata Floater Fund - Weekly Dividend amounting to ₹ 11,348.
- 3,022,597.671 units of Tata Floater Fund - Daily Dividend amounting to ₹ 30,334.
- 1,000,000.000 units of TATA Fixed Income Portfolio Fund Scheme C2 Inst Half yearly Dividend amounting to ₹ 10,000.
- 1,000,000.000 units of TATA Fixed Maturity Plan Series 28 Scheme A - Dividend amounting to ₹ 10,000.
- 1,002,344.000 units of TATA Fixed Maturity Plan Series 34 Scheme B - Growth amounting to ₹ 10,023.
- 1,150,000.000 units of TATA Fixed Maturity Plan Series 38 Scheme E - Growth amounting to ₹ 11,500.
- 3,000,000.000 units of DSP BlackRock FMP - 3M Series 28 - Dividend Payout, Maturity Date 20-Apr-2011 amounting to ₹ 30,000.
- 600,000.000 units of DSP BlackRock FMP - 3M Series 29 - Dividend Payout, Maturity Date 05-May-2011 amounting to ₹ 6,000.
- 750,000.000 units of DSP BlackRock FMP - 12M Series 17 - Growth, Maturity Date 27-Mar-2012 amounting to ₹ 7,500.
- 600,000.000 units of DSP BlackRock FMP - 12M Series 19 - Growth, Maturity Date 10-May-2012 amounting to ₹ 6,000.
- 4,358,755.298 units of DSP BlackRock Short Term Fund - Monthly Dividend Reinvest amounting to ₹ 47,319.
- 72,364.113 units of DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend amounting to ₹ 72,449.
- 9,694.708 units of DSP BlackRock Money Manager Fund - Institutional Plan - Growth amounting to ₹ 13,500.
- 1,000,000.000 units of Kotak FMP Series 40 - Growth amounting to ₹ 10,000.
- 3,000,000.000 units of Kotak FMP 18M Series 6 - Growth amounting to ₹ 30,000.
- 2,179,458.238 units of Kotak Bond (Short Term) - Monthly Dividend amounting to ₹ 21,965.
- 2,142,497.965 units of Kotak Floater Long Term - Weekly Dividend amounting to ₹ 21,606.

Current Investments sold during the year :

- 5,406,495.555 units of Birla Sun Life Savings Fund - Instl - Weekly Dividend-Reinvestment amounting to ₹ 54,107.
- 1,000,000.000 units of Birla Sun Life Short Term FMP - Series 3 - Dividend amounting to ₹ 10,000.
- 1,000,000.000 units of Birla Sun Life Short Term FMP - Series 8 - Dividend amounting to ₹ 10,000.
- 2,014,655.535 units of Birla Sun Life Short Term Opportunities Fund - Institutional - Weekly Dividend amounting to ₹ 20,155.
- 3,010,008.170 units of Birla Sun Life Ultra Short Term Fund - Institutional - Weekly Dividend amounting to ₹ 30,628.
- 3,511,617.867 units of Birla Sun Life Ultra Short Term Fund - Institutional Growth amounting to ₹ 38,073.
- 5,247,495.228 units of HSBC Floating Rate Fund - Long Term Plan - Institutional Option - Growth amounting to ₹ 74,850.
- 6,609,521.157 units of HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Weekly Dividend amounting to ₹ 66,274.
- 839,159.065 units of HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth amounting to ₹ 16,500.
- 1,003,055.260 units of DWS Money plus fund- Institutional plan weekly dividend- reinvest amounting to ₹ 10,063.
- 1,000,818.470 units of DWS Ultra Short Term Fund Institutional Weekly Dividend amounting to ₹ 10,095.
- 1,035,919.493 units of DWS Treasury Fund Investment Institutional Plan - Weekly Dividend amounting to ₹ 10,438.
- 998,213.198 units of DWS Ultra Short Term Fund Institutional Daily Dividend - reinvest amounting to ₹ 10,000.
- 2,398,560.863 units of SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend Reinvestment amounting to ₹ 24,000.

Notes to the financial statements for the year ended 31 December 2011 (Continued)

- 5,071,223.764 units of IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C Weekly Div amounting to ₹ 51,029.
- 617,400.666 units of IDFC Money Manager Fund - Treasury Plan A - Growth amounting to ₹ 9,000.
- 689,664.685 units of IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Growth amounting to ₹ 10,000.
- 18,222.754 units of IDFC Savings Advantage Fund - Plan A - Growth amounting to ₹ 23,799.
- 12,473.308 units of Reliance Money Manager Fund - Retail Option - Weekly Dividend Plan amounting to ₹ 12,512.
- 2,747,248.316 units of Reliance Medium Term Fund - Weekly Dividend Plan amounting to ₹ 46,988.
- 1,355,392.928 units of ICICI Prudential Flexible Income Plan Premium - Weekly Dividend amounting to ₹ 142,987.
- 50,311.087 units of UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Reinvestment amounting to ₹ 50,322.
- 4,179,685.061 units of Tata Floater Fund - Weekly Dividend amounting to ₹ 42,147.
- 998,788.492 units of Tata Floater Fund - Daily Dividend amounting to ₹ 10,023.
- 1,000,000.000 units of TATA Fixed Income Portfolio Fund Scheme C2 Inst Half yearly Dividend amounting to ₹ 10,000.
- 1,000,000.000 units of TATA Fixed Maturity Plan Series 28 Scheme A - Dividend amounting to ₹ 10,000.
- 3,000,000.000 units of DSP BlackRock FMP - 3M Series 28 - Dividend Payout, Maturity Date 20-Apr-2011 amounting to ₹ 30,000.
- 600,000.000 units of DSP BlackRock FMP - 3M Series 29 - Dividend Payout, Maturity Date 05-May-2011 amounting to ₹ 6,000.
- 72,364.113 units of DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend amounting to ₹ 72,449.
- 2,179,458.238 units of Kotak Bond (Short Term) - Monthly Dividend amounting to ₹ 21,965.
- 7,134,601.807 units of Kotak Floater Long Term - Weekly Dividend amounting to ₹ 71,928.
- 764,908.352 units of Kotak Floater Long Term - Growth amounting to ₹ 11,000.

7. Inventories

(Currency : ₹ '000)

	2011	2010
Raw materials	169,270	227,619
Intermediates and work-in-progress	48,973	42,134
Packing materials	7,746	8,260
Stores	6,452	7,710
Purchased goods for resale	186	5,888
Finished goods	125,609	130,360
Goods in transit	25,463	61,469
TOTAL	383,699	483,440

8. Sundry debtors

(Currency : ₹ '000)

	2011	2010
(unsecured)		
Over six months :		
Considered good	3,354	1,988
Considered doubtful	6,836	5,931
	10,190	7,919
Other debts :		
Considered good	374,745	346,425
Considered doubtful	20	5
	374,765	346,430
	384,955	354,349
Less : Provision for doubtful debts	6,856	5,936
TOTAL	378,099	348,413
Debts due from Companies under the same management ₹ 7,959 (previous year : ₹ 8,139). Refer Note 30.1(B)(3)(i)		

Notes to the financial statements for the year ended 31 December 2011 (Continued)

9. Cash and bank balances

(Currency : ₹ '000)

	2011	2010
Cash in hand	123	103
Cheques in hand	-	1,809
Balances with scheduled banks :		
On current account [including unclaimed dividend (restricted) ₹ 1,938 (previous year ₹ 2,089)]	26,161	35,247
On fixed deposit accounts [including under lien ₹ 103 (previous year ₹ 599)]	95,843	116,525
TOTAL	122,127	153,684

10. Loans and advances

(Currency : ₹ '000)

	2011	2010
(Good and unsecured)		
Advances recoverable in cash or in kind or for value to be received	54,961	42,893
Balances with customs and excise authorities	19,728	15,291
Advance payment of tax (net)	13,011	13,410
TOTAL	87,700	71,594
Refer Note 30.2(B)(e) for amounts recoverable from key management personnel and Note 30.2(B)(f) for maximum amount outstanding during the year from key management personnel.		

11. Current liabilities

(Currency : ₹ '000)

	2011	2010
Sundry Creditors :		
dues to micro and small enterprises #	1,783	382
dues to creditors other than micro and small enterprises	213,475	193,918
Unclaimed dividends	1,938	2,089
Other liabilities	89,415	70,857
TOTAL	306,611	267,246
# The Company has made above disclosure on the basis of available information received from the vendors and has computed the interest liability as per Micro, Small and Medium Enterprises Development Act, 2006. However in the view of the management, the impact of interest that may be payable in accordance with the provisions of the Act is not material.		

12. Provisions

(Currency : ₹ '000)

	2011	2010
Provision for tax (net)	6,020	6,494
Proposed dividend	35,675	35,675
Dividend distribution tax	5,788	5,925
Provision for compensated absences	29,079	26,232
Provision for other employee benefits	5,175	6,397
TOTAL	81,737	80,723

Notes to the financial statements for the year ended 31 December 2011 (Continued)

13. Other income

(Currency : ₹ '000)

	2011	2010
Custom duty drawback	4,673	1,442
Sale of raw material	11,142	7,391
Dividend	20,178	14,280
Interest (Tax deducted at source ₹ 893, previous year: ₹ 728)	9,041	7,363
Rent from letting out of property	5,059	5,236
Hire charges	254	291
Fixed service charges for use of common facilities	330	330
Sale of scrap	10,427	10,406
Foreign exchange gain (net)	-	6,398
Miscellaneous income	20,847	9,931
TOTAL	81,951	63,068

14. Manufacturing and other expenses

(Currency : ₹ '000)

	2011	2010
Consumption of raw materials A	1,780,223	1,519,817
Intermediates, work-in-progress, manufactured and traded finished goods :		
Opening stock :		
Intermediates and work-in-progress	42,134	38,824
Traded finished goods	5,888	7,039
Manufactured finished goods *	130,360	111,248
	178,382	157,111
Closing stock :		
Intermediates and work-in-progress	48,973	42,134
Traded finished goods	186	5,888
Manufactured finished goods *	125,609	130,360
* Includes provision for excise duty ₹ 12,841 (previous year : ₹ 12,950)		
	174,768	178,382
	B	3,614
Purchase of goods for resale C	6,974	17,146
Personnel costs :		
Salaries, wages, bonus and commission	125,382	118,007
Contribution to provident and other funds	13,091	11,944
Staff welfare expenses	8,174	7,813
Provision for other employee benefits	4,199	18,334
	D	150,846
Operating and other expenses :		
Packing materials consumed	119,964	116,361
Stores consumed	11,671	6,718
Power and fuel	48,380	41,958
Delivery charges	53,981	54,222
Commission on sales	1,213	2,631
Excise duty	-	3,909
Rent	3,083	3,006
Rates and taxes	12,733	10,208
Insurance	3,833	4,295
Repairs & Maintenance :		
on Building	1,424	4,323
on Machinery	17,702	16,635
on Other assets	2,644	3,923
Travelling expenses	11,403	11,530
Bad debts and advances written off	394	105
Provision for doubtful debts (net of recovery)	920	342
Miscellaneous expenses	108,704	103,359
	E	398,049
A+B+C+D+E	2,339,706	2,055,315

Notes to the financial statements for the year ended 31 December 2011 (Continued)

15. Current tax (net)

(Currency : ₹ '000)

	2011	2010
Tax provision for the current year	115,000	153,900
Additional / (reversal of) provision on assessment of earlier years (net)	(1,723)	(3,348)
TOTAL	113,277	150,552

16. Contingent liabilities not provided for

(Currency : ₹ '000)

	2011	2010
a) Claims against the Company not acknowledged as debts	18,574	18,574
b) Excise duty matters	12,715	12,764
c) Income tax matters	8,549	8,391
d) Sales tax matters	30,440	30,440
e) Guarantee in favour of Gujarat Industrial Development Corporation	1,224	1,224

(Currency : ₹ '000)

	2011	2010
17. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	38,806	51,620

18. A) Managerial remuneration

(Currency : ₹ '000)

	2011	2010
i) Salaries and Performance salaries	15,561	13,760
ii) Perquisites (at cost / fair value)	1,772	1,517
iii) Directors' sitting fees	240	240
iv) Commission to Non-whole time directors	900	900
	18,473	16,417
Note : Managerial remuneration disclosed above excludes accrual for employee benefits, the liability of which are ascertained for the Company as a whole on the basis of actuarial valuations		
B) Computation of net profit in accordance with Section 349 of the Companies Act, 1956		
Profit before tax as per Profit and Loss account	359,410	473,329
Add : Managerial remuneration	18,473	16,417
Wealth tax	118	50
Provision for doubtful debts and bad debts written off (net of recovery)	1,314	447
	379,315	490,243
Less : Capital Profit on sale of Assets	-	232
Bad debts written off (including amounts written off from provision for doubtful debts & advances)	394	105
	378,921	489,906
Commission payable to Non-whole time directors @ 1% of net profit	3,789	4,899
Restricted to	900	900

19. Remuneration to Auditors

(Currency : ₹ '000)

	2011	2010
a) Audit fees	750	750
b) Tax audit fees	250	250
c) Taxation matters	250	250
d) Other services including miscellaneous reports	840	1,160
e) Reimbursement of out of pocket expenses	60	50
TOTAL	2,150	2,460

Notes to the financial statements for the year ended 31 December 2011 (Continued)

20. Value of imports on CIF basis :

(Currency : ₹ '000)

	2011	2010
a) Raw material	577,321	512,851
b) Capital goods	4,548	5,198
c) Purchase for resale	2,942	7,226
TOTAL	584,811	525,275

21. Capacities, production, sales and stocks

(Currency : ₹ '000)

	2011	2010
I Quantities (Metric Tonnes)		
a) Installed capacity [see note (i) below]		
Wire enamels and Impregnating varnishes	18,493	14,580
Synthetic resins	5,415	5,220
Total	23,908	19,800
b) Production for sale (excluding captive consumption)		
Wire enamels and Impregnating varnishes	12,998	13,429
Synthetic resins	3,615	3,771
Total	16,613	17,200
c) Opening stocks		
Wire enamels and Impregnating varnishes	667	696
Synthetic resins	302	292
Total	969	988
d) Sales		
Wire enamels and Impregnating varnishes	13,027	13,473
Synthetic resins	3,683	3,747
Total	16,710	17,220
e) Closing stocks		
Wire enamels and Impregnating varnishes	615	667
Synthetic resins	221	302
Total	836	969
II Value		
a) Opening stocks		
Wire enamels and Impregnating varnishes	81,888	70,736
Synthetic resins	48,472	40,512
Total	130,360	111,248
b) Sales		
Wire enamels and Impregnating varnishes	1,846,343	1,728,455
Synthetic resins	805,128	761,954
Methanol [see note (ii) below]	2,834	1,510
Total	2,654,305	2,491,919
c) Closing stocks		
Wire enamels and Impregnating varnishes	83,467	81,888
Synthetic resins	42,142	48,472
Total	125,609	130,360
Notes :		
i) Installed capacity depends upon the product mix and is certified by the Management and relied on by the Auditors as this, being a technical matter.		
ii) Arising out of treatment of waste.		
iii) Licensed capacity is not applicable in terms of Government of India notification number S.O.477(E) dated 25 July 1991.		

Notes to the financial statements for the year ended 31 December 2011 (Continued)

22. Details of inventories of trading goods

(Currency : ₹ '000)

	2011	2010
a) Opening stocks quantity (Metric Tonnes)	39	54
b) Opening stocks value	5,888	7,039
c) Purchases quantity (Metric Tonnes)	103	185
d) Purchases value	6,974	17,146
e) Sales quantity (Metric Tonnes)	121	179
f) Sales value	13,522	21,604
g) Closing stocks quantity (Metric Tonnes)	6	39
h) Closing stocks value	186	5,888

23. Details of raw materials and bought out components consumed

(Currency : ₹ '000)

	2011	2010
a) Consumption quantity (Metric Tonnes)		
Synthetic resins	2,206	1,957
Solvents	6,581	7,165
Organic chemicals	8,474	8,624
Others [see note (ii) below]	1,101	1,112
	18,362	18,858
b) Consumption value		
Synthetic resins	331,337	255,855
Solvents	495,912	459,652
Organic chemicals	866,564	733,136
Others [see note (ii) below]	86,410	71,174
	1,780,223	1,519,817
c) Sourcewise breakup (value) of raw materials, spare parts and components consumed		
Imported at landed cost	759,183	628,694
Indigenously procured	1,021,040	891,123
	1,780,223	1,519,817
d) Sourcewise breakup (%) of raw materials, spare parts and components consumed		
Imported at landed cost	43%	41%
Indigenously procured	57%	59%
	100%	100%
Notes :		
i) The figures shown above are after adjustment of excesses and shortages ascertained on physical count and include the write off of unserviceable and damaged stock.		
ii) The figures under "others" above have been adjusted to agree with the consumption ascertained on the basis of opening stock plus purchases less closing stock.		
iii) Imported items include items purchased through third parties on behalf of the Company.		
iv) For the purpose of paragraph 4D(c) of Part II of Schedule VI to the Companies Act, 1956, the term "Spare parts" has been interpreted to mean spares and components used in the manufacture of finished products and not those consumed for repairs etc.		

24. Expenditure in foreign currencies (disclosed on accrual basis)

(Currency : ₹ '000)

	2011	2010
a) Royalty (gross)	9,675	8,969
b) Commission on exports	1,213	2,271
c) Others	17,397	14,041
TOTAL	28,285	25,281

Notes to the financial statements for the year ended 31 December 2011 (Continued)

25. Dividend remittances in foreign currency

(Currency : ₹ '000)

	2011	2010
a) Number of non-resident shareholders to whom remittance was made	1	1
b) Number of shares on which remittance was made	7,020,316	7,020,316
c) Net amount remitted		
Dividend for 2009	-	31,590
Dividend for 2010	31,590	-

26. Earnings in foreign currencies (disclosed on accrual basis)

(Currency : ₹ '000)

	2011	2010
On account of exports at FOB value	112,418	70,419
Royalty	1,373	1,412
Commission	734	405
TOTAL	114,525	72,236

27. Research and development expenses

(Currency : ₹ '000)

	2011	2010
a) Expenses of revenue nature (debited to Profit and Loss account)	36,591	36,993
b) Expenses of capital nature (shown as addition to fixed assets)	2,956	2,011
TOTAL	39,547	39,004

28. Employee benefits :

a) Defined benefit plan (Gratuity)

The Company operates a gratuity plan wherein every employee is entitled to the benefit based on last drawn salary for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The same is funded with the Life Insurance Corporation of India.

b) Defined benefit plan (Cash rewards at retirement)

As per the plan, at the time of normal retirement, ₹ 1 is payable to employees for each year of service rendered. The scheme is unfunded.

c) Defined contribution plans

Amount of ₹ 12,785 (previous year : ₹ 11,667) is recognised as an expense and included in the 'Contributions to provident and other funds' under note no 14.

(Currency : ₹ '000)

	2011 Gratuity	2010 Gratuity	2011 Cash rewards	2010 Cash rewards
I) Reconciliation of opening and closing balance of obligations				
Liability at the beginning of the year	51,891	29,190	1,356	1,650
Current service cost	2,009	1,706	51	56
Past service cost	-	22,333	-	-
Interest cost	3,966	3,021	100	110
Benefits paid	(2,548)	(6,045)	(192)	(356)
Actuarial (gain) / loss on obligations	(400)	1,686	(10)	(106)
Liability at the end of the year	54,918	51,891	1,305	1,354
II) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	50,444	33,020	-	-
Expected return on plan assets	3,685	2,474	-	-
Contributions by the employer	4,311	20,001	-	-
Benefits paid	(2,548)	(6,045)	(192)	(356)
Actuarial gain / (loss) on plan assets	954	995	-	-
Fair value of plan assets at the end of the year	56,846	50,445	(192)	(356)

Notes to the financial statements for the year ended 31 December 2011 (Continued)

(Currency : ₹ '000)

	2011 Gratuity	2010 Gratuity	2011 Cash rewards	2010 Cash rewards
III) Net actuarial (gain) / loss				
Actuarial (gain) / loss on Obligations	(400)	1,686	(10)	(106)
Actuarial gain / (loss) on Plan Assets	954	995	-	-
Net actuarial (gain) / loss	(1,354)	691	(10)	(106)
IV) Amount recognised in the Balance sheet				
Defined benefit obligation as at end of the year	54,918	51,891	1,304	1,356
Fair Value of plan assets at the end of the year	56,846	50,445	-	-
Net Liability / (Asset)	(1,928)	1,446	1,304	1,356
V) Expense recognised in Profit and loss account				
Current service cost	2,009	1,706	51	56
Past service cost	-	22,333	-	-
Interest cost	3,966	3,021	100	110
Expected return on plan assets	(3,685)	(2,474)	-	-
Net Actuarial (gain) / loss	(1,354)	691	(10)	(106)
Total expenses included in "Provision for other employee benefits" under Note 14	936	25,277	141	60
VI) Actual return on plan assets				
Expected return on plan assets	3,685	2,474	-	-
Actuarial gain / (loss) on plan assets	954	995	-	-
Actual return on plan assets	4,639	3,469	-	-
VII) Principal actuarial assumptions				
Discount rate	8.50%	8.00%	8.50%	8.00%
Expected return on plan assets	8.00%	7.00%	NA	NA
Salary escalation rate	*12.0%	10.50%	NA	NA
* Refer note no 5				
VIII) Other disclosures - Gratuity	2011	2010	2009	2008
Liability at the end of the year	54,918	51,891	29,190	30,798
Fair value of plan assets at the end of the year.	56,847	50,444	33,020	32,632
Amount recognised in the Balance Sheet	(1,928)	1,446	(3,830)	(1,834)
Experience adjustments on liability	494	3,389	(328)	(757)
Experience adjustments on plan assets	(954)	(995)	(480)	(1,140)
IX) Other disclosures - Cash rewards at retirement				
Liability at the end of the year	1,304	1,355	1,650	1,860
Experience adjustments on liability	21	(72)	(16)	-

d) Notes :

- 1) The plan assets comprises entirely of "Insurer Managed Funds".
- 2) The expected return on plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of related obligations.
- 3) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on a long term basis.
- 4) Expected Employer's contribution in next year ₹ 1,800 (Previous year ₹ 2,000).
- 5) Salary escalation rate is 12 % for first 3 years and 10.50% thereafter.

29. Segment reporting

The Company has disclosed business segments as the primary segment. Segments have been identified by the management taking into account the nature of products, manufacturing process, customer profiles, risk and reward parameters and other relevant factors.

The Company's operations have been classified into two primary segments, "Electrical Insulations" and "Engineering and Electronic Resins and Materials". Segment assets include all operating assets used by the business segment and consist primarily of fixed assets, debtors and inventories. Segment liabilities primarily include creditors and other liabilities. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable assets and liabilities.

Secondary segments have been identified with reference to geographical location of the customers. The Company has identified India and outside India as the two geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable geographical segments, as these are used interchangeably between geographical segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets in India.

29.1 Primary Business Segments

(Currency : ₹ '000)

	2011	2010
1. Segmentwise revenue		
a) Electrical Insulations	2,188,236	2,014,467
b) Engineering and Electronic Resins and Materials	513,202	530,664
Total	2,701,438	2,545,131
2. Other unallocable income	48,340	31,462
Net sales / Income from operations (1 + 2)	2,749,778	2,576,593
3. Segment results Profit (+) / Loss (-) before tax and interest		
a) Electrical Insulations	281,452	379,659
b) Engineering and Electronic Resins and Materials	41,751	75,027
Total	323,203	454,686
4. Interest	682	327
5. Other unallocable expenditure	11,451	12,492
6. Profit before tax	359,410	473,329
Provision for tax (net)	113,277	150,552
Provision for deferred tax (release)/ charge	(1,248)	(961)
Provision for fringe benefit tax (net)	-	(200)
7. Profit after tax	247,381	323,938
Other information		
8. Segment assets		
a) Electrical Insulations	893,060	903,330
b) Engineering and Electronic Resins and Materials	253,543	296,576
c) Other unallocable	1,107,808	809,319
Total	2,254,411	2,009,225
9. Segment liabilities		
a) Electrical Insulations	262,245	228,212
b) Engineering and Electronic Resins and Materials	61,644	61,496
c) Other unallocable	77,339	72,390
Total	401,228	362,098
10. Capital expenditure		
a) Electrical Insulations	51,520	47,513
b) Engineering and Electronic Resins and Materials	8,848	8,281
c) Other unallocable	112,256	25,441
Total	172,624	81,235

Notes to the financial statements for the year ended 31 December 2011 (Continued)

29.1 Primary Business Segments (Continued)

(Currency : ₹ '000)

	2011	2010
11. Depreciation / Amortisation		
a) Electrical Insulations	30,535	28,214
b) Engineering and Electronic Resins and Materials	18,924	18,931
c) Other unallocable	521	476
Total	49,980	47,621

29.2 Secondary Business Segments

(Currency : ₹ '000)

	2011	2010
1. Revenue		
India	2,581,387	2,470,911
Outside India	120,051	74,220
Total	2,701,438	2,545,131
2. Segment assets		
India	369,652	340,274
Outside India	8,446	8,139
Total	378,098	348,413

30. Related party disclosures

30.1 A. List of related parties and relationship

SKion GmbH	Holding company of Altana AG
ALTANA AG	Holding company of Altana Chemie GmbH
ALTANA Chemie GmbH	Holding company of ELANTAS GmbH
ELANTAS GmbH	Holding company (88.55%)
BYK Chemie GmbH	Fellow Subsidiary
ELANTAS Beck GmbH	Fellow Subsidiary
ELANTAS UK Ltd.	Fellow Subsidiary
ELANTAS PDG Inc.	Fellow Subsidiary
ELANTAS Deatech Srl	Fellow Subsidiary
ELANTAS Tongling Co Ltd	Fellow Subsidiary
ELANTAS Camattini S.P.A.	Fellow Subsidiary
ELANTAS Zhuhai Co. Ltd.	Fellow Subsidiary
ELANTAS Isolantes Electricos Do Brasil LTDA	Fellow Subsidiary
BYK Chemie Asia Pacific PTE Ltd	Fellow Subsidiary
ACTEGA AG	Fellow Subsidiary

B. Transactions with related parties

(Currency : ₹ '000)

	2011	2010
1. Summary of transactions		
a) Sales, commission and recoveries from related parties	35,654	29,606
b) Purchases / other services from related parties	52,878	23,280
c) License fee (Income)	4,354	3,200
d) Royalty paid to related parties (gross)	8,976	8,970
e) Dividend	31,590	31,590
2. Related party- wise transactions		
a) ALTANA AG		
Purchases / other services	249	198
b) ELANTAS GmbH		
Sales, commission and recoveries	1,062	3,151
Purchases / other services	7,970	7,548
Dividend	31,590	31,590
Royalty paid (gross)	3,077	2,832

Notes to the financial statements for the year ended 31 December 2011 (Continued)

(Currency : ₹ '000)

	2011	2010
c) ELANTAS Beck GmbH		
Purchases / other services	-	68
d) ELANTAS Deatech Srl		
Sales, commission and recoveries	1,533	405
Purchases / other services	36,156	9,926
Royalty paid (gross)	4,715	4,636
e) ELANTAS PDG Inc.		
Purchases / other services	2,112	-
Royalty paid (gross)	1,003	744
f) ELANTAS UK Ltd.		
Royalty paid (gross)	182	758
g) BYK Chemie GmbH		
Purchases / other services	8,249	4,892
h) BYK Chemie Asia Pacific PTE Ltd.		
Sales, commission and recoveries	350	484
License fee (Income)	4,354	3,200
i) ELANTAS Tongling Co. Ltd.		
Sales, commission and recoveries	28,716	21,624
j) ELANTAS Zhuhai Co. Ltd.		
Sales, commission and recoveries	2,785	3,942
Purchases / other services	254	-
k) ELANTAS Isolantes Electricos Do Brasil LTDA		
Sales, commission and recoveries	1,208	-
l) ACTEGA AG		
Purchases / other services	-	648
m) ELANTAS Camattini S.P.A.		
Purchases / other services	50	-
Royalty paid (gross)	699	-
3. Outstanding balances		
i) Sundry debtors		
ELANTAS GmbH	4,445	4,203
ELANTAS Deatech Srl	329	-
ELANTAS Zhuhai Co. Ltd.	553	379
ELANTAS Tongling Co. Ltd.	2,632	3,557
Total	7,959	8,139
ii) Current liabilities		
ALTANA AG	-	152
ELANTAS GmbH	7,631	7,353
ELANTAS Deatech Srl	-	2,640
BYK Chemie Asia Pacific PTE Ltd.	3,567	2,379
Total	11,198	12,524

30.2 A. Key management personnel and relatives of key management personnel

Key management personnel :

Mr. Rajeev Bhide

Mr. Prashant Deshpande

Mr. Sharadkumar Shetye

Note : Details of remuneration to directors are disclosed in Note 18 to the financial statements.

Relatives of key management personnel :

Mrs. M. R. Shetye

Notes to the financial statements for the year ended 31 December 2011 (Continued)

(Currency : ₹ '000)

	2011	2010
B. Transactions with key management personnel and relatives of key management personnel		
a) Managerial remuneration		
Mr. Rajeev Bhide	7,107	5,988
Mr. Prashant Deshpande	5,364	4,774
Mr. Sharadkumar Shetye	4,862	4,515
Total	17,333	15,277
b) Rent		
Mrs. M. R. Shetye	168	120
c) Increase / (decrease) in loan balance		
Mr. Rajeev Bhide	(153)	(149)
Mr. Prashant Deshpande	(193)	(186)
Total	(346)	(335)
d) Interest received on loans given		
Mr. Rajeev Bhide	26	30
Mr. Prashant Deshpande	47	54
Total	73	84
e) Outstanding balances		
Loans and advances		
Mr. Rajeev Bhide	629	783
Mr. Prashant Deshpande	1,240	1,433
Total	1,869	2,216
Current liabilities		
Mr. Rajeev Bhide	2,400	2,070
Mr. Prashant Deshpande	1,640	1,478
Mr. Sharadkumar Shetye	1,325	1,467
Total	5,365	5,015
f) Maximum amount outstanding during the year		
Loans and advances		
Mr. Rajeev Bhide	783	930
Mr. Prashant Deshpande	1,433	1,619

31. Earnings per share - Basic and Diluted

(Currency : ₹ '000)

	2011	2010
a) Net profit for the year after tax	247,381	323,938
Calculation of weighted average number of equity shares		
Number of shares at the beginning and end of the year	7,927,682	7,927,682
b) Weighted average number of equity shares	7,927,682	7,927,682
Earnings per share (a) / (b)	31.20	40.86
Nominal value per share ₹ 10 each (Previous year - ₹ 10 each)		

32. Foreign currency exposures

(Currency : ₹ '000)

	2011	2010
a) Foreign currency receivables representing debtors	8,446	8,139
Foreign currency ('000) :		
Euro	73	70
US\$	69	88
b) Foreign currency payables representing creditors and other payables	76,209	67,842
Foreign currency ('000) :		
Euro	341	312
US\$	997	1,075
c) Foreign currency bank balance (US\$ 6 (previous year :US\$ Nil))	337	-
d) Foreign currency receivables representing advances	872	3,892
Foreign currency ('000) :		
US\$	15	86

Notes to the financial statements for the year ended 31 December 2011 (Continued)

(Currency : ₹ '000)

	2011	2010
33. Management believes that the Company's international transactions with related parties post 31 March 2011 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.		
34. Cash and cash equivalents comprises of :		
Cash in hand	123	103
Cheques on hand	-	1,809
Balances with banks :		
Current account	26,161	35,247
Deposit account	-	-
TOTAL	26,284	37,159
35. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.		

For B S R & Co.

Chartered Accountants

Firm Registration No. : 101248W

For and on behalf of the Board of Directors

Juzer Miyajiwal

Partner

Membership No.: 047483

Pune, 21 February 2012

Shirish Dabir

Company

Secretary

Suresh Talwar

Director

Ravindra Kulkarni

Director

Dr Matthias Wolfgruber

Chairman

Dr. Wolfgang Schütt

Director

Rajeev Bhide

Managing Director

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet abstract and general business profile :

I. Registration details :

Registration no	9752
State code	11
Balance Sheet date	31.12.2011

II. Capital raised during the period :

(Amount in ₹ '000)

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation and deployment of funds :

(Amount in ₹ '000)

Total liabilities	2,254,412
Total assets	2,254,412

Sources of funds :

Paid-up capital	79,277
Reserves & surplus	1,773,906
Secured loans	-
Unsecured loans	-
Deferred tax balance	12,881

Application of funds :

Net fixed assets	479,220
Investments	803,567
Net current assets	583,277
Miscellaneous expenditure	-
Accumulated losses	-

IV. Performance of Company

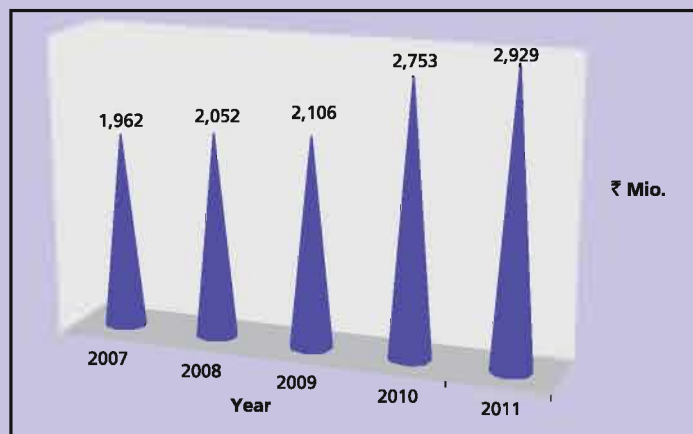
(Amount in ₹ '000)

Turnover including other income	2,749,778
Total expenditure	2,390,368
Profit before tax	359,410
Profit after tax	247,381
Earning per share (₹)	31.20
Dividend per share (₹)	4.50

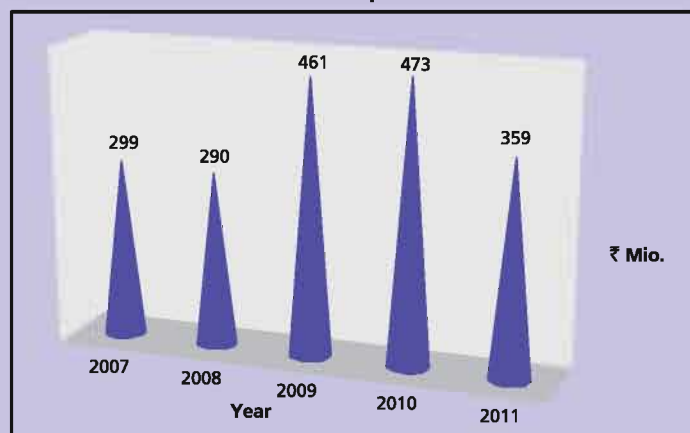
V. Generic Names of Principal Products of the Company :

Item Code No. (ITC Code)	(As per monetary terms)
32089041	Insulating Varnishes
39079190	Unsaturated Polyester Resins
39073010	Epoxide Resins

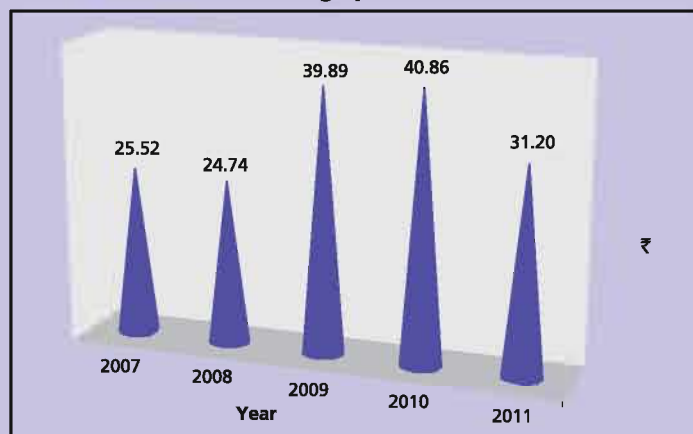
Gross Sales



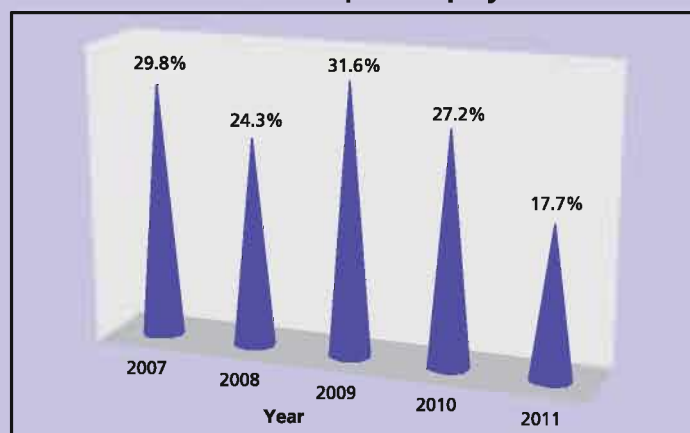
Pre tax profit



Earnings per Share



Return on Capital Employed



Events at ELANTAS Beck India

Dilkhush Workshop. Mumbai.



ALTANA Identity Workshop. Pimpri.



ELANTAS Beck India Ltd.

ELANTAS Beck India Ltd.

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A member of  **ALTANA**