

ELANTAS Beck India Ltd.

ELANTAS
Electrical Insulation



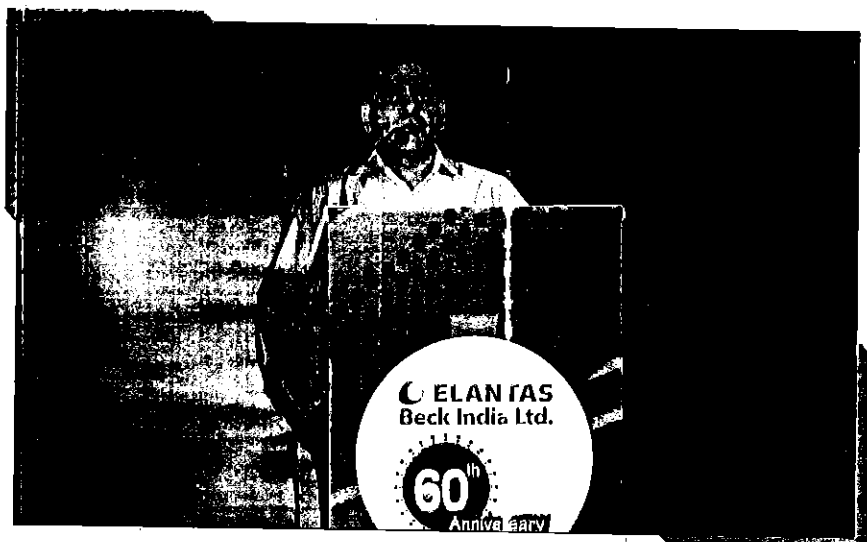
Annual Report 2015

Inauguration of Epoxy Storage Tank by Mr. Martin Babilas, Chairman of the Board and CEO of ALTANA AG.



CSR Initiatives – Supported Balajinagar Slum, Pune, with 'One Home - One Toilet'. Dr. Guido Forstbach, Director and Mr. Ravindra Kumar, MD at site.

Mr. Ravindra Kumar, MD, delivering speech on Company's 60th Anniversary



Board of Directors

Dr. Matthias Wolfgruber
Chairman (retired w.e.f. 31 December 2015)

Mr. Martin Babilas
Chairman (appointed w.e.f. 1 January 2016)

Dr. Guido Forstbach

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Ranjal Laxmana Shenoy

Mrs. Kishori Udeshi

Mr. Ravindra Kumar
Managing Director

Mr. Stefan Genten
(appointed w.e.f. 1 January 2016)

Mr. Milind Talathi
(Alternate to Dr. Guido Forstbach)
(appointed w.e.f. 28 October 2015)

Executive Management

Mr. Ravindra Kumar
Managing Director

Mr. Milind Talathi
Director-Manufacturing

Mr. Sanjay Kulkarni
CFO & VP-IT & Procurement

Mr. Shirish Dabir
AVP-Legal & HR & Company Secretary

Mr. Joy Ghosh
VP-Market & Technology Development

Mr. P. Srinivasan
VP-Sales

Dr. Vinayak Bhanu
AVP - Research and MTD PI & SI

Chief Financial Officer
Mr. Sanjay Kulkarni

Company Secretary
Mr. Shirish Dabir

Registered Office & Corporate Office
147, Mumbai-Pune Road,
Pimpri, Pune 411 018.

Works

1) 147, Mumbai-Pune Road,
Pimpri, Pune 411 018.

2) 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>

CIN

L24222PN1956PLC134746

Auditors

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

Internal Auditors

Mahajan & Albara
1 Chawla House,
62 Woodhouse Road, Colaba,
Mumbai 400005.

Cost Auditors

Dhananjay V Joshi & Associates
'CMA Pride', Ground Floor,
Plot No. 6, S. No. 16/6,
Erandwana Co.op. Hsg. Soc.,
Erandwana, Pune 411004.

Solicitors

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage,
127, M.G. Road, Fort,
Mumbai 400001.

Bankers

The Bank of Nova Scotia
HDFC Bank Ltd.

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune - 411001

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Directors' Report

To the Members,
of ELANTAS Beck India Ltd.

The Directors have pleasure in presenting the Sixtieth Annual Report and the Audited Accounts for the financial year ended 31 December 2015.

Financial Highlights

(₹ in lacs)

	Year ended 31.12.2015	Year ended 31.12.2014
Income from operations	34,976.89	34,992.44
Profit before Interest, Depreciation & Tax	6,786.53	5,062.87
Depreciation	594.43	542.17
Interest	18.79	23.98
Profit Before Tax	6,173.31	4,496.72
Provision for tax	1,997.75	1,336.09
Net Profit	4,175.56	3,160.63
Profit & Loss Account brought forward	6,727.41	4,310.92
Profit available for appropriation	10,902.97	7,471.55
Appropriations:		
Proposed dividend	396.38	356.75
Tax on Dividend distributed	80.69	71.33
Transfer to General Reserve	417.56	316.06
Carried to Profit & Loss Account	10,008.34	6,727.41
	10,902.97	7,471.55
Earnings Per Share of Rs.10/- each.		
Basic and diluted EPS before extra-ordinary items (not annualized): ₹	52.67	39.87
Basic and diluted EPS after extra-ordinary items (not annualized): ₹	52.67	39.87

Performance

The sales at ₹ 34,299.60 lacs for the year ended 31 December 2015 registered 1 % growth over the sales of ₹ 34,008.15 lacs achieved in the previous year ended 31 December 2014. In terms of sales quantity, the tonnage sold during the year ended 31 December 2015 increased by 5 % over the previous year. The profit before tax, showed marginal increase of ₹ 1,676.59 lacs over the profit before tax posted last year.

The Profit before Tax and Profit after Tax were ₹ 6,173.31 lacs and ₹ 4,175.56 lacs respectively.

Share Capital

Share Capital Audit as per the directives of the Securities and Exchange Board of India is conducted on a quarterly basis by V.R. Associates, Practicing Company Secretaries. The Share Capital & Audit Reports are duly forwarded to BSE Ltd. where the equity shares of the Company are listed. During the year ended 31 December 2015, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2015 was ₹ 792.77 lacs comprising of 79.28 lacs shares of ₹ 10/- each.

Dividend

The Directors are pleased to recommend a dividend of ₹ 5.00 per equity share of ₹ 10/- each, for the year ended 31 December 2015.

Directors and Key Managerial Personnel

Dr. Matthias Wolfgruber, Chairman retired at the end of the year 2015 as CEO of ALTANA AG, Company's ultimate holding Company. Consequently, he resigned as Chairman of the Company with effect from 31 December, 2015. The Directors place on record their deep appreciation towards the visionary contribution of Dr. Matthias Wolfgruber, during his tenure as the Chairman of the Company, which immensely helped the Company in delivering profitable performance all these years.

ALTANA AG management decided to appoint Mr. Martin Babilas as the new CEO of the group with effect from 1 January, 2016 in place of Dr. Wolfgruber. The Board of Directors of the Company in its meeting held on 28 October, 2015 noted these developments. Accordingly, it was proposed to appoint Mr. Babilas as Chairman of the Company effective 1 January 2016 by the Board.

As a part of this transition, Mr. Stefan Genten was appointed as Chief Financial Officer of ALTANA AG and accordingly, Mr. Genten was also appointed as Additional Director on the Board of the Company effective 1 January 2016. Mr. Genten will hold the office upto the date of the ensuing Annual General Meeting and thereafter his appointment will be subject to retirement by rotation.

Dr. Guido Forstbach, Director, being tied up with his other assignments pertaining to ALTANA AG, the Board in its meeting held on 28 October, 2015, with the consent of Dr. Forstbach appointed Mr. Milind Talathi, Director-Manufacturing, as his alternate Director for attending the meetings of the Board during his absence.

Further to said appointment, Mr. Milind Talathi was appointed as Occupier for the plants of the Company located at Pimpri and Ankaleshwar.

The Board of Directors in its meeting held on 23 February, 2016, has resolved to renew the contract of appointment of Mr. Ravindra Kumar as Managing Director of the Company for a further period of five years from 1 January 2017 which will be subject to approval of the Members at the ensuing Annual General Meeting. In the said Board meeting, the Board also resolved to appoint Mr. Milind Talathi as Whole Time Director subject to the approval of the Members in the ensuing Annual General Meeting of the Company.

Mr. Martin Babilas, Chairman and Non-Executive Director, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible has offered himself for reappointment.

At the last Annual General Meeting held on 6 May 2015, the members had appointed Mr. Suresh Talwar and Mrs. Kishori Udeshi as Independent Directors under the Companies Act, 2013 each for a term of 5 years with effect from 6 May 2015. All Independent Directors have given Declaration that they meet criteria for independence as laid down under Section 149 (6) of the Companies Act, 2013.

No Key Managerial Personnel resigned during the year under review.

Separate meeting of Independent Directors

The Independent Directors were fully kept informed of the Company's activities in all its spheres. During the year under review, a separate meeting of Independent Directors was held on 24 February 2015 and the Independent Directors reviewed the performance of (i) non- Independent Directors and (ii) the board as a whole.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors were present at the meeting.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors reviews the composition of the board, to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders and the Company.

In accordance with the requirements under Section 178 of the Act 2013, the Committee formulated a Nomination and Remuneration Policy to govern the terms of nomination /appointment and remuneration of (i) Directors, (ii) Key Managerial Personnel (KMPs) and (iii) Senior Management Personnel of the Company. The same was approved by the Board at its meeting held on 29 July 2014.

The process of appointing a director / KMPs/ Senior Management Personnel is, that when a vacancy arises, or is expected, the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the board / company, and the balance of skills added to that of which the existing members hold. The Committee will review the profile of persons and the most suitable person is recommended for appointment by the board. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. The Committee will ensure that any person(s) who is / are appointed or continues in the employment of the Company as its Director or Key Managerial Person shall comply with the conditions as laid out under the Companies Act 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).

The Remuneration Policy is stated in the Corporate Governance Report. The Policy is also available on the website of Company i.e. <http://www.elantas.com/beck-india>.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the then Listing Agreement, the Board during the Year 2015 has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee for the Year 2014. The evaluation has been

carried out on the basis of criteria defined by the Nomination and Remuneration Committee in its meeting held on 29 July 2014. Independent Directors in their separate meeting held on 24 February 2015 reviewed and evaluated performance of the Board for the Year 2014.

Number of Meetings held

During the year 2015, four Board Meetings and four Audit Committee Meetings were convened and held. Details of the same are given in the Corporate Governance Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Prajot Tungare & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of the Company. The Secretarial Audit Report issued by them is annexed to this Report as 'Annexure A'.

The Secretarial Audit Report carries the following 2 observations :

1. There were few instances of delay in issuing duplicate share certificates beyond the prescribed period;
2. Compliance Report on Corporate Governance for the quarter ending on 30 June 2015 was filed after the due date;

Justification for first observation - The delay in issue of duplicate Share Certificate has occurred due to administrative delay at R&T Agent's end. The Company has taken note of the same & will ensure due compliance of this requirement in future.

Justification for second observation - There has been a delay of only one day due to the technical issue in the system.

Related Party Transactions

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arms' length basis and in the ordinary course of business. There were no materially significant RPT with Parent Company and its subsidiaries, Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest of the Company at large.

All RPT are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. Pursuant to the provisions of Clause 49 of then Listing Agreement, Audit Committee in its meeting held on 24 February 2015 had granted omnibus approval for the proposed Related Party Transactions to be entered into during the year 2015. Since there are no material Related Party Transactions and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions need to be reported in AOC - 2.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015. The Policy as approved by the Board is uploaded and can be viewed on the Company's website <http://www.elantas.com/beck-india>.

None of the Directors has any pecuniary relationships or transactions via-a-vis the Company.

Details of Loans, Guarantees and Investments

The Company has not entered into any transaction relating to Loan, Guarantee or Investments which attracts the provisions of Section 186 of the Companies Act, 2013.

Corporate Governance

Report on Corporate Governance and the Auditors' Certificate thereon, as stipulated under Listing Regulations, 2015, is given separately in this Annual Report.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism named as 'Whistle Blower Policy' within the Company in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 4 (2)(d)(iv) of the Listing Regulations, 2015.

The policy of such mechanism has been circulated to all employees within the Company, which provides a framework to the employees for guided & proper utilization of the mechanism. The Whistle Blower Policy has been published on the Company's website <http://www.elantas.com/beck-india>.

Corporate Social Responsibility (CSR)

The Company is fully conscious about its changing responsibilities towards the society and has in fact undertaken many Corporate Social Responsibility initiatives in the Year 2015 in a systematic and structured manner. It has mainly focused on activities falling under 'educational development' and 'Swachh Bharat Mission'. Particularly the projects that are undertaken under 'Swachh Bharat Mission' are of large magnitude and will span from months to years. The Company has undertaken these projects by partnering with reputed Pune based NGO's which are famous for their contribution. Company has funded

and supported them at various intervals during the implementation of these projects. Also, the Company officials are very strictly monitoring the project implementation through frequent site visits, meeting officials, checking records etc.

The CSR Policy Statement and Report on the activities undertaken during the year including reasons for lesser spending is annexed to the Board's Report in 'Annexure B'

Risk Management Policy

The Board has established a Risk Management Committee which formalizes the Company's approach to overview and manage material business risks. The Company has its own Risk Management Manual and Risk Management Policy to identify, assess, monitor and manage key risks across the Company's business units. Risks and effectiveness of their management are internally reviewed and reported regularly to the Board. The management has reported to the board that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects. The board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

Internal Financial Controls and its adequacy

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and anti-corruption framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the audit committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Subsidiary, Associates and Joint Venture

The Company does not have any Subsidiary or Associate or Joint Venture Company as on date of this Report. Therefore separate Section for Report on the performance and Financial position of Subsidiaries, Associates and Joint Venture Companies is not required.

Extract of Annual Return

The details forming part of Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are set out herewith as 'Annexure C'.

Listing on Bombay Stock Exchange

The Company's shares are listed on BSE Ltd.

Directors' Responsibility Statement

In terms of Section 134 (3)(c) of the Companies Act, 2013, the Directors hereby state that:

- a) in the preparation of Annual Accounts for the Year ended 31 December 2015, the applicable accounting standards and Schedule III of the Companies Act, have been followed along with proper explanation relating to material departures, if any.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31 December 2015 and of the profit of the Company for the year ended 31 December, 2015.
- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Company has proper Internal Financial Controls in place and they are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules 2014, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the financial year 2015 on a remuneration to be fixed by the Members, in the forthcoming Annual General Meeting. Accordingly, a resolution for payment of remuneration to Dhananjay V Joshi & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year ended 31 December 2014 which was due for filing on 29 June 2015, was filed with MCA on 5 June 2015.

Auditors

Consequent to the present Auditors, BSR & Co. L.L.P. expressing their desire of not to be reappointed, it is proposed to appoint Ms. Price Waterhouse, Chartered Accountants L.L.P. (PWC) as Statutory Auditors of the Company for the financial year 2016,

on a remuneration to be mutually decided between the Board of the Company and the Auditors. PWC have expressed their willingness to get appointed as statutory auditors of the Company vide their letter addressed to the Company. They have also declared their eligibility pursuant to the provisions of Section 139 of the Companies Act, 2013, to act as statutory auditors of the Company. The Company has received their letter addressed in this regard.

The said appointment of PWC in place of BSR & Co. L.L.P. is recommended by the Audit Committee and the Board and shall be subject to the approval of shareholders in the ensuing Annual General Meeting.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo
Information as required by Section 134(3) (m) of the Companies Act, 2013 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo, is given in Annexure D to this report.

Green Initiative

The Company has taken the initiative of going green and minimizing the impact on the environment. The Company has been circulating the copy of its Annual Report and other shareholders' communication, if any, in electronic format to all those Members whose email address is available with the Company. The Company would also encourage other Members to register themselves for receiving Annual Report and other communication in electronic form. Members are requested to refer the contact details and ways to register the email address given under the heading 'Request to the Members' in the Notice of the Annual General Meeting.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. The internal committee is set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2015.

No. of Complaints received	Nil
No. of Complaints disposed off	N.A.

Particulars of Employees

Details of employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in 'Annexure E'.

Compliance Certificate

Compliance Certificate pursuant to Regulation 17 (8) of the Listing Regulations 2015 is given in Annexure F to this report.

Deposits

Company has not accepted any deposits from public / members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

Industrial Relations

During the year under review, industrial relations continued to remain cordial. Discussions and negotiations have commenced for reaching amicable settlement with Company's workmen at Pimpri and Ankleshwar. These wage settlements which are for a three year period from 1 January 2016 to 31 December 2018 will be concluded separately for the two sites on the basis of 'Region cum Industry' principle.

General

Your Directors state that no disclosure or reporting is required in respect of following items as either there were no transactions on these items or these items are not applicable to the Company during the year under review.

1. No material changes or commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 December 2015 and the date of this report.
2. No Company has become or ceased to be Subsidiary, Associate, Joint Venture of the Company during the year under review.
3. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgements

The Board wishes to place on record its appreciation to all employees for their continued contribution to the performance of the Company. The Board would also like to register its sincere appreciation to the contribution made by its Members.

For and on behalf of the Board

Mumbai
23 February 2016

Suresh Talwar Ravindra Kumar
Director Managing Director

Annexure A

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER, 2015

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

To,
The Members,
ELANTAS Beck India Limited,
CIN: L24222PN1956PLC134746
147, Mumbai-Pune Road, Pimpri,
Pune – 411018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELANTAS Beck India Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Management is responsible for the preparation and filling of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and all the laws and regulations listed hereinafter and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Audit for the Company is conducted as a process of verification of records and documents on sample basis to check secretarial compliances with the provisions of laws, rules and procedures. The procedure for Secretarial Audit is selected on the Secretarial Auditor's judgment of material facts of the documents submitted. Our responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. We have conducted the audit solely on the basis of secretarial compliances and filling done by the Company, under the below mentioned laws.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *[Not applicable to the Company during the Audit Period]*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *[Not applicable to the Company during the Audit Period]*;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *[Not applicable to the Company during the Audit Period]*;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *[Not applicable to the Company during the Audit Period]*;

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the Audit Period]; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the Company during the Audit Period].

We further report that, having regards to the business operations of the Company, in our view following are the laws specifically applicable to the Company for which we have conducted audit on test-check basis, and on the basis of representation made by the Company and its Officers considering the secretarial compliance systems prevailing in the Company:

- (a) Inflammable Substances Act, 1952;
- (b) Petroleum Act, 1934 read with Petroleum Rules, 2002;
- (c) The Hazardous Waste (Management Handling & Transboundry Movement) Rules, 2008; and
- (d) Manufacture, Storage and Import of hazardous Chemical Rules, 1989.

We have also examined secretarial compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. there were few instances of delay in issuing duplicate share certificates beyond the prescribed period;
2. Compliance Report on Corporate Governance for the quarter ending on 30 June 2015 was filed after the due date;

We further report that:

1. Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. As per information and representation given, we also report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and hence, no dissenting views have been recorded.

We further report that the compliance by the Company of applicable financial statements and laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of representation provided by the Officers, Company Secretary and Director of the Company, in my opinion adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines as mentioned above.

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CPNo: 4449

Place: Pune
Date: 23 February 2016

Annexure B

REPORT ON CSR ACTIVITIES

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

CSR Policy Statement.

To take up certain CSR activities from the Schedule VII of the Companies Act, 2013 and implement in the areas surrounding to the Company and to adopt an organized approach for spending money on the CSR activities

Weblink:

<http://www.elantas.com/fileadmin/elantas/companies/beck>

-india/financials/compliance_with_corporate_governance/Corporate_Social_Responsibility_Policy.pdf

2. Composition of CSR Committee:

Mr. Ranjal Laxmana Shenoy - Non Executive Independent Director
Mrs. Kishori Udeshi - Non Executive Independent Director
Mr. Ravindra Kumar - Managing Director

3. Average net profit of the Company for last three financial years : ₹ 3696.44 Lacs

4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): ₹ 73.93 Lacs

5. Details of CSR spent for the financial year : ₹ 37.27 lacs

- a. Total amount to be spent during the financial year: ₹ 73.93 Lacs
- b. Amount unspent, if any: ₹ 36.66 Lacs

During the year 2015, the Company has spent an amount of ₹ 37.27 lacs on CSR projects however it has ongoing projects in hand in excess of ₹ 17.00 Lacs. Thus, the total identified project spending is ₹ 54.27 Lacs as against the required spending of ₹ 73.93 lacs.

The Company could not spent the total amount of ₹ 73.93 lacs for the following reasons:

The regulatory requirements under the Foreign Contribution Regulation Act, 2010 are applicable to the Company requiring the project/programme implementing agency to have a registration under this enactment. This proved to be a major obstacle at the identification stage of the project. Secondly, it needed deployment of a dedicated resource within the Company for identification, co-ordination and monitoring of the undertaken projects, looking at the total spending requirements. The Company could deploy such dedicated resource only from May 2015. Further, for sustainable efforts, current focus of the company is only on education and health and hygiene related activities. Accordingly it took time for identification and evaluation of first few projects in the Year 2015.

The Board has however been updated with the entire activities and is convinced about the reasons for non spending and is satisfied about the overall progress.

The board is confident that looking at the progress and the projects on hand and in pipeline, the CSR activities will continue with the same intensity for the years to come and the Company will be able to make significant contribution to the society and be compliant.

No.	CSR Project or Activity Identified	Sector in which project is covered	Location of Project	Amount outlay (Budget) project or program wise (₹. In Lacs)	Amount Spent on Project or Programme (₹ In Lacs). Sub-Heads:1. Direct Expenditure on Projects or Programs 2. Overheads*	Cumulative expenditure up to the reporting period (₹ In Lacs)	Amount spent directly or through Implementing Agency
1	Provided safety shoes, aprons etc.	Educational	Pune	3.29	3.29	3.29	(Directly) ITI Chinchwad, Pune
2	Helping girl children coming from poor economic background to seek education upto 12th standard, engineering etc.	Educational	Pune	3.00	2.00	2.00	Swadhar IDWC, Pune
3	2 Students are currently on training in the Company having M.Tech, B.Tech background	Educational	Pune	6.72	0.20	0.20	UICT Jalgaon

4	Construction of 75 toilets under the campaign 'One house-one toilet' in the nearby slum area in Balajinagar, Pune	Swachh Bharat Mission	Pune	15.00	15.00	15.00	Balajinagar Locality, through Shelter Associates, Pune
5	Turning ward no.9 Sambhaji Nagar, of PCMC into a 'Zero Garbage' ward	Swachh Bharat Mission	Pune	22.47	9.26	9.26	(Directly) Ward No. 9 in PCMC, through Navam, Pune
6	Helping the 'Chinchwad Badhir & Mook Vidyalay' with hearing aid support and setting up a Computer Lab	Educational	Pune	4.44	4.44	4.44	(Directly) Suhrud Mandal, Pune
	* Overheads				3.08	3.08	
	Total				37.27	37.27	

Annexure C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.12.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24222PN1956PLC134746
ii	Registration Date	15th March, 1956
iii	Name of the Company	ELANTAS Beck India Limited
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	147, Mumbai-Pune Road, Pimpri, Pune, Maharashtra 411018
vi	Whether listed company	Company limited by shares
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any, during the year ended on 31.12.2015	Sharepro Services (India) Pvt. Ltd. Sam Hita Warehousing Complex, Warehouse No 52 & 53 Plot No 13AB, 2nd Floor Sakinaka, Andheri (East), Mumbai

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Electrical Insulations	24222	82%
2	Engineering and Electronic Resins and Materials	24222	18.40%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
ELANTAS GmbH, Wesel	HRB -11575	Holding Company	75	2(46)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i)

Category of Shareholders	No. of Shares held at the beginning of the year (01.01.2015)				No. of Shares held at the end of the year (31.12.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a. NRIs- Individuals	-	-	-	-	-	-	-	-	-
b. other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corp	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75	-
d. Bank & FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A2)	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75	-
Total shareholding of Promoter (A)= (A1+A2)	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,06,355	600	3,06,955	3.87	600	2,37,436	2,38,036	3.00	-0.87
b) Banks/FI	50	-	50	0.00	50	-	50	-	-0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	92,206	-	92,206	1.16	211	-	211	-	-1.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
i) Others (specify) Foreign Portfolio Corporation	-	-	-	-	2,29,980	-	2,29,980	2.90	2.90
Sub-total (B)(1):-	3,98,611	600	3,99,211	5.04	2,30,841	2,37,436	4,68,277	5.90	0.86
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,25,528	1,201	3,26,729	4.12	1,151	3,04,449	3,05,600	3.85	-0.27
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,91,024	1,39,806	11,00,093	13.88	2,14,918	1,32,915	3,47,833	4.39	-9.49
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,30,737	-	1,30,737	1.65	8,25,606	-	8,25,606	10.41	8.77
c) Others (specify) : NRI	24,901	250	25,151	0.32	34,505	100	34,605	0.44	0.12
Sub-total (B)(2):-	15,72,190	1,41,257	15,82,710	19.97	10,75,029	1,33,015	15,13,644	19.09	-0.87
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,70,801	1,41,857	19,81,921	25.00	13,05,870	3,70,451	19,81,921	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs =(C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	79,16,562	1,41,857	79,27,682	100.00	72,51,631	3,70,451	79,27,682	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ELANTAS GmbH	59,45,761	75.00%	-	59,45,761	75.00%	-	-
	Total	59,45,761	75.00%	-	59,45,761	75.00%	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS CHANGE) N.A.

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
3.	At the end of the year	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Pinebridge Investments GF Mauritius Limited	92,206	1.16	1,99,230	2.51
2	Reliance Capital Trustee Co. Ltd-a/c	1,20,548	1.52	1,20,548	1.52
3	Globe Commodities Limited	1,00,000	1.26	1,00,000	1.26
4	HDFC Trustee Company Limited A/c HDFC Growth Fund	91,780	1.16	-	-
5	Anmol Sekhri Consultants Private Limited	61,676	0.78	61,676	0.78
6	Nozer Jasi Shroff	-	-	40,000	0.50
7	Bajaj Allianz Life Insurance Company Ltd.	26,945	0.34	31,695	0.40
8	IDBIMF - Diversified Equity Fund Operative A/c	-	-	26,000	0.33
9	Sundaram Mutual Fund A/c Sundaram Select Micro	23,544	0.30	25,700	0.32
10	Sundaram Mutual Fund A/c Sundaram Equity	20,000	0.25	23,407	0.30
11	Anmol Sekhri Consultants Pvt Ltd	23,161	0.29	23,181	0.29
12	Anmol Gobindram Sekhari	17,744	0.22	-	-

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
3	At the end of the year	-	-	-	-

V INDEBTEDNESS

Indebtedness of the Company Including Interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amt. in ₹

Sl.No	Particulars of Remuneration	Mr. Ravindra Kumar	Mr. Milind Talathi	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,19,55,288	27,97,368	1,47,52,656
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,24,800	2,71,615	8,96,415
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
	others (specify)			
5	Others - Employers contribution to PF	5,48,160	2,58,772	8,06,932
	Total (A)	1,31,28,248	33,27,755	1,64,56,003
	Ceiling as per the Act	1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Sitting Fees payable to Directors.		

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Fee for attending board committee meetings	Commission	Others	Total Amount in ₹
1	Independent Directors				
	Mr. Suresh Talwar	4,30,000	3,50,000	-	7,80,000
	Mr. Ravindra Kulkarni	3,20,000	3,50,000	-	6,70,000
	Mr. R. L. Shenoy	4,51,000	3,50,000	-	8,01,000
	Mrs. Kishori Udeshi	2,20,000	3,50,000	-	5,70,000
	Total (1)	14,21,000	14,00,000	-	28,21,000
2	Other Non Executive Directors				
	Dr. Matthias Wolfgruber	-	-	-	-
	Dr. Guido Forstbach	-	-	-	-
	Mr. Martin Babilas	-	-	-	-
	Total (2)	-	-	-	-
	Total (1+2)	14,21,000	14,00,000	-	28,21,000
	Overall Ceiling as per the Act.	1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Sitting Fees payable to Directors.			

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

Amt. in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	29,25,554	50,34,575	79,60,129
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	1,43,592	3,65,010	5,08,601
	(c) Profits in lieu of salary under section 17(3) of	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others - Employers contribution to PF	-	1,38,827	1,99,552	3,38,379
	Total	-	32,07,973	55,99,136	88,07,110
	Total (1)	-	-	-	-
2	Other Non Executive Directors				
	Dr. Matthias Wolfgruber	-	-	-	-
	Dr. Guido Forstbach	-	-	-	-
	Mr. Martin Babilas	-	-	-	-
	Total (2)	-	-	-	-
	Total (1+2)	-	-	-	-
	Overall Ceiling as per the Act.	1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Sitting Fees payable to Directors.			

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

Annexure D

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

- Installation of cresol tanks to reduce process power consumption during cresol charging operations, at Ankleshwar
- Installation of oil Vacuum pump to replace water-jet ejector vacuum pump to save power and water, at Pimpri
- Installation of Energy efficient pump & blower for ETP operations, at Pimpri
- Automation of mixers with PLC & individual HMI stations for E & EM products for more energy efficient operations, at Pimpri
- Installation of Bulk Storage Tank for Epoxy to reduce drumming activities, reduce re-melting activities, enabling faster charging to the reactors thereby reducing overall energy requirements, at Pimpri
- Installation of transparent roofing sheets for higher illumination & to reduce lighting costs at Stores and Production, at both sites
- Replacement of CFL bulbs with LED lamps, at both sites
- Reduction in cycle times for several products through a comprehensive lean six sigma project, thereby leading to lower energy consumption, at both sites
- Re-aligning production activities including debottlenecking to save on utilities & power consumption and increase in productivity, at both sites

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

- Reduction in water & effluent generation thereby reducing power consumption at ETP, at Ankleshwar
- Reorganisation of shift working timings leading to reduced power consumption, at Pimpri
- Inter-site Product transfers for more efficient operations & lower power consumption
- Further programs using lean six sigma techniques for reducing product manufacturing cycle times leading to higher efficiencies, at both sites
- Replacement of additional CFL bulbs with LED lamps at both sites, at both sites

Total amount spent on energy conservation equipments – ₹ 18.95 Lacs

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

- Overall savings in energy consumption have resulted in reduction of electricity and fuel per metric Ton of production.

B TECHNOLOGY ABSORPTION

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

The R&D team is actively engaged in supporting the Company's technologies through manifold activities to maintain a technological edge, provide effective solutions to customers and improve internal productivity through process improvements and introduction of new cost effective raw materials.

The Company's R&D center was engaged in the development of new insulation materials and in the absorption of technology acquired from overseas affiliates of ELANTAS group for the manufacture of certain varnishes and epoxy compounds.

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

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

- Development of a new polyesterimide enamel and polyester wire enamels with specific colors for cured wires like golden, purple etc.
- Introduction of a faster curing (energy saving) solvent based insulating varnish
- Stand-alone Polyamide hardeners as a new type of products for epoxy based systems
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents

3. Future plan of action.

- Continue efforts on efficient customer service and improved speed of product development with the newly formed team
- Continue adaptation of new products from group companies under 'Technology Transfer' in the Company's business segments to cater to the local market
- Initiate and continue participation in new global R&D projects for the benefit of local and global customers
- Improvisation of existing products for cost reduction based on substitution of raw materials and improvement in process efficiency
- Undertake new projects under the 'Responsible Care' Initiative to avoid RoHS/REACH restricted raw materials
- To continue participation in the M.Tech training programme for students from local Institute on subjects complementary to the Company's business

4. Expenditure on R & D

	(₹. in Lacs)	
	Year ended 31.12.2015	Year ended 31.12.2014
(a) Capital	48.17	11.76
(b) Recurring	303.22	376.73
(c) Total	351.39	388.49
(d) Total R & D expenditure as a percentage of total turnover	0.91 %	1.02 %

5. Technology absorption, adaptation & innovation:

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

Information regarding technology acquired through purchase/licensing arrangements during the last five years.

Technology imported	Year of Import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of PAI Wire Enamel Insulating technology from affiliate company in Italy.	2014	Yes	2015
Absorption of UP resin technology from affiliate company in USA.	2015	No	2016
Absorption of high density epoxy resin technology from affiliate company, in Italy.	2015	No	2016

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding foreign exchange earnings and outgo is contained in Note Nos. 33 & 31 respectively to the financial statements.

Annexure E

Information as per Section 134 of the Companies Act, 2013

Name	Designation	Gross Remuneration Subject to tax (₹)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	1,31,28,247	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	43/19	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
*Mr. Sanjay Deoshall	Business Line Manager	20,48,570	B.E. (Electricals), Masters In Marketing Management	53/29	16.04.2012	KEC International General Manager-Sales & Marketing

* Retired with effect from 31 March 2015.

Notes:

- The Company has agreement of employment with its Directors. The Agreements are terminable with a notice of six months on either side.
- 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.
- None of the above two employees is a relative of any Director of the Company.

Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year

Sr. No.	Name of Director / KMP	Designation	Remuneration in (₹ Lacs)		Change (%)	Ratio of Remuneration of each Director to Median Remuneration of Employees
			2015	2014		
1	Mr. Martin Babilas	Chairman Non Executive Non Independent	0	0	0	0
2	Dr. Guido Forstbach	Non Executive Non Independent Director	0	0	0	0
3	Mr. Suresh Talwar	Non Executive Independent Director	7.80	5.80	34.48	1.06
4	Mr. Ravindra Kulkarni	Non Executive Independent Director	6.70	5.80	15.52	0.91
5	Mr. Ranjal Laxmana Shenoy	Non Executive Independent Director	8.01	5.80	38.10	1.09
6	Mrs. Kishori Udeshi	Non Executive Independent Director	5.70	3.23	76.47	0.77
7	Mr. Stefan Genten*	Non Executive Non Independent Director	0	N.A.		0

* Mr. Stefan Genten was appointed as Additional Director effective from 1 January 2016

2. Ratio of Remuneration of Key Managerial Personnel (KMP) against the performance of the company :

Whole-time Directors & KMP	Remuneration (₹ in Lacs)		Ratio to median Remuneration	Change (%)	Ratio of 2015 Remuneration to	
	2015	2014			Revenue	Net Profit
Mr. Ravindra Kumar, MD	131.28	142.29	17.83	-7.74	0.38	3.14
Mr. Milind Talathi, WTD**	33.28	N.A.	4.52	N.A.	0.10	0.80
Mr. Sanjay Kulkarni, CFO	55.99	41.56	7.61	34.72	0.16	1.34
Mr. Shirish Dabir, CS	32.08	24.38	4.36	31.58	0.09	0.77

** Mr. Milind Talathi was appointed as Alternate Director to Dr. Guido Forstbach effective from 28 October 2015 and appointed as Whole Time Director effective from 23 February 2016. Accordingly remuneration of Mr. Talathi is considered effective from 28 October 2015.

3. No. of permanent employees on the rolls of the Company as on 31 December 2015 – 179
4. Median Remuneration of both the employees and the Key Managerial Personnel has increased by 10.4% in 2015 as compared to 2014
5. The ratio of the remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Directors during the year - Not applicable
6. We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.
7. The explanation on the relationship between average increase in remuneration and Company performance is the median remuneration which increased by 10.4% in 2015 whereas the Profit after Tax increased by 32.11%
8. Market Capitalization & Price Earnings Ratio details are as under :

	As on December 31, 2015	As on December 31, 2014	Increase / (Decrease) (%)
Price Earnings Ratio	29.31	24.80	18.19
Market Capitalization (₹ in Lacs)	2323.60	1966.07	18.19

The Company has not made any public issue of shares

Annexure F

COMPLIANCE CERTIFICATE

In accordance with the provisions of Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) 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 Limited

Pune
23 February 2016

Ravindra Kumar Sanjay Kulkarni
Managing Director Chief Financial Officer

Management Discussion & Analysis Report

In the year 2015, India established itself as world's fastest growing, major economy in the world outpacing China. Most of the macro-economic indicators showed an improvement in the year 2015 with GDP growth sustaining above 7%. India has been significantly benefited due to sharp drop in global crude oil prices leading to improved fiscal deficit situation. Inflation has largely been under control and interest rates have started to show downward trend after many years.

While macro-economic situation is showing sign of improvement, year 2015 proved to be another difficult year for the business, particularly against the back drop of:

- Delays in much needed reforms in the area of tax, labour and land in order to advance the economy further
- Manufacturing growth is still tottering at lower than expected levels
- Sharp drop in oil prices led to lower input costs which impacted the product selling prices
- Continued suboptimal capacity utilization of the end user industry
- Increasing share of electrical equipment imports particularly from China
- Depreciation of Indian rupee especially against the US dollar
- Uncertainty in global economic situation

Despite the fact that market situation has not shown any major sign of improvements, your company has delivered record profits in 2015. This was largely driven by reduction in input costs and successful implementation of several cost reduction projects especially in manufacturing, technology and procurement areas. In 2015, your company took several measures to create sustainable and profitable growth such as:

1. Initiated implementation of growth strategy as planned
2. Teams across the company were re-organized with clear focus on delivering value to customers and developing new business.
3. Establishing new "Market and Technology Development" function which is expected to develop new products in close coordination with market and customers
4. Leveraging ELANTAS global capabilities
5. Agility and flexibility in responding to volatility in raw material prices, currency and competitive situation.

Above measures ensured that your company stays ahead and maintains its dominant market position in electrical insulation market in India and significantly improves its market position in Electronic and Engineering materials.

Segment wise Performance

Electrical Insulation Systems

- The Electrical Insulation business continues to contribute to over 80% to the Company's total sales revenue and constitutes the core business of your Company.
- The major segments addressed by the Electrical Insulation business include the Magnet Wire manufacturers, OEMs of Electrical equipment including motors, alternators, fans, transformers apart from the Repair and refurbishment industry. In the year under review, your Company made a successful entry into the motor repair market, which we were unable to penetrate in the past due to the availability of a suitable product. This was made possible through the focused efforts of a Techno commercial project team.
- In the year under review the Electrical Machinery segment faced issues of limited capacity utilizations due subdued demand and big ticket investments largely remaining on the drawing board.
- Coupled to this, continuing imports of Electrical Equipment especially from China, had an adverse impact on Indigenous OEMs.
- The year under review also saw a significant softening of Raw Materials and commodities which lead to clamour for price reduction from the winding wire industry. Your company went in for a selective price correction while maintaining its overall value and margins.
- In spite of the challenging circumstances, your company has managed a growth of 4.3% in volumes and 1% increase in Revenues in the Electrical Insulation segment in 2015 over 2014.
- This growth was possible through timely introduction of new products, better value propositions and judicious trade off between volumes and prices.

Company is confident of a buoyancy in its future market due to

- The Governments initiatives to spur investment in the Power & Infrastructure segments.
- Anticipated increase in installed Power generation capacity to 400 GW by 2022.

- Initiatives taken by the Government to make the Smart City concept a reality.
- New economic opportunities of Renewable and Sustainable energy solutions.

Your Company is well equipped to address the upsides of the Markets through sustained market leadership in the Electrical Insulation Business.

Electronic & Engineering Materials

E&EM business comprises of business lines:

- Electronic & Electrical (EL) Compounds
- Construction chemicals

The E&EM business contributed about 14.7% of the total volumes and has registered a growth of 6.3% in Volume in the year under review.

The EL business closely relates to the new Indian Economy and has a high growth potential through specialty product offerings for Electronics, Auto Electricals, Capacitors, Filters & High Voltage applications by virtue of which, is identified as a thrust area for the Company. This includes opportunities in Renewable & Sustainable energy solutions including Solar and LED Applications.

Your Company's specialty products based on newer chemistries of Epoxy & Polyurethane have been well received by the Auto electric component manufacturers mainly for two & three Wheeler segments. Original Equipment Manufacturers are replacing the imported Epoxy & Polyurethane compounds by our in-house developed systems based on indigenous raw materials. Active collaboration with our European & US affiliates has aided in speeding the development process and offering better products.

The Company has strengthened its research, development & technical support mechanism to ensure complete customer satisfaction in terms of quality, product solution expertise, innovation and service.

Current Future & Outlook

While your company continues to face challenging external scenario, management is cautiously optimistic about the outlook of the company. This optimism is based on the following:

- Demand continues to be a challenge however company is striving for more growth by developing new business
- Government's commitment to push through the much needed reforms e.g. GST
- Improving fiscal deficit situation will allow government to spend more on infrastructure and boost manufacturing sector
- Enhanced focus to resolve coal block issues and creating coal linkages to support long term fuel availability
- Prime Minister's vision to provide affordable 24x7 power to all and increased focus on 100% village electrification, renewable energy and addressing electricity distribution issues
- Company's customers are optimistic about the future of their business

Your company continues to build on its strengths and sees the challenges as an opportunity. Several changes made in the management team and also across the organisation will continue to help your company to strengthen its position over the next years.

Risks, Opportunities and Threats

Your company is well positioned to leverage existing and new opportunities and at the sametime has the necessary capabilities to deal with the threats posed by external environment. Company has a proven track record and it continues to improve its business model and required processes as needed. Management along with its internal auditors ensures that risks are reviewed on periodic basis and presented to the board with mitigation plans and their status. Company is committed to continue strengthening various controls across its complete operations to avoid exposure to any known potential risk.

Some of the risks, opportunities and threats as seen by the company today are mentioned below:

Risks

- Market volatility and pricing pressures
- Currency exchange fluctuations
- Fluctuation in raw material prices
- Regulatory restrictions

Opportunities

- Improving outlook of the economy
- Enhanced focus of government to provide 24x7 power to all

- Structural economy reforms e.g. GST
- Opportunities in existing and adjacent lines of business

Threats

- Increasing level of competition in the Indian market especially in primary insulation segment
- Imports of electrical equipments mainly from other Asian countries

Company Performance:

During the year under review, your Company's performance improved on YoY basis.

- As explained earlier, the challenging extraneous factors, the company achieved a volume levels of 19915 mt, a 4.5% increase as compared to previous year. This was possible due to focus on new business from new products & new customers. However in terms of value the company was able to show only a growth of 0.86% as compared to previous year mainly due to drop in the realizations per unit, the results of passing on the effects of raw material softening to our customers. The company sales stood at ₹ 34,299.60 Lacs for this year.
- The profit before tax at ₹ 6,173.31 Lacs representing an improvement of 37.3% over Y2014
- Net cash flows from operating activities during the year at ₹ 4,638.33 Lacs were higher as compared to ₹ 3,061.92 Lacs during the previous year.

The Net Working Capital, a key performance indicator, stood at same levels of previous year (74 days)

Internal Control Systems

As per the requirements of the Companies Act, 2013, the Company has designed a comprehensive framework for internal controls covering operational, financial & entity level controls. This framework is being put to test on a periodic basis through internal audit programme & self-reviewing mechanisms within the company.

Technical Management and Infrastructure Development

During the year under review, there was an improvement in the Company's operational performance, registering a 5 % rise in production over 2014. Improvements in the plant are ongoing and continuous importance is given to enhance productivity & quality and at the same time ensure savings in operational costs and most importantly improved EHS standards.

The Company believes that its leadership in the Electrical Insulations industry is an outcome of its long standing reputation in India and overseas due to its excellence in product quality and high standards of technical services. Such a reputation has been built over many decades of satisfied customers and the Company works hard to maintain it even today through technological superiority, operational excellence and cost effectiveness, a fact which is underlined by the following examples from the previous year:

- Creation of a Quality Laboratory which has ensured faster results, multiskilling of employees and productivity improvements
- Automation of Mixers in the E & EM section for productivity, quality & energy improvements
- Capacity expansion with latest technology equipment's
- Reduction in customer complaints
- Improvements in the process of filtration
- Inter-site shifting of production lines for higher efficiencies
- Installation of a pilot mixer for developing new E & EM products for making a wide range of products.
- Installation of a plant scheduling software facilitating improved capacity utilization of plants.
- Upgradation of the fire hydrant systems at both sites for increased safety of plants & equipment's.
- Various Process improvements measures & de-bottlenecking measures

In addition there is an operation improvement campaign launched which has ensured greater participation of employees & has instilled generation of ideas along with ownership/implementation of the same.

Besides this, the Company undertook 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 and ELANTAS, Germany, devote their efforts exclusively for ensuring optimization of the production methods & processes towards energy conservation and safety. The Company regularly participates in the deliberations of these focused groups across all sites at a global level.

All above measures taken has facilitated the way for more efficient production and to meet market demands for new and existing products.

Quality, Environment Management and Occupational Health & Safety.

The Company is wholly devoted to reinforce the process of Quality, Environment, Occupational Health and Safety Management. These continue to be accorded the highest priority & safety standards are constantly reviewed for sustainable processes and to reduce waste and conserve natural resources. Reviews from our Corporate EHS & by reputed external Auditors have appreciated our efforts towards safety management.

By making continuous efforts to lower effluent loads, reduce consumption of energy and water, lower emissions and greening of its factory sites, the Company continues to re-affirm its commitment to Sustainable Development.

Your Company continues with its zero accident record for several years. The launch of a Safety Awareness Campaign across both sites by ensuring employee participation in safety & secondly launch of a Safety Hunter project has brought about greater awareness amongst all employees & has ensured far lower unsafe incidents.

The Company's works at Pimpri and Ankleshwar and the Corporate Office are certified for compliance with Integrated Management System (IMS) comprising certification to ISO 9000, 14000 and BS OHSAS 18000, which encompass the management of Quality, Environment and Occupational Health & Safety. The works at Pimpri & Ankleshwar and the new Corporate Office at Pimpri were subjected to a surveillance audit by TÜV NORD during the year and the IMS certification was successfully renewed.

Research & Development

The process of innovation is very important to the Company's operations. R&D is an important part of the Company's innovation endeavor and we have strengthened the department by recruiting experts with experience in different areas to create value through continuous product development and process upgradation. We have been also successful to develop two teams namely Research and Market-Technology Development (MTD) out of the R&D department to address relatively long and short term product development respectively.

The Company's active participation in 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 insulation products.

The R&D teams at Pimpri and Ankleshwar are actively engaged in working on margin restoration projects related to the existing products in close collaboration with the purchase and Sales teams.

The MTD developmental activity in PI business is showing enhanced responsiveness, with a variety of products developed in the last year.

The Research and MTD teams are engaged in a wide range of activities aimed at maintaining technological edge, providing effective solutions to the customers, improving internal productivity through process improvements by using alternative raw materials.

Human Resources/ Industrial Relations

During the year under review the Company's HR function developed number of robust processes like Performance Management System, Restructuring of grades etc. and developed and imparted various training and development programs for the development of its employees. Certain old policies were revamped and new policies were introduced for the benefit of employees. At the same time there were number of engagement initiatives taken by the Company for its employees.

Company's approach towards development of capable & result oriented workforce has been continual and focused.

All the all-round initiatives are helping the organization pursue its people development strategy and in turn helping HR to emerge as a strong strategic function. As on date, the number of employees on roll is 180.

The Industrial relations were peaceful and harmonious throughout the year.

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

Mumbai
23 February 2016

Suresh Talwar
Director

Ravindra Kumar
Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

1. ELANTAS Beck's philosophy on Corporate Governance:

Corporate Governance is creation and enhancing long-term sustainable value for Company's stakeholders through ethically driven business process. We, at ELANTAS Beck India Ltd., ensure that we follow the corporate governance guidelines and best practices. At ELANTAS Beck India Ltd., Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing their value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The Company has fostered a culture in which it has developed a legacy of high standards of integrity, ethical behavior, individual accountability and transparent disclosures. The objective is to meet stakeholders' aspirations and societal expectations.

The Company's Corporate Governance philosophy is reflected in the following key areas.

2. Board of Directors

(a) Composition and functioning:

The Board comprises of eight Directors, complying with the conditions for the composition of the Board, such as, at least one Woman Director and not less than 50% comprising of Non-Executive Directors. The Board has appointed Mr. Milind Talathi, Director – Manufacturing as Alternate Director to Dr. Guido Forstbach effective 28.10.2015. Dr. Matthias Wolfgruber was the Non-Executive Chairman who retired from the services of the Company effective 31.12.2015. The Board has appointed Mr. Martin Babilas, Non-Executive Director, as Chairman of the Company in place of Dr. Matthias Wolfgruber and Mr. Stefan Genten as Non-Executive Director of the Company effective 01.01.2016. Mr. Ravindra Kumar is Managing Director of the Company. Mr. Martin Babilas, Dr. Guido Forstbach and Mr. Stefan Genten are Non-Executive Overseas Directors. Mr. Suresh Talwar, Mr. Ravindra Kulkarni, Mr. Ranjal Laxmana Shenoy and Mrs. Kishori Udeshi are Non-Executive Independent Directors.

The Managing Director is involved in the day-to-day management of the Company, while the Non-Executive Directors bring in the external perspective and provide valuable guidance to the management on various aspects of business, policy direction governance, compliance etc. 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 is given below:

Name of Director	Other Directorships	Other Committee Memberships (including Chairmanships) #	Other Committee Chairmanships #
Dr. Matthias Wolfgruber * +	-	-	-
Dr. Guido Forstbach *	-	-	-
Mr. Martin Babilas * ~	-	-	-
Mr. Suresh Talwar **	24	11	4
Mr. Ravindra Kulkarni **	7	20	3
Mr. Ranjal Laxmana Shenoy **	3	3	2
Mrs. Kishori Udeshi **	6	10	1
Mr. Ravindra Kumar ***	-	-	-
Mr. Stefan Genten* \$	-	-	-
Mr. Milind Talathi @	-	-	-
* Non-Executive Director ** Non-Executive Director –Independent *** Executive Director + Retired w.e.f. 31 December 2015 ~ Appointed as Chairman of the Board w.e.f. 1 January 2016 @ Appointed as Alternate Director to Dr. Guido Forstbach w.e.f. 28 October 2015 \$ Appointed as Additional Director w.e.f. 1 January 2016 # Memberships of Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Share Transfer Committee of all Public Limited Companies in India have been considered.			
Note: No director serves as an Independent Director in more than seven listed companies. Mr. Martin Babilas offers himself for re-appointment in the forthcoming Annual General Meeting.			

(b) Meetings and Attendance:

- (i) During the financial year ended 31 December 2015, four Board meetings were held on 24 February, 6 May, 28 July, and 28 October.
- (ii) The attendance of the Directors at the Board Meeting and during the year and at the last Annual General Meeting is as follows:

Name of Director	Meetings held during the tenure of Director	Meetings attended	Last AGM
Dr. Matthias Wolfgruber *	4	1	No
Dr. Guido Forstbach	4	1	No
Mr. Martin Babilas	4	1	No
Mr. Suresh Talwar	4	4	Yes
Mr. Ravindra Kulkarni	4	3	No
Mr. Ranjal Laxmana Shenoy	4	4	Yes
Mrs. Kishori Udeshi	4	4	Yes
Mr. Ravindra Kumar	4	4	Yes
Mr. Stefan Genten	0	N.A.	N.A.
Mr. Milind Talathi **	0	N.A.	N.A.
* Retired w.e.f. 31 December 2015			
** Appointed as Alternate Director to Dr. Guido Forstbach w.e.f. 28 October 2015			

(c) Information placed before the Board:

The following information inter-alia has been 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/yearly basis
- business environment and relevant industry analysis
- investment of operating surpluses in mutual funds & bank deposits and the performance of such investments
- quarterly, year end results of the Company including its segment-wise break-up
- recommendation of 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 and of other Committees' Meetings
- 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, labour problems and their proposed solutions, signing of wage agreement, implementation of VRS etc.
- 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 recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- sale of material nature of investments, assets, not in the normal course of business
- information on other relevant matters requiring the approval of the Board
- non-compliance of any regulatory, statutory or listing requirements, if any

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 Nomination & Remuneration Committee decides the remuneration of Executive & Non-Executive Directors and Key Managerial Personnel. 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 2015:

(₹ in lacs)

Name and Designation	Salary	Perquisites (Benefits)	Performance Linked Incentive	Retirement Benefits P.F & Superannuation	Total	Term of Appointment
Mr. Ravindra Kumar (Managing Director)	45.82	11.11	63.00	11.35	131.28	3 Years from 01 January 2014
Mr. Milind Talathi (Wholetime Director)	3.88	2.54	26.00	0.86	33.28	3 Years from 23 February 2016
Total:	49.70	13.65	89.00	12.21	164.56	

Notes:

- (1) The above excludes accrual for employee benefits viz. Gratuity & leave encashment.
- (2) The Company does not have a Stock Option Scheme.
- (3) Notice period for severance of agreement with the Managing Director is six months. However, no compensation is payable.
- (4) The appointment and remuneration payable to Mr. Milind Talathi is subject to approval of Shareholders under Section 196(4) of the Companies Act, 2013. The Company shall obtain the approval in the ensuing Annual General Meeting to be held on 3 June 2016.

Remuneration of Non-Executive Independent Directors comprises of sitting fees and commission based on their overall engagement and contribution to the Company's business and also 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.

The sitting fees payable to the Non-Executive Independent Directors for attending the Board and Committee meetings, is determined by the Board of Directors within the overall limits prescribed under the Companies Act, 2013. All expenses incurred by such Directors for attending the meetings are reimbursed by the Company. The Non-Executive Independent Directors shall also be entitled to the commission on an annual basis, such amounts are within the overall limit of 1% of the net profits of the Company and as approved by the Board of Directors. In determining the amount of commission payable to the Non-Executive Independent Directors, the Committee shall take into consideration the overall performance of the Company together with the responsibility and the contribution of each Director.

Details of remuneration of Non-Executive Directors for the year ended 31 December 2015:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	430,000	350,000
Mr. Ravindra Kulkarni	320,000	350,000
Mr. Ranjal Laxmana Shenoy	451,000	350,000
Mrs. Kishori Udeshi	220,000	350,000
Total:	1,421,000	1,400,000

Policy for selection and appointment of Directors and their remuneration.

The Nomination & Remuneration Committee has adopted a policy which inter alia deals with the manner of selection of the Board of Directors i.e. the Executive and Non-Executive Directors, Managing Director and their remuneration.

Familiarization Program:

The Company has got an induction program by which the Independent Directors are familiarized of their roles, rights, and responsibilities in the Company, the code of conduct to be adhered to, nature of industry, in which the Company operates, business model, structure of the management team etc. The details of such familiarization program have been disclosed on the Company website <http://www.elantas.com/beck-india>.

3. Board Committees:

The Board is responsible for constituting, assigning and co-opting the Members of the following Committees.

(a) Audit Committee:

During the financial year ended 31 December 2015, four Audit Committee meetings were held on 24 February, 6 May, 28 July and 28 October.

The Audit Committee comprises of Mr. Ravindra Kulkarni (Chairman /Independent Director), Dr. Guido Forstbach, Mr. Suresh Talwar (Independent Director) and Mr. Ranjal Laxmana Shenoy (Independent Director). All members of the Audit Committee are Non-Executive Directors, satisfying the conditions for composition of Audit Committee such as at least three directors as

members, two third of the members being independent, and Chairman of the Audit committee being an Independent Director.

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

The Managing Director, CFO & VP-IT & Procurement, representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee meetings. The Company Secretary acts as the Secretary to 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:

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- recommendation for appointment, remuneration and terms of appointment of auditors of the company
- approval of payment to statutory auditors for any other services rendered by the statutory auditors
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
 - b. changes, if any, in accounting policies and practices and reasons for the same
 - c. major accounting entries involving estimates based on the exercise of judgment by management
 - d. significant adjustments made in the financial statements arising out of audit findings
 - e. compliance with listing and other legal requirements relating to financial statements
 - f. disclosure of any related party transactions
 - g. modified opinion in the draft Audit Report
- reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the company, wherever necessary
- evaluation of internal financial controls and risk management systems
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- reviewing the adequacy of internal audit function and frequency of internal audit
- discussion with internal auditors of any significant findings and follow up thereon
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- to look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors
- to review the functioning of the Whistle Blower mechanism
- reports of Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors
- status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management
- compliance with regulatory guidelines
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In addition to the above, the Audit Committee also mandatorily reviews the following information:

- management discussion and analysis of financial condition and results of operations
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management

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	3
Dr. Guido Forstbach	4	1*
Mr. Suresh Talwar	4	4
Mr. Ranjal Laxmana Shenoy	4	4

* Attended by Video Conferencing

(b) Stakeholders Relationship Committee and Share Transfer Committee

The Stakeholders Relationship Committee and the Share Transfer Committee both comprise of Mr. Ranjal Laxmana Shenoy - Non-Executive Independent Director, Mr. Ravindra Kumar - Managing Director and Mr. Shirish Dabir - Company Secretary.

These Committees are headed by Mr. Ranjal Laxmana Shenoy. Mr. Shirish Dabir, Company Secretary is designated as the Compliance Officer.

During the year ended 31 December 2015, fifteen meetings of Share Transfer Committee and 1 Meeting of Stakeholders Relationship Committee were held. As of 31 December 2015, there were no unresolved investor complaints pending.

Transfer of shares held in physical mode was processed by Sharepro Services (India) Pvt. Ltd. and approved by the Share Transfer Committee. Transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects. The Share Transfer Committee of the Company normally meets at fortnightly intervals for approval of share transfers, received if any, and other related matters. As on 31 December, 2015, no request for transfer of shares was pending.

Scope of the Stakeholders Relationship Committee and Share Transfer Committee:

- to review and discuss the nature of shareholders/ investors' complaints received
- to oversee transfer of shares, non-receipt of annual reports/ dividend warrants, consolidation, split, transmission and transposition of shares etc.
- to look into requests for dematerialization of shares and status of physical holdings
- to review total number of complaints received and replied to the satisfaction of shareholders
- to oversee the performance of Registrar & Share Transfer Agents and recommend measures to improve investor services

Complaints:

Number of Investor Complaints received during the period 1 January 2015 to 31 December 2015:	7
Number of Investor Complaints not resolved to the satisfaction of shareholders during the period 1 January 2015 to 31 December 2015:	0
Number of Investor Complaints pending at the end of the period 1 January 2015 to 31 December 2015:	0

c) Committee for issue of duplicate share certificates

The board has constituted a Special Committee for the purpose of issuance of duplicate share certificates. The committee comprises of two Non-Executive Independent Directors, Mr. Ranjal Laxmana Shenoy & Mrs. Kishori Udeshi and one Executive Director Mr. Ravindra Kumar, Managing Director. The Meeting of this Committee is chaired by Mr. Ranjal Laxmana Shenoy.

Scope:

- To look into the requests received for issue of duplicate share certificates on account of loss/mutilated certificates etc.
- To look into the requests received for dematerialization of share certificates from the shareholders
- To issue share certificates upon consolidation or sub-division of shares of the Company.

Mr. Shirish Dabir, Company Secretary is designated as the Compliance Officer.

d) Nomination & Remuneration Committee

The Board has constituted a separate Nomination & Remuneration Committee comprising of Directors viz. Mr. Suresh Talwar (Non-Executive Independent), Mr. Ranjal Laxmana Shenoy (Non-Executive Independent), Dr. Guido Forstbach (Non-Executive) and Mr. Ravindra Kulkarni (Non-Executive Independent), satisfying the conditions for composition of the Committee such as at least three Non-Executive Directors, half of the members being Non-Executive Independent, and Chairman of the Committee being an Independent Director, for reviewing and approving the compensation payable to the Executive & Non-Executive Directors and Key Managerial Personnel, as considered by the Board within the overall limits approved by the Members.

Two meetings of the Committee were held during the year.

The Nomination & Remuneration Committee has the following objectives:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e) Risk Management Committee

The Board has constituted a Risk Management Committee comprising Mr. Ravindra Kumar, Mr. Ranjal Laxmana Shenoy, Dr. Guido Forstbach, Mr. Millind Talathi and Mr. Sanjay Kulkarni.

The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. The framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Company has in place a comprehensive Enterprise Risk Management Manual containing evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Manual identifies risks, its likelihood, impact and mitigation methods. It undergoes updation and modification depending on the changes in business and market conditions. The job of the Committee is to review these risks on a periodic basis. The Company also has in place Risk Management Policy.

f) Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility Committee consisting of two Non-Executive Independent Directors Mr. Ranjal Laxmana Shenoy & Mrs. Kishori Udeshi and one Executive Director Mr. Ravindra Kumar, Managing Director.

A Corporate Social Responsibility Policy is in place, which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

4. Other Information:

(a) Code of Conduct:

The Company has laid down a Code of Conduct for all Directors and Senior Management, which is posted on the Company's website <http://www.elantas.com/beck-india>. All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration signed by the Managing Director to this effect is appended at the end of this Report.

(b) CEO/CFO Certificate

A certificate from the Managing Director and CFO & VP-IT & Procurement on the integrity of the financial statements and other matters of the Company for the financial year ended 31 December 2015, annexed and forms part of the Annual Report, was placed before the Board at its meeting held on 23 February 2016.

(c) General Body Meetings:

(i) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place
31 December 2012	29 April 2013	3.30 p.m.	Hall No.4, 'A' Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016.
31 December 2013	06 May 2014	3.30 p.m.	
31 December 2014	06 May 2015	3.30 p.m.	

(ii) One Special Resolution regarding payment of remuneration by way of commission to Non-Executive Independent Directors was passed at the Annual General Meeting held on 29 April 2013 and one Special Resolution regarding holding of Office of Profit by Mr. Sanjay Kulkarni was passed at the Annual General Meeting held on 06 May 2015.

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

(d) Postal Ballot

During the year, no special resolution was passed through Postal Ballot.

(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 Note No. 38 in Notes to accounts forming part of the Balance Sheet as at 31 December 2015. There were no transactions of material nature with the Directors or the management or relatives during the year that might have potential conflict with the interests of the Company

- There have been no instances of any personnel seeking access to the Audit Committee.
- None of the Directors holds equity shares or convertible instruments in the Company.
- The Company has been complying with the mandatory requirements and adoption of the non mandatory requirements of clause 49 of then listing agreement and the mandatory and discretionary requirements under part E of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).

(f) Discretionary requirements under Regulation 27 of Listing Regulations, 2015

Status relating to following specific requirements :

- Maintenance of office for Non-Executive Chairman: Because of the very good communication facilities it was felt that separate Chairman's office would not be essential.
- Shareholders' Rights: Half yearly and quarterly financial results are forwarded to the Stock exchanges and also uploaded on the Company's website.
- Modified opinion(s) in Audit Report: During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.
- Separate Posts of Chairman and Chief Executive Officer: The Chairman of the Company and the Managing Director are different persons.
- Reporting of the Internal Auditors: The Internal Auditors attend the Audit Committee meetings and submit their Report with details and actions to be taken.

(g) Independent Directors' meeting was held on 24 February 2015.

(h) 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 the following newspapers viz. Loksatta (Marathi edition in Pune), Free Press Journal (English edition in Mumbai) & Navashakti (Marathi edition in Mumbai), having requisite circulation. The financial results and other major events/ developments concerning the Company are also posted on the Company's website <http://www.elantas.com/beck-india>.

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) 60th Annual General Meeting:

Day, Date & Time	Friday, 3 June 2016 at 2.30 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, 26 May 2016 to Friday, 3 June 2016 (both days inclusive).
Dividend payment date	On Friday, 1 July 2016, if declared in the Annual General Meeting on 3 June 2016, within the stipulated statutory period.

(c) Unclaimed dividends:

- Pursuant to Sections 124 and 125 of the Companies Act, 2013, 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 amount and date when it becomes due for transfer to IEPF in the year 2016.

Financial Year	Dividend payment date	Unclaimed/unpaid dividend (Y2008) as on 31.12.2015	Proposed date for transfer to IEPF
Y 2008	20.06.2009	₹ 3,00,664/- *	19.06.2016 **
* This amount may undergo change in case of any claims received / processed by the Company after 31.12.2015.			
** 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 BSE Ltd. The Company has paid the listing fees for the period 1 April 2015 to 31 March 2016.

(f) Stock Performance:

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

Year 2015	Price of Equity Shares of the Company			Sensx		
Months	High (₹)	Low (₹)	Close (₹)	High	Low	Close
January	1,235.00	981.50	1,171.40	29,844.16	26,776.12	29,182.95
February	1,274.00	1,040.00	1,145.50	29,560.32	28,044.49	29,361.50
March	1,218.75	1,054.00	1,145.75	30,024.74	27,248.45	27,957.49
April	1,311.00	1,115.25	1,171.75	29,094.61	26,897.54	27,011.31
May	1,209.75	1,050.00	1,075.25	28,071.16	26,423.99	27,828.44
June	1,166.00	970.50	1,067.00	27,968.75	26,307.07	27,780.83
July	1,392.00	1,060.50	1,332.50	28,578.33	27,416.39	28,114.56
August	1,497.50	1,250.00	1,284.75	28,417.59	25,298.42	26,283.09
September	1,351.00	1,135.00	1,252.50	26,471.82	24,833.54	26,154.83
October	1,525.00	1,246.00	1,341.50	27,618.14	26,168.71	26,656.83
November	1,390.00	1,298.00	1,332.00	26,824.30	25,451.42	26,145.67
December	1,571.00	1,307.00	1,543.50	26,256.42	24,867.73	26,117.54

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 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. The details of transfer/ transmission of shares of the Company so approved is placed at every Board Meeting.

(h) Registrars and Share Transfer Agents:

The Securities Exchange Board of India (SEBI) vide its Order dated 22 March, 2016 has banned the activities of Sharepro Services (India) Pvt. Ltd. in the Securities Market and advised its client companies to change their Share Registrar and Transfer Agents (R & T Agent). In view of the same, the Company has appointed Link Intime India Pvt. Ltd. as its R & T Agent w.e.f. 2 May 2016.

(i) Dematerialisation:

As of 31 December 2015, 77,92,916 shares i.e. 98.30% of the Company's total issued, subscribed and paid-up capital were held in dematerialised form.

(j) Distribution of Shareholding as of 31 December 2015:

Shareholding	No. of shareholders	No. of shares	% to total
Less than 500	8,199	646,475	8.16
501 to 1000	184	143,585	1.81
1001 to 2000	89	128,895	1.63
2001 to 3000	19	48,413	0.61
3001 to 4000	14	51,672	0.65
4001 to 5000	6	26,478	0.33
5001 to 10000	17	110,167	1.39
10001 and above	24	6,771,997	85.42
Total:	8,552	7,927,682	100.00

(k) 'Shareholders' Profile as on 31 December 2015:

Class of Shareholder	No. of shares	% to total
Promoters' Group	5,945,761	75.00
Mutual Funds and UTI	238,036	3.00
Banks, Financial Institutions, Insurance Companies	50	0
Foreign Portfolio Corporation	229,980	2.90
Private corporate bodies (including Foreign Institutional Buyers: 211 shares)	305,811	3.86
Individuals (including NRIs: 34,605 shares)	1,208,044	15.24
Total:	7,927,682	100.00

(l) Compliance with the Minimum Public Shareholding Requirement:

The Company is compliant with the minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957 as amended.

With reference to this subject, Company had filed consent application with SEBI in the Year 2014. In view of the recommendations of High Powered Advisory Committee followed by SEBI's intimation regarding payment of settlement charges of ₹ 8,84,000, Company has made said payment of ₹ 8,84,000 to SEBI vide Demand Draft no. 016747 dated 21.08.2015.

(m) 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) 30610666]
- Plot No.1 (A, B & C) & 122, GIDC Industrial Area, Ankleshwar 393002 Dist: Bharuch, Gujarat. [Tel: (02646) 304736]

(ii) Registered Office:

147, Mumbai-Pune Road, Pimpri, Pune 411018.
Tel: (020) 30610800

(iii) Address for correspondence:

In respect of transactions relating to shares:

Link Intime India Pvt. Ltd.

Pune Office:

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road,

Pune - 411001

Tel: (020) 26160084/1629

Telefax: (020) 26163503

In respect of any other matter:

ELANTAS Beck India Ltd.

147, Mumbai-Pune Road, Pimpri, Pune 411018.

Tel: (020) 30610800

For and on behalf of the Board

Mumbai
23 February 2016

Suresh Talwar Ravindra Kumar
Director Managing Director

Certificate of compliance with corporate governance requirements pursuant to Schedule V (E) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2015, as stipulated in Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

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. LLP
Chartered Accountants
Firm Registration No. 101248WAV-100022

Mumbai
23 February 2016

Vijay Mathur
Partner
Membership No.: 046476

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Part B of Schedule II read with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We, Ravindra Kumar, Managing Director and, Sanjay Kulkarni, CFO & VP-IT & Procurement, 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 2015 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, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, 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, if any, 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.

Mumbai
23 February 2016

Ravindra Kumar
Managing Director/CEO

Sanjay Kulkarni
CFO & VP-IT & Procurement

Declaration by the Managing Director pursuant to Schedule V (D) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance with Code of Conduct.

In accordance with the provisions of Schedule V (D) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2015.

For ELANTAS Beck India Ltd.

Mumbai
23 February 2016

Ravindra Kumar
Managing Director

Independent Auditors' Report

To the Members of
ELANTAS Beck India Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 December 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 42 to the financial statements;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022
Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 23 February 2016

Annexure to the Independent Auditors' Report – 31 December 2015

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the Members of the Company on the financial statements for the year ended 31 December 2015, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified in a phased manner over a period of two years. In our opinion, the 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.
- The inventory, except goods-in-transit and stock lying with third parties has been physically verified by 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.
 - 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.
 - The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 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 specialized requirements and similarly certain goods sold by the Company are for the specialized requirements of the buyers 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. The activities of the Company does not involve sale of services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- The Company has not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and rules framed there under.
- 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 128(1) read with Section 148(1) of the Companies Act, 2013 in respect of the Company's products 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 same.
- 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, Sales-tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax and other statutory dues have generally been regularly deposited during the year 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, Duty of Customs, Duty of Excise, Value Added tax and other statutory dues were in arrears, as at 31 December 2015, for a period of more than six months from the date they became payable.

Annexure to the Independent Auditors' Report – 31 December 2015 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added tax other than the dues listed in Appendix I, which have not been deposited with the appropriate authorities on account of any disputes.
- (c) The Company has transferred amounts required to be transferred to the Investor Education and Protection Fund within prescribed time.
8. 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.
9. According to the information and explanations given to us, the Company does not have any dues to its bankers. The Company did not have any dues to financial institutions or any debentures outstanding during the year.
10. In our opinion and 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.
11. The Company did not have any term loans outstanding during the year.
12. 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. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 23 February 2016

Appendix I to the Independent Auditors' Report

Sr. no.	Name of the Statute	Nature of the Dues	Dues Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Demand of duty on copper scrap	0.93	-	2004	Asst. Commissioner, Ankleshwar
			8.11	-	1990-1994	Central Excise and Service Tax Appellate Tribunal, Pune
		Denial of Modvat Credit on certified copy of Bill of Entry	0.93	-	1997	Additional Commissioner, Surat
		Education cess on exports	0.21	-	2004	Dy Commissioner, Pune
		Modvat on repacking activity	49.56	-	1994-1997	Dy Commissioner, Pune
		Valuation under CAS - 4	0.86	-	2007	Central Excise and Service Tax Appellate Tribunal, Mumbai
		Duty on notional resins	34.42	-	1982 - 86	Central Excise and Service Tax Appellate Tribunal, Mumbai
2	Sales Tax	Non submission of forms at the time of assessment	10.77	3.96	2005-06	Dy Commissioner of Sales Tax, Pimpri
			152.46	10.00	2006-07	Dy Commissioner of Sales Tax, Pune
			20.87	6.00	2007-08	Dy Commissioner of Sales Tax, Pune
			19.06	5.00	2008 - 09	Dy Commissioner of Sales Tax, Pimpri
			59.57	20.00	2009-10	Dy Commissioner of Sales Tax, Pune
			7.08	2.50	2010-11	Dy Commissioner of Sales Tax, Pune
3	Finance Act, 1994	CENVAT credit claimed on the basis of letters	75.05	-	2005-2008	Deputy Commissioner of Excise and Service Tax – Large Taxpayer Units, Mumbai
		Service tax credit on outward freight	42.21	-	2005-2008	Deputy Commissioner of Excise and Service Tax – Large Taxpayer Units, Mumbai

Balance Sheet as at 31 December 2015

(Currency : ₹ in lacs)

	Note	2015	2014
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	792.77	792.77
Reserves and surplus	3	16,378.22	12,770.11
		17,170.99	13,562.88
Non-current liabilities			
Deferred tax liability (net)	4	66.66	134.36
Other long term liabilities	5	50.71	112.46
Long term provisions	6	346.51	321.59
		463.88	568.41
Current liabilities			
Trade payables	7		
(i) Dues to micro and small enterprises (refer Note 37)		204.70	128.15
(ii) Dues to creditors other than micro and small enterprises		3,609.83	3,222.55
		3,814.53	3,350.70
Other current liabilities	8	1,338.87	1,095.64
Short term provisions	9	755.07	661.20
		5,908.47	5,107.54
		23,543.34	19,238.83
ASSETS			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		4,426.91	4,475.68
(ii) Intangible assets		52.59	9.57
(iii) Capital work-in-progress		23.23	101.78
		4,502.73	4,587.03
Non-current investments	11	14.69	14.69
Long term loans and advances	12	356.94	332.96
Other non current assets	13	22.38	49.52
		4,896.74	4,984.20
Current assets			
Current investments	14	6,400.08	3,016.06
Inventories	15	5,064.55	5,153.64
Trade receivables	16	5,562.43	4,949.45
Cash and bank balances	17	1,167.98	743.51
Short term loans and advances	18	323.58	344.15
Other current assets	19	127.98	47.82
		18,646.60	14,254.63
		23,543.34	19,238.83
Significant accounting policies	1		
Notes to the accounts	2-44		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No : 101248WW-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 23 February 2016

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

**For and on behalf of the Board of Directors
of ELANTAS Beck India Limited**

CIN : L24222PN1956PLC134746

Ranjal Laxmana Shenoy

Director

DIN:00074761

Ravindra Kumar

Managing Director

DIN:06755402

Mumbai, 23 February 2016

Statement of Profit and Loss for the year ended 31 December 2015

(Currency : ₹ in lacs)

	Notes	2015	2014
Revenue from operations	20		
Sale of products (gross)		38,528.40	38,114.39
Less : Excise duty		4,228.80	4,106.24
Sale of products (net)		34,299.60	34,008.15
Other operating revenues		116.46	136.37
		34,416.06	34,144.52
Other Income	21	560.83	847.92
Total revenue		34,976.89	34,992.44
Expenses			
Cost of materials consumed	22	22,503.14	23,667.87
Purchases of stock-in-trade		39.55	34.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(857.27)	112.80
Employee benefit expenses	24	2,137.20	1,897.91
Finance costs		18.79	23.98
Depreciation and amortisation expenses	10	594.43	542.17
Other expenses	25	4,367.74	4,216.53
Total expenses		28,803.58	30,495.72
Profit before tax		6,173.31	4,496.72
Tax expenses			
Current tax (net)	26	2,018.91	1,391.38
Deferred tax release		(21.16)	(55.29)
		1,997.75	1,336.09
Profit for the year		4,175.56	3,160.63
Earning per share - Basic (₹)	39	52.67	39.87
Earning per share - Diluted (₹)	39	52.67	39.87
Significant accounting policies	1		
Notes to the accounts	2-44		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No : 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 23 February 2016

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

Ranjal Laxmana Shenoy

Director

DIN:00074761

**For and on behalf of the Board of Directors
of ELANTAS Beck India Limited**

CIN : L24222PN1956PLC134746

Ravindra Kumar

Managing Director

DIN:06755402

Mumbai, 23 February 2016

Cash Flow Statement for the year ended 31 December 2015

(Currency : ₹ in lacs)

Particulars	2015	2014
A. Cash flow from operating activities :		
Profit before tax	6,173.31	4,496.72
Adjustments for:		
Depreciation / Amortisation	594.43	542.17
Interest income	(62.59)	(75.04)
(Profit) / Loss on assets sold / scrapped (net)	(6.81)	1.24
Unrealised loss / (gain) on current investments	1.25	(1.03)
Profit on sale of investments	(0.01)	(290.35)
Finance cost	18.79	23.98
Dividend income	(220.27)	(129.36)
	324.79	71.61
Operating profits before working capital changes	6,498.10	4,568.33
Changes in working capital		
(Increase) / decrease in trade receivables	(612.98)	(278.16)
Decrease / (Increase) in inventories	89.09	(776.14)
Decrease / (Increase) in long term loans and advances	26.14	(4.98)
Decrease / (Increase) in short term loans and advances	20.57	(100.89)
(Increase) / decrease in current assets	(77.79)	5.34
Decrease / (Increase) in other non current assets	28.81	9.81
Increase / (Decrease) in current liabilities (other than unclaimed dividends)	238.05	10.99
(Decrease) / Increase in non current liabilities	(61.75)	5.34
Increase / (decrease) in trade payables	463.84	954.47
Increase / (decrease) in short term provisions (other than taxation and dividends)	44.88	131.92
Increase / (decrease) in long term provisions	24.92	(27.96)
Net changes in working capital	183.78	(70.26)
Cash generated from operations	6,681.88	4,498.07
Taxes paid (net of refunds)	(2,043.55)	(1,436.15)
Net cash flow from / (used in) operating activities	4,638.33	3,061.92
B. Cash flow from Investing activities :		
Purchase of fixed assets	(671.94)	(331.99)
Sale of fixed assets	10.79	2.76
Purchase of investments	(9,207.68)	(9,573.23)
Sale of investments	5,822.42	11,381.56
Fixed deposits placed	(937.20)	(518.24)
Fixed deposits matured	518.20	700.00
Interest received	58.56	73.00
Dividend received	220.27	129.36
Net cash generated (used in) / from investing activities	(4,186.58)	1,863.22
C. Cash flow from financing activities :		
Interest paid	(17.32)	(21.36)
Dividend paid (including tax on dividend)	(428.96)	(5,075.90)
Net cash used in financing activities	(446.28)	(5,097.26)
D. Net increase / (decrease) in cash and cash equivalents :	5.47	(172.12)
Cash and cash equivalents		
At the beginning of the year	427.51	599.63
At the end of the year	432.98	427.51

Fixed deposits with banks having original maturity of more than three months aggregating to ₹ 735.00 (Previous year ₹ 316.00) are not readily liquid and have been excluded from Cash and cash equivalents. (Refer note 17)

The company has undrawn working capital facilities of ₹ 800.00 (Previous year: ₹ 800.00)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No : 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 23 February 2016

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

**For and on behalf of the Board of Directors
of ELANTAS Beck India Limited
CIN : L24222PN1956PLC134746**

Ranjal Laxmana Shenoy

Director

DIN:00074761

Ravindra Kumar

Managing Director

DIN:06755402

Mumbai, 23 February 2016

Notes to the financial statements for the year ended 31 December 2015

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The financial statements are presented in Indian rupees.

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 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's operating cycle is less than 12 months.

1.4 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. Till the year ended 31 December 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013 ('Schedule II'). The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

The Company has used transitional provisions of Schedule II to adjust the impact of its first application. If a tangible fixed asset has Nil remaining useful life on the date of Schedule II becoming effective, i.e., 1 January 2015, its

Notes to the financial statements for the year ended 31 December 2015 (Continued)

carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other tangible fixed assets, i.e., tangible fixed assets whose remaining useful life is not nil on 1 January 2015, is depreciated over their remaining useful life.

Based on internal evaluation, the Company reassessed the remaining useful lives and residual values of all fixed assets effective 1 January 2015 and has accounted for additional charge of ₹ 95.25 lacs for the year ended 31 December 2015 and ₹ 90.38 lacs (net of deferred tax ₹ 46.54 lacs) in reserves in terms of transitional provisions of Schedule II. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 December 2015 would have been lower by ₹ 95.25 lacs, the profit before tax for the year ended 31 December 2015 would have been higher by ₹ 95.25 lacs, retained earnings at the beginning of the year would have been higher by ₹ 90.38 lacs and the fixed assets would correspondingly have been higher by ₹ 232.17 lacs.

As per the Schedule II, depreciation is increased by 50% in case of double shift and by 100% in case of triple shift working.

The 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. Useful lives of assets are as follows:

Block of Asset	Useful lives
Building and roads	
Office building	60 years
Factory building	30 years
Plant and Machinery	15 – 20 years
Computers	3 – 6 years
Furniture and Fixtures	10 years
Motor vehicles	5 years

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

1.5 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. Useful lives of assets are as follows:

Block of Asset	Estimated useful life - in years (Rate of depreciation)
Computer Softwares	3 (33.33%)
Other Intangible assets	5 (20%)

1.6 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.

1.7 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. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of revised Schedule VI.

Notes to the financial statements for the year ended 31 December 2015 (Continued)

Long term investments (including current portion thereof) 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.

1.8 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.

1.9 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.

1.10 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

Notes to the financial statements for the year ended 31 December 2015 (Continued)

expense is recognized immediately in the Statement of Profit and Loss. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(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 the Statement of Profit and Loss.

(d) Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.11 **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 Statement of Profit and Loss. A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

1.12 **Taxes on Income**

Income tax expense comprises 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 realized.

1.13 **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.

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.

1.14 **Provisions and Contingencies**

Provisions

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. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

1.15 **Contingent Liabilities and Contingent Assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However,

contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 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 Statement of Profit and Loss on a straight – line basis over the lease term. Lease income under operating lease is recognised in the Statement of Profit and Loss on a straight – line basis over the lease term.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.18 Segment information

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment assets and liabilities do not include those relating to income taxes.

Segment revenue: Segment revenue comprises the portion of Company's revenue that is directly attributable to a segment or that can be allocated on a reasonable basis to a segment, and intersegment transfers.

Segment expense: Segment expense comprises the expense resulting from the operating activities of a segment that is directly attributable to the segment or that can be allocated on a reasonable basis to the segment and expense relating to transactions with other segments.

Notes to the financial statements for the year ended 31 December 2015 (Continued)

2. Share capital

(Currency : ₹ in lacs)

	2015	2014
Authorised :		
15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each	1,500.00	1,500.00
Issued, subscribed and fully paid-up :		
7,927,682 (previous year: 7,927,682) equity shares of ₹ 10 each	792.77	792.77
Rights, preferences and restrictions attached to equity shares:		
The Company has a single class of equity shares. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time.		
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.		
Equity shares held by Holding / Ultimate holding company and / or their subsidiaries:		
5,945,761 (Previous year 5,945,761) equity shares of ₹ 10 each held by ELANTAS GmbH (Holding Company)		
Particulars of shareholders holding more than 5% of equity shares:		
5,945,761 (Previous year 5,945,761) equity shares of ₹ 10 each held by ELANTAS GmbH. (percentage of holding 75.00% (previous year 75%))		

3. Reserves and surplus

(Currency : ₹ in lacs)

	2015	2014
Capital reserve (At the commencement and at the end of the year)	40.00	40.00
Share premium (At the commencement and at the end of the year)	695.18	695.18
General reserve		
At the commencement of the year	5,307.52	4,991.46
Less : Adjustment towards change in useful lives of fixed assets (Refer note 1.4)	(90.38)	-
Add : Amount transferred from surplus	417.56	316.06
	5,634.70	5,307.52
Surplus (Profit and loss balance)		
At the commencement of the year	6,727.41	4,310.92
Profit for the current year	4,175.56	3,160.63
Amount available for appropriations	10,902.97	7,471.55
Less : Appropriations		
Proposed dividend (final) (₹ 5.00 per equity share (Previous year ₹ 4.50 per equity share))	396.38	356.75
Dividend distribution tax	80.69	71.33
Transfer to general reserve	417.56	316.06
Net surplus in the statement of profit and loss	10,008.34	6,727.41
	16,378.22	12,770.11

Notes to the financial statements for the year ended 31 December 2015 (Continued)

4. Deferred tax liability (net)

(Currency : ₹ in lacs)

	2015	2014
Deferred tax liability :		
Difference between book and tax depreciation/ amortisation	290.78	317.69
Accrual for lease rental income (straightlining effect)	-	13.40
	290.78	331.09
Deferred tax asset :		
Provision for doubtful trade receivables	10.42	9.62
Provision for compensated absences and other employee benefits	136.23	132.73
Others	77.47	54.38
	224.12	196.73
	66.66	134.36

5. Other long term liabilities

(Currency : ₹ in lacs)

	2015	2014
Security deposits received	50.71	112.46
	50.71	112.46

6. Long term provisions

(Currency : ₹ in lacs)

	2015	2014
Provision for employee benefits		
Compensated absences	287.51	248.93
Service awards	44.34	52.10
Cash rewards (Refer note no. 35)	14.66	20.56
	346.51	321.59

7. Trade payables

(Currency : ₹ in lacs)

	2015	2014
Dues to micro and small enterprises (Refer note 37)	204.70	128.15
Dues to creditors other than micro and small enterprises	3,609.83	3,222.55
	3,814.53	3,350.70

8. Other current liabilities

(Currency : ₹ in lacs)

	2015	2014
Unpaid dividends	88.87	89.75
TDS payable	16.70	15.80
PF / ESI payable	14.31	13.91
Sales tax payable	22.80	57.46
Octroi payable	29.45	26.87
Payable on account of purchase of fixed assets	39.39	43.98
Excise duty payable	369.93	197.36
Security deposit from customers	201.50	152.50
Payable to employees	419.05	347.46
Advance from customers	53.85	87.05
Other liabilities	83.02	63.50
	1,338.87	1,095.64

Notes to the financial statements for the year ended 31 December 2015 (Continued)

9. Short term provisions

(Currency : ₹ in lacs)

	2015	2014
Provision for employee benefits		
Compensated absences	45.38	58.59
Service awards	3.47	3.58
Cash rewards (Refer note no. 35)	5.80	6.70
Provision for sales tax liability	220.82	160.82
Provision for income tax (net of advance tax)	2.53	2.53
Proposed dividend	396.38	356.75
Dividend distribution tax	80.69	71.33
Provision for wealth tax	-	0.90
	755.07	661.20
Provision for sales tax liability: The Company has made a provision on account of additional sales tax liability (including interest) on account of sales tax assessments currently in process under the Central Sales Tax Act, 1956 and pending sales tax forms for other years where assessment is not in process.		
At the commencement of the year	160.82	40.00
Provisions made during the year	148.00	120.82
Provisions utilised during the year	(25.00)	-
Provisions reversed during the year	(63.00)	-
At the end of the year	220.82	160.82

10. Fixed assets

10.1 Tangible fixed assets

(Currency : ₹ in lacs)

	Freehold land	Leasehold land	Building and roads	Plant and equipment	Computers	Furniture and fixtures	Motor vehicles	Total
Balance as at 1 January 2014	354.83	11.27	2,409.28	4,136.27	499.30	393.34	235.33	8,039.62
Additions	-	-	38.29	98.33	8.58	16.60	73.70	235.50
Disposals	-	-	-	2.07	-	0.83	11.55	14.45
Balance as at 31 December 2014	354.83	11.27	2,447.57	4,232.53	507.88	409.11	297.48	8,260.67
Balance as at 1 January 2015	354.83	11.27	2,447.57	4,232.53	507.88	409.11	297.48	8,260.67
Additions	-	-	60.36	462.96	48.13	28.09	70.93	670.47
Disposals	-	-	-	29.36	1.33	1.87	40.15	72.71
Balance as at 31 December 2015	354.83	11.27	2,507.93	4,666.13	554.68	435.33	328.26	8,858.43
Depreciation :								
Balance as at 1 January 2014	-	2.67	408.86	2,585.63	199.11	81.92	71.10	3,349.29
Depreciation for the year	-	0.14	68.93	251.94	31.58	22.63	70.94	446.16
Accumulated depreciation on disposals	-	-	-	0.57	0.45	0.58	8.86	10.46
Balance as at 31 December 2014	-	2.81	477.79	2,837.00	230.24	103.97	133.18	3,784.99
Balance as at 1 January 2015	-	2.81	477.79	2,837.00	230.24	103.97	133.18	3,784.99
Depreciation for the year	-	0.20	63.21	350.80	66.26	42.15	55.72	578.34
Accumulated depreciation on disposals	-	-	-	28.97	1.16	1.70	36.90	68.73
Adjustment - charge against opening reserves (Refer note 1.4)	-	-	7.29	93.84	34.10	1.69	-	136.92
Balance as at 31 December 2015	-	3.01	548.29	3,252.67	329.44	146.11	152.00	4,431.52
Net Block as on 31 December 2014	354.83	8.46	1,969.78	1,395.53	277.64	305.14	164.30	4,475.68
Net Block as on 31 December 2015	354.83	8.26	1,959.64	1,413.46	225.24	289.22	176.26	4,426.91
Capital work in progress:								
Balance as at 1 January 2014	-	-	4.42	-	-	-	-	4.42
Additions	-	-	-	208.69	-	-	-	208.69
Assets capitalised during the year	-	-	4.42	106.91	-	-	-	111.33
Balance as at 31 December 2014	-	-	-	101.78	-	-	-	101.78
Balance as at 1 January 2015	-	-	-	101.78	-	-	-	101.78
Additions	-	-	-	23.23	-	-	-	23.23
Assets capitalised during the year	-	-	-	101.78	-	-	-	101.78
Balance as at 31 December 2015	-	-	-	23.23	-	-	-	23.23

Notes to the financial statements for the year ended 31 December 2015 (Continued)

10.2 Intangible fixed assets

(Currency : ₹ in lacs)

	Goodwill	Technical Know-How	Trademarks	Computer Software	Total
Balance as at 1 January 2014	105.36	743.71	222.32	54.66	1,126.05
Additions	-	-	-	2.86	2.86
Disposals	-	-	-	-	-
Balance as at 31 December 2014	105.36	743.71	222.32	57.52	1,128.91
Balance as at 1 January 2015	105.36	743.71	222.32	57.52	1,128.91
Additions	-	-	-	59.11	59.11
Disposals	-	-	-	-	-
Balance as at 31 December 2015	105.36	743.71	222.32	116.63	1,188.02
Amortisation:					
Balance as at 1 January 2014	101.14	674.91	205.81	41.47	1,023.33
Amortisation for the year	4.22	68.79	16.51	6.49	96.01
Amortisation on disposals	-	-	-	-	-
Balance as at 31 December 2014	105.36	743.70	222.32	47.96	1,119.34
Balance as at 1 January 2015	105.36	743.70	222.32	47.96	1,119.34
Amortisation for the year	-	0.01	-	16.08	16.09
Amortisation on disposals	-	-	-	-	-
Balance as at 31 December 2015	105.36	743.71	222.32	64.04	1,135.43
Net Block as on 31 December 2014	-	0.01	-	9.56	9.57
Net Block as on 31 December 2015	-	-	-	52.59	52.59

11. Non-current investments

Non trade investments

(Currency : ₹ in lacs)

	2015	2014
Unquoted: (at cost)		
146,365 (previous year : 146,365) equity shares of ₹10 each fully paid up in Narmada Clean Tech Ltd	14.64	14.64
33,604 (previous year : 33,604) equity shares of ₹10 each fully paid-up in Roplas (India) Limited.	2.35	2.35
Less : Provision for diminution in value of investment	(2.35)	(2.35)
Quoted: (at cost)		
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 (Market value ₹ 0.11 - previous year ₹ 0.16)	0.05	0.05
	14.69	14.69
Quoted non current investments		
Aggregate book value	0.05	0.05
Aggregate market value	0.11	0.16
Unquoted non current investments		
Aggregate book value	16.99	16.99
Aggregate provision for diminution in value of investments	(2.35)	(2.35)
Aggregate carrying amount	14.64	14.64

Notes to the financial statements for the year ended 31 December 2015 (Continued)

12. Long term loans and advances (Unsecured and considered good)

(Currency : ₹ in lacs)

	2015	2014
To parties other than related parties		
Capital advances	15.15	40.64
Security deposits	193.82	164.00
Advance tax (net of provisions)	101.45	76.82
Housing loan given to employees	1.76	31.32
Other deposits	20.18	20.18
To related parties		
Housing loan given to employees		
Mr Sanjay Kulkarni	19.62	-
Mr Shirish Dabir	4.96	-
	356.94	332.96

13. Other non current assets

(Currency : ₹ in lacs)

	2015	2014
Bank deposits (due to mature after 12 months from the reporting date) (Refer note 17)	19.87	19.87
Interest accrued but not due	2.51	0.84
Other receivables	-	28.81
	22.38	49.52
Out of the Bank deposits mentioned above ₹ 0.65 (previous year ₹ 0.65) are given as Bank Guarantee for a period more than one year.		

14. Current investments

(Currency : ₹ in lacs)

	2015	2014
Non trade investments		
Investments in mutual funds (Quoted) : valued at lower of cost and market value		
6,189.86 units (Previous year 26,653.02) of "Reliance Liquid Fund-TP-DDR of face value ₹ 1000 per unit (Previous year ₹ 1000 per unit)	94.63	407.46
78,468.92 units (Previous year 45,515.16) of "IDFC Cash Fund - Regular Plan-DDR of face value ₹ 1000 per unit (Previous year ₹ 1000 per unit)	785.05	455.36
683,758.99 units (Previous year 406,140.65) of Birla Sun life cash plus -Daily dividend of face value ₹ 100 per unit (Previous year ₹ 100)	685.09	406.93
62,615.85 units (Previous year 3,499,338.68) of HDFC liquid fund - DDR - 2 of face value ₹ 1000 per unit (Previous year ₹ 10)	638.57	356.87
164,747.19 units (Previous year 443,545.90) of ICICI Prudential liquid RP DDR of face value ₹ 100 per unit (Previous year ₹ 100)	164.85	443.83
60,500.02 units (Previous year 53,149.84) of DSP liquid fund - Inst - DDR of face value ₹ 1000 per unit (Previous year ₹ 1000 per unit)	605.36	531.67
60,372.52 units (Previous year 39,981.99) of SBI Premier Liquid Fund - Regular Plan - WDR of face value ₹ 1000 per unit (Previous year ₹ 1000 per unit)	640.96	413.94
2,582,627.43 units (Previous year Nil) of Kotak bond-ST-MDR of face value ₹ 10 per unit (Previous year Nil)	261.96	-
30,850.48 units (Previous year Nil) of Kotak Liq scheme plan A - DDR of face value ₹ 1000 per unit (Previous year Nil)	377.24	-
5,583,921.36 units (Previous year Nil) of Reliance short term - MDR of face value ₹ 10 per unit (Previous year Nil)	612.49	-

Notes to the financial statements for the year ended 31 December 2015 (Continued)

14. Non trade Investments (continued)

(Currency : ₹ in lacs)

	2015	2014
6,254,096.35 units (Previous year Nil) of Tata short term bond fund-Plan A - MDR of face value ₹ 10 per unit (Previous year Nil)	864.19	-
5,542,606.53 units (Previous year Nil) of ICICI prudential short term RP - MDR of face value ₹ 10 per unit (Previous year Nil)	669.69	-
	6,400.08	3,016.06
Quoted current investments		
Aggregate book value	6,400.08	3,016.06
Aggregate market value	6,413.21	3,016.13
Current and Non current investments		
Quoted		
Aggregate book value	6,400.13	3,016.11
Aggregate market value	6,413.32	3,016.29

15. Inventories (valued at lower of cost and net realisable value)

(Currency : ₹ in lacs)

	2015	2014
Raw materials (including Goods in transit ₹ 173.20 (Previous year ₹ 498.23))	2,021.00	2,953.55
Intermediates and work-in-progress	449.16	436.87
Packing materials	116.54	128.33
Stores	124.22	126.24
Stock in trade	6.87	4.52
Finished goods	2,346.76	1,504.13
	5,064.55	5,153.64

16. Trade receivables

(Currency : ₹ in lacs)

	2015	2014
(unsecured)		
Over six months : from the date they became due for payment		
Considered good	13.83	21.26
Considered doubtful	29.86	28.30
Less : Provision for doubtful receivables	(29.86)	(28.30)
	13.83	21.26
Other debts :		
Considered good	5,548.60	4,928.19
Considered doubtful	0.25	-
Less : Provision for doubtful receivables	(0.25)	-
	5,548.60	4,928.19
	5,562.43	4,949.45

17. Cash and bank balances

(Currency : ₹ in lacs)

	2015	2014
Cash & cash equivalents		
Cash in hand	1.54	0.65
Balances with banks		
Unpaid dividend	88.87	89.75
Balance on current accounts	342.57	337.11
	432.98	427.51
Other bank balances		
Balance on deposit accounts	735.00	316.00
(With original maturity of more than 3 months and due to mature within 12 months of reporting date)		
	1,167.98	743.51

Notes to the financial statements for the year ended 31 December 2015 (Continued)

17. Cash and bank balances (continued)

(Currency : ₹ in lacs)

	2015	2014
Details of Bank balances / deposits		
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	342.57	337.11
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	735.00	316.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'. (Refer note 13)	19.87	19.87
Earmarked funds (unpaid dividend) included in 'Balances with banks'	88.87	89.75
	1186.31	762.73

18. Short term loans and advances (Unsecured and considered good)

(Currency : ₹ in lacs)

	2015	2014
To parties other than related parties		
Advance for supply of goods and services	79.88	52.34
Prepaid expenses	113.44	115.55
Current maturities of housing loans to employees	1.07	4.85
Other employee advances	3.68	2.84
Cenvat credit receivable	15.47	59.77
Balance with customs authorities	67.33	47.20
Unutilised DEPB licenses	16.03	17.44
Balance with gratuity trust	22.76	44.16
To related parties		
Current maturities of long term housing loans to employees		
Mr Sanjay Kulkarni	2.81	-
Mr Shirish Dabir	1.11	-
	323.58	344.15

19. Other current assets

(Currency : ₹ in lacs)

	2015	2014
Interest accrued but not due	15.03	12.66
Other receivables	112.95	35.16
	127.98	47.82

20. Revenue from operations

(Currency : ₹ in lacs)

	2015	2014
Sale of products		
Finished goods	38,467.84	38,064.38
Traded goods	60.56	50.01
Sale of products (gross)	38,528.40	38,114.39
Less : Excise duty	4,228.80	4,106.24
Sale of products (net)	34,299.60	34,008.15
Other operating revenues		
Sale of raw materials	24.81	18.97
Sale of scrap	91.65	117.40
	116.46	136.37
	34,416.06	34,144.52
Break up of sale of products (net)		
Wire enamels and Impregnating varnishes	8,713.47	8,696.10
Synthetic resins	25,523.14	25,259.33
Trading	62.99	52.72
Total	34,299.60	34,008.15

Notes to the financial statements for the year ended 31 December 2015 (Continued)

21. Other Income

(Currency : ₹ in lacs)

	2015	2014
Interest Income	62.59	75.04
Dividend Income on current investments	220.27	129.36
Gain (net) on sale of current investments	0.01	290.35
Rental income from letting out of property	141.76	180.19
Hire charges	2.70	2.69
Export benefits (including Deemed Exports)	35.24	48.31
Gain on DEPB license	17.37	25.88
Profit on sale of fixed assets (net)	6.81	-
Royalty and commission	4.16	10.27
Provisions no longer required written back	45.00	-
Miscellaneous income	24.92	85.83
	560.83	847.92

22. Cost of materials consumed

(Currency : ₹ in lacs)

	2015	2014
Consumption of raw materials:		
Inventory at the beginning of the year	2,953.55	2,123.62
Purchases	20,071.54	23,062.05
Inventory at the end of the year	2,021.00	2,953.55
	21,004.09	22,232.12
Consumption of packing materials		
Inventory at the beginning of the year	128.33	91.91
Purchases	1,487.26	1,472.17
Inventory at the end of the year	116.54	128.33
	1,499.05	1,435.75
	22,503.14	23,667.87
Break up of cost of raw materials consumed		
Consumption value		
Synthetic resins	3,570.94	3,571.11
Solvents	7,376.24	7,634.44
Organic chemicals	9,105.93	10,035.58
Others	950.98	990.99
	21,004.09	22,232.12
Break-up of Inventory-raw materials		
Synthetic Resins	282.10	319.10
Solvents	690.73	997.08
Organic Chemicals	866.43	1,495.54
Others	181.74	141.83
	2,021.00	2,953.55

23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(Currency : ₹ in lacs)

	2015	2014
Opening stock :		
Intermediates and work-in-progress	436.87	386.63
Stock in trade	4.52	3.67
Finished goods *	1,504.13	1,668.02
	1,945.52	2,058.32

Notes to the financial statements for the year ended 31 December 2015 (Continued)

23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (continued)

(Currency : ₹ in lacs)

	2015	2014
Closing stock :		
Intermediates and work-in-progress	449.16	436.87
Stock in trade	6.87	4.52
Finished goods *	2,346.76	1,504.13
	2,802.79	1,945.52
	(857.27)	112.80
* Includes provision for excise duty ₹ 369.62 (Previous year : ₹ 197.36)		
Changes in inventory of finished goods, work-in-progress and stock in trade		
Finished goods		
Opening stocks		
Wire enamels and Impregnating varnishes	983.65	1,264.31
Synthetic resins	520.48	403.71
Total	1,504.13	1,668.02
Closing stocks		
Wire enamels and Impregnating varnishes	1,715.19	983.65
Synthetic resins	631.57	520.48
Total	2,346.76	1,504.13
Intermediates and work-in-progress		
Opening stocks		
Wire enamels and Impregnating varnishes	238.69	242.12
Synthetic resins	198.18	144.51
Total	436.87	386.63
Closing stocks		
Wire enamels and Impregnating varnishes	332.71	238.69
Synthetic resins	116.45	198.18
Total	449.16	436.87
Stock in trade		
Opening stocks		
Synthetic resins	4.52	3.67
Total	4.52	3.67
Closing stocks		
Synthetic resins	6.87	4.52
Total	6.87	4.52

24. Employee benefit expenses

(Currency : ₹ in lacs)

	2015	2014
Salaries, wages and bonus	1,712.99	1,580.56
Voluntary retirement scheme expenses	64.88	-
Contribution to provident and other funds	165.09	163.63
Staff welfare expenses	125.54	153.72
Compensated absences	25.37	-
Other employee benefits	43.33	-
	2,137.20	1,897.91

Notes to the financial statements for the year ended 31 December 2015 (Continued)

25. Other expenses

(Currency : ₹ in lacs)

	2015	2014
Consumption of stores and spare parts	136.77	117.14
Power and fuel	667.65	722.97
Delivery charges	991.46	926.34
Rent	23.58	32.73
Rates and taxes	386.51	317.39
Insurance	59.40	52.40
Repairs to Building	23.11	26.07
Repairs to Machinery	273.74	221.80
Repairs others	28.52	18.94
Repacking charges	116.16	112.50
Royalty	132.52	114.34
Travelling	154.19	155.62
IT allocation charges	124.01	116.88
Global R & D expenses	72.76	103.65
Sitting fees to Directors	14.21	7.80
Bad debts and advances written off	3.87	3.87
Provision for doubtful debts	1.81	14.58
Commission on sales	8.05	13.30
Legal and professional charges *	234.23	281.54
Net loss on account of foreign exchange fluctuations	24.55	35.84
Loss on sale of fixed assets (net)	-	1.24
Corporate social responsibility expenses	37.27	-
Miscellaneous expenses	853.37	819.59
	4,367.74	4,216.53
* include Payment to auditors		
As auditors		
Statutory audit	10.75	10.75
Tax audit	3.75	3.75
Limited review of quarterly results	7.20	7.20
Certifications	3.25	1.00
In other capacity		
Other audit services	3.50	3.50
Transfer pricing	3.50	3.50
Reimbursement of expenses		
As auditors	2.58	1.85
In other capacity	0.82	0.24
	35.35	31.79

26. Current tax (net)

(Currency : ₹ in lacs)

	2015	2014
Tax provision for the current year	2,018.91	1,410.00
Additional/(reversal of) provision on assessment of earlier years (net)	-	(18.62)
	2,018.91	1,391.38

Notes to the financial statements for the year ended 31 December 2015 (Continued)

27. Contingent liabilities not provided for

(Currency : ₹ in lacs)

	2015	2014
a) Claims against the Company not acknowledged as debts	182.63	182.63
b) Excise duty matters	239.34	233.14
c) Income tax matters	-	23.93
d) Sales tax matters	172.62	448.56
e) Guarantee in favour of Gujarat Industrial Development Corporation	-	12.24
Note: The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		

(Currency : ₹ in lacs)

	2015	2014
28. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	51.47	159.75

29. Value of Imports on CIF basis

(Currency : ₹ in lacs)

	2015	2014
a) Raw material	6,088.15	6,261.65
b) Capital goods	34.61	6.86
c) Purchase for resale	-	1.80
	6,122.76	6,270.31

30. Details of imported and indigenous raw materials, components and spare parts consumed during the financial year

(Currency : ₹ in lacs)

	2015	2014
Sourcewise breakup of raw materials, stores and spare parts consumed		
a) Raw Materials (value)		
Imported at landed cost (including High Seas purchases)	8,111.24	8,998.03
Indigenously procured	12,892.85	13,234.09
	21,004.09	22,232.12
Raw Materials (%)		
Imported at landed cost	39%	40%
Indigenously procured	61%	60%
	100%	100%
b) Stores and spare parts (value)		
Indigenously procured	136.77	117.14
	136.77	117.14
Stores and spare parts (%)		
Indigenously procured	100%	100%
	100%	100%

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

(Currency : ₹ in lacs)

	2015	2014
a) Royalty (gross)	126.21	102.26
b) Commission on exports	8.05	13.30
c) Global IT expenses	124.01	116.88
d) Global R&D expenses	72.76	103.65
e) Others	46.01	51.46
	377.04	387.55

Notes to the financial statements for the year ended 31 December 2015 (Continued)

32. Dividend remittances in foreign currency

(Currency : ₹ in lacs)

	2015	2014
a) Number of non-resident shareholders to whom remittance was made	1	1
b) Number of shares on which remittance was made	59,45,761	59,45,761
c) Net amount remitted		
Dividend for 2013	-	3,270.16
Dividend for 2014	267.56	-

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

(Currency : ₹ in lacs)

	2015	2014
On account of exports at FOB value	828.10	1,065.43
Royalty	4.16	4.41
Commission	-	5.86
	832.26	1,075.70

34. Research and development expenses

(Currency : ₹ in lacs)

	2015	2014
a) Expenses of revenue nature (debited to Statement of profit and loss)	303.22	376.73
b) Expenses of capital nature (shown as addition to fixed assets)	48.17	11.76
	351.39	388.49
The Research & Development expenses disclosed herewith refers to expenses incurred for the R&D unit situated at Pimpri works (recognised by Department of Scientific & Industrial Research "DSIR") and Ankleshwar works (not recognised by DSIR). Disclosures as per the guidelines of DSIR are done on a Financial year basis (April- March)		

35. Employee benefits:

a) Defined contribution plans

Amount of ₹ 76.68 (previous year : ₹ 79.08) is recognised as an expense towards provident fund & ₹ 88.01 (previous year : ₹ 84.02) is recognised as an expense towards superannuation and included in the 'Contributions to provident and other funds' under note no 24.

b) 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.

c) Defined benefit plan (Cash rewards at retirement)

As per the plan, at the time of normal retirement, ₹ .025 (previous year .025) is payable to employees for each year of service rendered. The scheme is unfunded.

(Currency : ₹ in lacs)

	Gratuity		Cash rewards	
	2015	2014	2015	2014
I) Reconciliation of opening and closing balance of obligations				
Liability at the beginning of the year	485.81	574.46	27.26	29.23
Current service cost	22.63	16.34	1.08	1.08
Past service cost	-	-	-	-
Interest cost	34.86	46.10	1.98	2.29
Benefits paid	(165.68)	(110.75)	(13.35)	(5.63)
Actuarial (gain)/loss on obligations	31.25	(40.34)	3.49	0.29
Liability at the end of the year	408.87	485.81	20.46	27.26
II) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	529.98	582.93	-	-
Expected return on plan assets	38.79	47.68	-	-
Contributions by the employer (Refer note no 5 below)	23.25	6.48	-	-
Benefits paid	(165.68)	(110.75)	-	-
Actuarial gain/(loss) on plan assets	5.29	3.64	-	-
Fair value of plan assets at the end of the year	431.63	529.98	-	-

Notes to the financial statements for the year ended 31 December 2015 (Continued)

35. Employee benefits

(Currency : ₹ in lacs)

(Currency : ₹ In lac)

		Gratuity		Cash rewards	
		2015	2014	2015	2014
III) Net actuarial (gain) / loss					
Actuarial (gain) / loss on Obligations		31.25	(40.34)	3.49	0.29
Actuarial gain / (loss) on Plan Assets		5.29	3.64	-	-
Net actuarial (gain) / loss		25.96	(43.98)	3.49	0.29
IV) Amount recognised in the Balance sheet					
Defined benefit obligation as at end of the year		408.87	485.81	20.46	27.26
Fair Value of plan assets at the end of the year		431.63	529.98	-	-
Net Liability / (Asset)		(22.76)	(44.16)	20.46	27.26
V) Expense recognised in Statement of Profit and loss					
Current service cost		22.63	16.34	1.08	1.08
Interest cost		34.86	46.10	1.98	2.29
Expected return on plan assets		(38.79)	(47.68)	-	-
Net Actuarial (gain) / loss		25.96	(43.98)	3.49	0.29
Total expenses/ (Income) included in "Employee benefit expense" under Note 24/ (Other income) under Note 21		44.66	(29.22)	6.55	3.66
VI) Actual return on plan assets					
Expected return on plan assets		38.79	47.68	-	-
Actuarial gain on plan assets		5.29	3.64	-	-
Actual return on plan assets		44.08	51.32	-	-
VII) Principal actuarial assumptions					
Discount rate		8.00%	9.00%	8.00%	9.00%
Expected return on plan assets		8.00%	8.25%	NA	NA
Salary escalation rate		10.50%	10.50%	10.50%	NA
* Refer Note no 6 below					
VIII) Other disclosures - Gratuity	2015	2014	2013	2012	2011
Liability at the end of the year	408.87	485.81	574.46	576.80	549.18
Fair value of plan assets at the end of the year.	431.63	529.98	582.92	564.85	568.46
Amount recognised in Balance Sheet	(22.76)	(44.16)	(8.47)	11.95	(19.28)
Experience adjustments on liability	22.52	(59.02)	9.00	28.35	4.94
Experience adjustments on plan assets	(5.29)	(3.64)	(1.22)	(13.88)	(9.54)
IX) Other disclosures - Cash rewards at retirement	2015	2014	2013	2012	2011
Liability at the end of the year	20.46	27.26	29.23	13.10	13.04
Experience adjustments on liability	3.14	(0.63)	0.09	0.50	0.21
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) Changes enacted before the Balance Sheet date are considered while determining the obligation.					
5) Expected Employer's contribution in next year ₹ 23.25 (Previous year ₹ 6.50).					
6) Salary escalation rate is 10.50%.					

Notes to the financial statements for the year ended 31 December 2015 (Continued)

36. 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.

36.1 Primary Business Segments

(Currency : ₹ in lacs)

	2015	2014
1. Segmentwise revenue		
a) Electrical Insulations	28,196.95	27,986.51
b) Engineering and Electronic Resins and Materials	6,305.56	6,328.29
Total	34,502.51	34,314.80
2. Other unallocable Income	474.38	677.64
Net sales / Income from operations (including other income) (1 + 2)	34,976.89	34,992.44
3. Segment results Profit (+) / Loss (-) before tax and interest		
a) Electrical Insulations	4,899.22	3,036.59
b) Engineering and Electronic Resins and Materials	1,062.86	1,001.40
Total	5,962.08	4,037.99
4. Interest	18.79	23.98
5. Other unallocable expenditure	244.36	194.93
6. Profit before tax	6,173.31	4,496.72
Provision for tax (net)	2,018.91	1,391.38
Provision for deferred tax (release)/ charge	(21.16)	(55.29)
7. Profit after tax	4,175.56	3,160.63
Other information		
8. Segment assets		
a) Electrical Insulations	12,114.23	11,854.27
b) Engineering and Electronic Resins and Materials	2,920.79	2,833.80
c) Other unallocable	8,508.32	4,550.76
Total	23,543.34	19,238.83
9. Segment liabilities		
a) Electrical Insulations	4,224.91	3,499.74
b) Engineering and Electronic Resins and Materials	944.77	706.42
c) Other unallocable	1,202.67	1,469.79
Total	6,372.35	5,675.95
10. Capital expenditure		
a) Electrical Insulations	478.02	239.52
b) Engineering and Electronic Resins and Materials	150.56	73.30
c) Other unallocable	22.41	22.86
Total	650.99	335.68
11. Depreciation / Amortisation		
a) Electrical Insulations	443.92	340.90
b) Engineering and Electronic Resins and Materials	111.82	170.47
c) Other unallocable	38.69	30.80
Total	594.43	542.17

Notes to the financial statements for the year ended 31 December 2015 (Continued)

36.2 Secondary Business Segments

(Currency : ₹ in lacs)

	2015	2014
1. Revenue		
India	33,614.56	33,143.78
Outside India	887.97	1,171.04
Total	34,502.53	34,314.82
2. Segment assets (only trade receivables)		
India	5,400.37	4,728.06
Outside India	162.06	221.39
Total	5,562.43	4,949.45

37. Details of dues to Micro, Small and Medium Enterprise under MSMED Act, 2006

(Currency : ₹ in lacs)

	2015	2014
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year.		
a) Principal amount due to micro and small enterprises	204.70	128.15
b) Interest due on above	2.32	0.77
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
a) Payments made to suppliers beyond the appointed date	1,087.84	1,121.87
b) Interest paid on above	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	7.77	3.39
4. The amount of interest accrued and remaining unpaid at the end of each accounting year		
a) Year 2014	3.39	3.39
b) Year 2015	7.77	-
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure for Income Tax purposes under section 23 of the MSMED Act 2006	11.15	3.39
The company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/ or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.		

38. Related party disclosures

38.1 A. List of related parties and relationship

Where control exists

SKion GmbH
ALTANA AG
ALTANA Chemie GmbH
ELANTAS GmbH

Others

BYK-Chemie GmbH
ELANTAS PDG Inc.
ELANTAS Italia Srl
ELANTAS Tongling Co. Ltd.
ELANTAS Zhuhai Co. Ltd.
ELANTAS Isolantes Electricos Do Brasil LTDA
BYK Chemie Asia Pacific PTE Ltd.
ELANTAS Beck GmbH
ELANTAS Malaysia Sdn Bhd
BYK Asia Pacific Singapore Pte Ltd.
Eckart Asia Ltd.
ECKART GmbH

Holding company of Altana AG
Holding company of Altana Chemie GmbH
Holding company of ELANTAS GmbH
Holding company (75.00%)

Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
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Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary

Notes to the financial statements for the year ended 31 December 2015 (Continued)

B. Transactions with related parties

(Currency : ₹ in lacs)

	2015	2014
1. Summary of transactions		
a) Sales	290.78	400.07
b) Commission	-	5.86
c) Recoveries of expenses	112.07	91.22
d) Purchases	24.93	68.05
e) Other services	152.12	170.81
f) License fee (Income)	59.13	50.29
g) Royalty paid (gross)	126.21	102.26
h) Royalty income	4.16	4.41
i) IT allocation charges	116.79	116.88
j) Dividend	297.29	267.56
2. Related party- wise transactions		
a) ALTANA AG		
Recoveries of expenses	-	0.22
b) ELANTAS GmbH		
Recoveries of expenses	46.22	20.36
Other services	119.62	146.45
Dividend	297.29	267.56
Royalty paid (gross)	53.17	42.44
c) ELANTAS Italia Srl		
Commission	-	5.86
Recoveries of expenses	1.47	-
Purchases	17.66	58.01
Other services	6.39	1.47
Royalty paid (gross)	54.74	49.01
d) ELANTAS PDG Inc.		
Recoveries of expenses	1.47	0.25
Other services	13.63	6.74
Royalty paid (gross)	18.30	10.81
e) BYK-Chemie GmbH		
Recoveries of expenses	1.47	-
IT allocation charges	116.79	116.88
f) BYK Chemie Asia Pacific PTE Ltd.		
Recoveries of expenses	6.35	5.70
License fee (Income)	59.13	50.29
g) ELANTAS Tongling Co. Ltd.		
Sales	284.03	378.11
Purchases	7.27	3.63
h) ELANTAS Zhuhai Co. Ltd.		
Sales	-	21.37
Royalty income	4.16	4.41
Purchases	-	3.92
i) ELANTAS Isolantes Electricos Do Brasil LTDA		
Sales	6.75	0.59
j) ECKART GmbH		
Recoveries of expenses	-	53.29

Notes to the financial statements for the year ended 31 December 2015 (Continued)

38. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2015	2014
k) ELANTAS Beck GmbH		
Purchases	-	2.49
Other services	9.81	3.32
l) ELANTAS Malaysia Sdn Bhd		
Recoveries of expenses	0.78	-
Other services	2.67	12.83
m) BYK Asia Pacific Singapore Pte Ltd.		
Recoveries of expenses	54.31	11.40
n) Eckart Asia Ltd.		
Recoveries of expenses	131.21	-
3. Outstanding balances		
i) Trade Receivables		
ELANTAS GmbH	37.10	41.37
ELANTAS Beck GmbH	0.78	-
ELANTAS Italia Srl	0.78	-
BYK-Chemie GmbH	0.78	0.52
ECKART GmbH	-	5.32
ELANTAS Isolantes Electricos Do Brasil LTDA	-	0.60
BYK Asia Pacific Singapore Pte Ltd.	3.13	3.56
ALTANA AG	-	0.21
ELANTAS PDG Inc.	0.77	-
ELANTAS Zhuhai Co. Ltd.	2.06	2.37
ELANTAS Tongling Co. Ltd.	83.35	91.32
ELANTAS Malaysia Sdn Bhd	0.78	-
Total	129.53	145.27
ii) Trade Payables		
ELANTAS Tongling Co. Ltd.	-	2.27
ELANTAS Italia Srl	0.69	18.18
ELANTAS GmbH	119.07	171.43
ELANTAS Beck GmbH	3.45	2.52
BYK-Chemie GmbH	47.24	-
ELANTAS Malaysia Sdn Bhd	-	10.12
Total	170.45	204.52
iii) Other Long Term Liabilities		
BYK Chemie Asia Pacific PTE Ltd.	41.29	41.29
Total	41.29	41.29

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

Key management personnel :

Mr. Ravindra Kumar

Mr. Milind Talathi (w.e.f. 28 October 2015)

Mr. Sharadkumar Shetye (Upto 27 May 2014)

Mr. Sanjay Kulkarni

Mr. Shirish Dabir

Relatives of key management personnel :

Mrs. M. R. Shetye (Upto 27 May 2014)

Notes to the financial statements for the year ended 31 December 2015 (Continued)

38.2 B. Transactions with key management personnel and relatives of key management personnel (Currency : ₹ in lacs)

	2015	2014
a) Managerial remuneration		
Mr. Ravindra Kumar (\$)	131.28	142.29
Mr. Milind Talathi (see note no 1 below)	33.28	NA
Mr. Sanjay Kulkarni (&)	55.99	NA
Mr. Shirish Dabir	32.08	NA
Mr. Sharadkumar Shetye (#)	-	27.29
Total	252.63	169.58
Notes:		
(\$)	Includes INR 13 lacs (previous year : Nil) of managerial remuneration which is subject to approval of shareholders' as per provisions of Sec 197 of the Companies Act, 2013. The Company shall obtain the approval in the ensuing Annual General Meeting to be held on 3 June 2016.	
(&)	Includes INR 3 lacs (previous year : NA) of managerial remuneration which is subject to approval of shareholders' as per provisions of Sec 188 of the Companies Act, 2013. The Company shall obtain the approval in the ensuing Annual General Meeting to be held on 3 June 2016.	
(#)	Includes INR NIL (previous year INR 16.04 lacs) paid to Mr. Sharadkumar Shetye as encashment of accumulated leave which is not included in above.	
Note 1	-The remuneration payable to Mr. Milind Talathi is subject to approval of Shareholders under Section 196(4) of the Companies Act, 2013. The Company shall obtain the approval in the ensuing Annual General Meeting to be held on 3 June 2016.	
b) Rent		
Mrs. M. R. Shetye	-	0.98
c) Increase/(decrease) in loan balance		
Mr. Sanjay Kulkarni	(2.76)	NA
Mr. Shirish Dabir	(1.07)	NA
Mr. Rajeev Bhide	-	(3.07)
Total	(3.83)	(3.07)
d) Interest received on loans given		
Mr. Sanjay Kulkarni	0.70	NA
Mr. Shirish Dabir	0.23	NA
Mr. Rajeev Bhide	-	0.03
Total	0.93	0.03
e) Outstanding balances		
Mr. Sanjay Kulkarni	22.43	NA
Mr. Shirish Dabir	6.07	NA
Total	28.50	-
Other current liabilities		
Mr. Ravindra Kumar	63.00	28.00
Mr. Milind Talathi	26.00	NA
Mr. Sanjay Kulkarni	23.00	NA
Mr. Shirish Dabir	11.00	NA
Total	123.00	28.00
f) Maximum amount outstanding during the year		
Loans and advances		
Mr. Sanjay Kulkarni	25.19	NA
Mr. Shirish Dabir	7.14	NA
Mr. Rajeev Bhide	-	3.07

Notes to the financial statements for the year ended 31 December 2015 (Continued)

39. Earnings per share - Basic and Diluted

(Currency : ₹ in lacs)

	2015	2014
a) Net profit for the year after tax	4,175.56	3,160.63
Calculation of weighted average number of equity shares		
Number of shares at the beginning and end of the year	79,27,682	79,27,682
b) Weighted average number of equity shares	79,27,682	79,27,682
c) Earnings per share (a)/(b)	52.67	39.87
Nominal value per share ₹ 10 each (Previous year - ₹ 10 each)		

40. Unhedged Foreign currency exposures

(Currency : ₹ in lacs)

	2015	2014
a) Foreign currency receivables representing debtors		
Indian Rupees	40.22	35.97
Foreign currency ('in lacs) : Euro	0.56	0.47
Indian Rupees	123.52	173.97
Foreign currency ('in lacs) : US\$	1.87	2.76
b) Foreign currency payables representing creditors and other payables		
Indian Rupees	243.27	223.70
Foreign currency ('in lacs) : Euro	3.38	2.91
Indian Rupees	387.72	777.23
Foreign currency ('in lacs) : US\$	5.85	12.25
Indian Rupees	2.07	-
Foreign currency ('in lacs) : GBP	0.02	-
c) Foreign currency bank balance		
Indian Rupees	-	0.26
Foreign currency ('in lacs) : US\$	-	-
d) Foreign currency receivables representing advances to suppliers		
Indian Rupees	12.51	2.15
Foreign currency ('in lacs) : US\$	0.19	0.04
e) Foreign currency payables representing advances from customers		
Indian Rupees	0.90	-
Foreign currency ('in lacs) : US\$	0.01	-
There are no hedged foreign currency exposures at the year end.		

41. Management believes that the Company's international transactions with related parties post 31 March 2015 (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.

42. At the year end, the Company did not have any long term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.

43. Operating Lease as lessor

The Company has leased out its surplus office space. The lease term is 5 years. There is an escalation and renewal clause in the lease agreement and sub-letting is not permitted. The carrying amount of the building given on operating lease and depreciation thereon for the period is:

(Currency : ₹ in lacs)

	2015	2014
Gross carrying amount	170.31	170.31
Accumulated depreciation	54.19	51.34
Net carrying amount	116.12	118.97
Depreciation for the year	2.85	2.76
The future minimum lease payments under non cancellable operating lease are as follows		
Receivable within one year	145.85	137.81
Receivable between one and five years	63.15	209.00
Total	209.00	346.81

Notes to the financial statements for the year ended 31 December 2015 (Continued)

43. Operating Lease as lessor (Continued)

During the year, an amount of ₹116.60 was recognised as rental income from above mentioned property in the Statement of Profit and Loss (Previous year: ₹127.20)

Pursuant to clause XV of the Leave & License agreement dated 8 July 2012, the Company has served a notice on the licensee for recovery of unpaid dues as at the Balance Sheet date.

44. Corporate social responsibility under section 135 of the Companies Act, 2013

(Currency : ₹ in lacs)

	2015	2014
a. Gross amount required to be spent by the Company during the year	73.93	-
b. Amount spent during the year		
i) Construction of assets charged to statement of Profit & Loss	19.41	-
ii) Others	17.86	-
Total	37.27	-

For BSR & Co. LLP

Chartered Accountants

Firm Registration No : 101248WW-100022

For and on behalf of the Board of Directors
of ELANTAS Beck India Limited

CIN : L24222PN1956PLC134746

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 23 February 2016

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

Ranjal Laxmana Shenoy

Director

DIN:00074761

Ravindra Kumar

Managing Director

DIN:06755402

Mumbai, 23 February 2016

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NOTICE

Notice is hereby given that the Sixtieth Annual General Meeting of the members of ELANTAS Beck India Ltd. (CIN: L24222PN1956PLC134746) will be held on Friday, 3 June 2016, at 2.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2015 along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year 2015.
3. To appoint a Director in place of Mr. Martin Babilas (DIN: 00428631) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Stefan Genten (DIN: 07350813) as a Director of the Company.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Stefan Genten (DIN: 07350813) be and is hereby appointed as a Non Executive, Non Independent Director of the Company, liable to retire by rotation."

5. Revision in the overall maximum ceiling on remuneration to the Managing Director.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule V of the said Act, consent of the Company be and is hereby accorded to increase the overall maximum ceiling pertaining to Performance Bonus of the Managing Director of the Company as set out below:

Particulars	Maximum amount per annum	
	Present (as approved by the Members at the AGM held on 6 May, 2015)	Proposed
Performance Bonus	₹ 50 Lacs	₹ 80 Lacs

6. Re-appointment of Mr. Ravindra Kumar (DIN: 06755402) as the Managing Director of the Company.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the applicable provisions of Sections 196, 197 and 198 read with the provisions of Schedule V of the Companies Act, 2013, Companies (Meetings of Board) Rules, 2014 and Article 171 of the Articles of Association of the Company, Mr. Ravindra Kumar be and is hereby re-appointed as the Managing Director of the Company for a period of 5 years from 01 January 2017 to 31 December 2021, on such remuneration and terms & conditions as mentioned in the Explanatory Statement and as set out in the Agreement entered between Mr. Ravindra Kumar and the Company.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to alter and vary the terms and conditions of re-appointment and/or remuneration of Mr. Ravindra Kumar subject to the same being within the ceiling limits as mentioned in Schedule V of Act and the Agreement entered in to between the Company and Mr. Ravindra Kumar."

7. Appointment of Mr. Milind Talathi (DIN: 07321958) as Whole Time Director pursuant to Section 196, 197 and 198 of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 196, 197 and 198 of the Companies Act, 2013 and all other applicable provisions, if any, to the appointment of Mr. Milind Talathi (DIN: 07321958) [presently Alternate to Dr. Guido Forstbach (DIN:00427508)] as a Wholetime Director of the Company for a period of three years effective from 23 February 2016 to 22 February 2019 and to his receiving remuneration, benefits and amenities as a Wholetime Director of the

Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement entered into between the Company and Mr. Talathi. Provided that the aforesaid approval and consent shall not be impaired by reason of Dr. Guido Forstbach returning to India and Mr. Talathi being appointed as Alternate Director to Dr. Guido Forstbach or Mr. Talathi being appointed as Alternate Director to any other Director or Mr. Talathi filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General Meeting.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said Agreement shall nevertheless be paid and allowed to Mr. Talathi as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

8. **Appointment of Price Waterhouse, Chartered Accountants L.L.P., as Statutory Auditors in place of BSR & Co. L.L.P. for the Financial Year 2016.**

To consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 to 142 of the Companies Act, 2013 and other applicable provisions of law, if any, Price Waterhouse, Chartered Accountants L.L.P. (PWC), having Firm Registration No. 012754N/N500016, registered with ICAI, be and are hereby appointed as the Statutory Auditors of the Company for the year 2016 from the conclusion of this Annual General Meeting, in place of the present Auditors BSR & Co. L.L.P. who have resigned as Auditors from the conclusion of this Meeting on such remuneration plus reimbursement of out of pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors.

9. **Payment of remuneration to the Cost Auditors of the Company for Y 2016.**

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or amendments or re-enactments thereof for the time being in force), Dhananjay V Joshi & Associates, Cost Accountants, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31 December 2016, be paid a remuneration not exceeding ₹ 1.00 Lac (Rupees One Lac only) per annum plus applicable service tax and reimbursement of out of pocket expenses that may be incurred by them during the course of audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Place : Pune
Date : 9 May 2016

Shirish Dabir
Company Secretary

.....
Initials of the Chairman

NOTES :

1. The Securities Exchange Board of India (SEBI) vide its Order dated 22 March, 2016 has banned the activities of Sharepro Services (India) Pvt. Ltd. in the Securities Market and advised its client companies to change their Share Registrar and Transfer (R & T Agent). In view of the same, the Company has appointed Link Intime India Pvt. Ltd. as its R & T Agent w.e.f. 2 May 2016. Shareholders are requested to contact henceforth Link Intime India Pvt. Ltd. for any of their queries pertaining to their shares at any of the following addresses of Link Intime India Pvt. Ltd.

Link Intime India Pvt. Ltd.
Regd. Office:
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W),
Mumbai-400078

Link Intime India Pvt. Ltd.
Pune Office:
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune - 411001

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at the registered office of the Company not less than 48 hours before the meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organization.

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as a proxy and such a proxy shall not act as a proxy for any other Member.

3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details, in case of holdings in dematerialized form to their Depository Participant (DP) or to Link Intime India Pvt. Ltd. in case of holdings in physical form, mentioning their correct reference folio number.
7. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the share certificates to the Company's R & T Agent i.e. Link Intime India Pvt. Limited, so as to enable the Company to consolidate their holdings into one folio.
8. Director retiring by rotation:

Mr. Martin Babilas is MBA by qualification. Mr. Martin Babilas has an accounting expertise (Diplom – Kaufmann). He is the Chairman of the parent Company viz. ALTANA AG. He started his professional career in the year 1998. His brief bio-data is given below.

	Year	Particulars
Professional career:	1998 - 2001	ALTANA AG, Bad Homburg Project manager for the CFO - Project work in the areas of Financial Reporting, Controlling, Corporate Finance / Capital Markets, M&A - Project manager for the NYSE Listing of ALTANA AG
	2001 - 2005	ALTANA Chemie AG, Wesel Head of Strategic Business Development Responsibility for Strategic Planning, M&A, Special Projects.
	2006	Member of the Management Board ALTANA Chemie AG Chief Financial Officer (since April 2006)
	2007	Member of the Management Board ALTANA AG (since May 2007)
	2016	ALTANA AG, CEO (since January 2016)

He does not hold Directorships/Committee Memberships of any other companies in India.

9. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business at item Nos.4 to 9 of the Notice is annexed.

10. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 26 May 2016 to Friday, 3 June, 2016 (both days inclusive), for the purpose of payment of Dividend.
11. Pursuant to Section 123, 124 and 125 of the Companies Act, 2013, the Company will be transferring in June 2016, the unclaimed dividend for the financial year ended 31 December 2008 to the Investor's Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the financial year ended 31 December 2008 or any subsequent financial years are requested to make their claims addressed to: The Company Secretary, ELANTAS Beck India Ltd., 147, Mumbai-Pune Road, Pimpri, Pune 411018.

It may also be noted that once the unclaimed dividend is transferred to the credit of the said Fund, as above, no claim shall lie in respect thereof with the Company.

12. Request to the Members:

- a. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to ensure that their requests reach the Company at least seven days before the date of the meeting, so as to enable the Company to keep the information ready. As a measure of economy, copies of the Annual Report will not be distributed at the AGM.
- b. Green Initiative: The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Keeping in view the underlying theme and the circulars issued by MCA, the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its Members in electronic form, to the e-mail address provided by them and made available to the Company by the Depositories.

If Members would like to support this Green Initiative and receive the above mentioned documents in electronic form, they are requested to send an email from their email ID to rnt.helpdesk@linkintime.co.in with the subject titled "Green Initiative – EBIL", requesting for receiving these documents in electronic form and mentioning therein their Folio No./ DP ID & Client ID as the case may be. Members are further requested to mark a copy of their e-mail to Shirish.Dabir@altana.com. The Company shall then send such documents in electronic form (in lieu of the physical form) to the submitted e-mail id. The Members may also subsequently update their email ID by a similar e-mail to the Company/ Link Intime India Pvt. Ltd., giving the requisite details.

- c. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrar & Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services.

Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd. at the following address:

Link Intime India Pvt. Ltd.

Pune Office:

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road,

Pune - 411001

Tel: (020) 26160084/1629

Telefax: (020) 26163503

- d. Members holding shares in physical form are requested to get the same dematerialized to eliminate all risks associated with physical shares. Members can contact the Company or Link Intime India Pvt. Ltd. for any assistance in this regard.
- e. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's R & T Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

13. Voting Options:

- (1) E-voting: In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. In case of Members receiving Notice by E-mail:

In case of Members receiving E-mail from NSDL (For Members whose e-mail addresses have been registered with the Company/Depositories):

- (i) Open e-mail and open the attached PDF file "elantasbeck.e-voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- (ii) Open internet browser by typing the URL: <http://www.evoting.nsdl.com>.
- (iii) Click on "Shareholder - Login".
- (iv) Insert your User ID and password as initial password as mentioned in step (i) above and Login. In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.
- (v) "Password Change" menu appears. Change the password with the new password of your choice with minimum 8 digits / characters or combination thereof. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vi) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (vii) Select "EVEN" (E-Voting Event Number) of ELANTAS Beck India Ltd. for casting your votes in favour of or against the resolutions from Tuesday 31 May 2016 at 9.00 a.m. to Thursday 02 June 2016 at 5.00 p.m.

For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolutions or till the end of voting period i.e. upto close of working hours on Thursday 02 June 2016 at 5.00 p.m. e-voting shall not be allowed beyond this time.

- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy(PDF/JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at prajot@prajottungarecs.com with a copy marked to evoting@nsdl.co.in

Please note that:

- Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the Member.
- It is strongly recommended that you do not share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders available at the "Downloads" section of www.evoting.nsdl.com or call NSDL on 022-24994600.

B. In case of Members receiving physical copy of Notice

In case a Member receives physical copy of the Notice of AGM:

- (i) E-Voting Event Number (EVEN), User ID and Password is provided in the Ballot Form.
- (ii) Please follow all steps from Sr. No. (ii) to Sl. No. (x) above, to cast your vote by electronic means.
- (2) **In case of voting by using Ballot Forms:**
 - (i) The Company, in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, has enclosed a Ballot Form along with this Notice.
 - (ii) A Member desiring to exercise voting by using Ballot Form, shall complete the enclosed Ballot Form with assent (**FOR**) or dissent (**AGAINST**) and send it at the Registered Office of the Company, in the postage pre-paid self-addressed envelope, addressed to the Scrutinizer, CS Prajot Tungare, Partner of Prajot Tungare and Associates, Pune, duly appointed by the Board of Directors of the Company. Ballot Forms deposited in person or sent by post / courier at the expense of the Member will also be accepted.
 - (iii) Please convey your assent in Column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
 - (iv) Duly completed and signed Ballot Forms should reach the Scrutinizer before the AGM date. Alternatively, the Ballot form can also be deposited in the box to be made available at the venue during the AGM. The Ballot Forms received after the AGM date shall be strictly treated as if the reply from the Member has not been received.
 - (v) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
 - (vi) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on Shirish.Dabir@altana.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than the AGM date.
 - (vii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (3) **Voting at AGM :** The Members who have not casted their vote either electronically or through Ballot Form, can exercise their voting rights through Ballot Paper at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

Other Instructions:

- (i) The e-voting period commences from Tuesday 31 May 2016 at 9.00 a.m. and ends on to Thursday 02 June 2016 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 26 May 2016.
- (iii) Mr. Prajot Tungare, (Membership No. FCS 5484), Partner of Prajot Tungare and Associates, Pune, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him shall declare the results of the voting forthwith.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.elantas.com/beck-india> and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared by the Chairman and also communicated to BSE Limited.

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

Item Nos. 4

The Board of Directors appointed Mr. Stefan Genten (DIN: 07350813) as an Additional Director of the Company with effect from 1 January 2016. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Stefan Genten holds office of Director upto the date of this Annual General Meeting, but is eligible for appointment as a Director. Notice, along with the necessary deposit, as required under Section 160 of the Act, has been received from a Member proposing the candidature of Mr. Stefan Genten as a Director of the Company.

Mr. Stefan Genten is the Chief Financial Officer of the parent Company viz. ALTANA AG.

Brief Profile of Mr. Stefan Genten

Member of the Management Board ALTANA AG

Born:	December 14, 1968	in Aachen, Germany
Education:	1988 - 1996	Studied business management receiving a degree as Diplom-Kaufmann (graduate business economist) as well as political science, economics, and sociology
	2005 - 2006	Hernstein Institute for Management and Leadership, Vienna: Hernstein General Manager Program
Professional Career:	1996 - 1997	Rheinbraun AG, Cologne: commercial trainee
	1997 - 1998	Rheinbraun AG, Cologne: Head of Subsidiary Controlling
	1998 - 2000	RWE AG, Essen: Department Head Corporate Controlling: Group Planning Group Risk Management and Fundamental Questions Subsidiary Controlling for the Construction division (HOCHTIEF Group)
	2000 - 2001	RWE AG, Essen: Deputy Head of the Corporate Controlling department
	2001 - 2004	Grünenthal GmbH, Aachen: Head of Corporate Finances and Controlling
	2005 - 2009	Grünenthal GmbH, Aachen: Member of the Corporate Executive Board, Group CFO und Corporate Market Head for Latin America
	2009 - 2014	Grünenthal GmbH, Aachen: Member of the Corporate Executive Board, Group CFO & COO
	Since Aug. 2015	Member of the Management Board ALTANA AG

Mr. Stefan Genten does not hold Directorships/Committee Memberships of any other companies in India. He does not hold any share in the share capital of the Company. He is concerned and interested in this resolution as it relates to his appointment. None of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

The Board therefore recommends passing of the resolution for your approval.

Item No. 5

The Members in the Annual General Meeting held on 6 May 2015 had revised the overall maximum ceiling for Salary & Special

Allowance, Performance Bonus and Perquisites of Mr. Ravindra Kumar, Managing Director. It is now proposed to revise the overall maximum ceiling for Performance Bonus of Mr. Ravindra Kumar, Managing Director of the Company as mentioned in the Resolution from ₹ 50 lakhs to ₹ 80 lakhs on the recommendation of the Nomination and Remuneration Committee and of the Board of Directors, based on his performance and that of the Company.

Except Mr. Ravindra Kumar, none of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

Item No. 6

The Members in the Annual General Meeting held on 6 May 2014 had appointed Mr. Ravindra Kumar as the Managing Director of the Company for a period of three years effective 1 January 2014.

The Board of Directors has on the basis of recommendation of Nomination and Remuneration Committee has reappointed Mr. Ravindra Kumar as the Managing Director of the Company for the further period of five years from 1 January 2017 to 31 December 2021 on the terms and conditions contained in the Agreement entered into between Mr. Ravindra Kumar and the Company subject to the approval of the members in the Annual General Meeting. The appointment of Mr. Ravindra Kumar shall also be subject to the provisions of the Companies Act, 2013 and Schedule V of the said Act.

Mr. Ravindra Kumar, age 43 years, is a Bachelor of Chemical Technology (Oil Tech) from HBTI, Kanpur. He has more than 19 years of professional experience in chemicals, paints and polymer industries in Asia Pacific, Europe, Africa, Middle East and India sub-continent markets. During these years, Mr. Kumar has led teams across several functions e.g. Sales, Marketing, Business Strategy and Technology platform management for various markets e.g. Automotive, Construction, Appliances, Footwear, Furniture, Electrical and Electronics. He has been part of several leadership teams during these years. He has been working as Managing Director of ELANTAS Beck India Limited since January 2014. He does not hold Directorship position in any other company in India.

Terms and Conditions of Remuneration of Mr. Ravindra Kumar

A. Salary:

Salary including allowances not exceeding ₹ 120 lakh per annum, as may be decided by the Board of Directors from time to time.

B. Performance Salary:

Performance Salary not exceeding ₹ 80 lakh per annum, as may be decided by the Board of Directors from time to time.

C. Perquisites:

- a. Housing: Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof.
- b. Other perquisites: Gas, electricity, water, furnishing, medical reimbursement, leave travel allowance (for self and family), club fees, medical insurance, other benefits and amenities as per the rules of the Company as applicable from time to time.

Monetary value of the above perquisites is restricted to ₹ 50 lakh per annum. Company's contribution to Provident Fund and Superannuation fund shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of Leave at the end of the tenure shall not be included in the computation of limits of remuneration or perquisites.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated on the basis of actual cost thereof to the Company.

Use of car for official duties and telephone at residence (including payments of local and long distance official calls) will not be included in the computation of perquisites for the purpose of computing the ceiling.

The Board of Directors may, in its discretion pay to Mr. Ravindra Kumar lower remuneration than the maximum remuneration stipulated above and revise the remuneration from time to time, within the maximum limits stipulated above.

Except Mr. Ravindra Kumar, none of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

A copy of the Agreement entered into between Mr. Ravindra Kumar and the Company is open to inspection by Members at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Saturdays and Sundays and Public Holidays, upto and including the day of Annual General Meeting.

The Board recommends passing of the resolution for your approval.

Item No. 7

The Board of Directors in their meeting held on 28 October 2015 appointed Mr. Milind Talathi as Alternate Director to Guido Forstbach. Mr. Milind Talathi is also in the employment of the Company heading the position of Director – Manufacturing.

On the basis of recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 23 February 2016 has passed the resolution for the appointment of Mr. Talathi as Whole Time Director with effect from 23 February 2016 for the period of three years pursuant to Section 196, 197 and 198 read with Schedule V of the Companies Act, 2013. The appointment is subject to the approval of the Members in the ensuing Annual General Meeting.

Mr Milind Talathi, Age 54, has done his graduation in Chemical Engineering from UDCT Mumbai. He started his career with Rallis India (a Tata Group Company) & subsequently joined Century Enka Ltd (a Birla Group Company) where he rose to be the Joint President (Operations). He later shifted to Gujarat Fluorochemicals Ltd. & was designated as COO, after which he joined ELANTAS Beck India Ltd. He has been the past Hon. President of Indian Institute of Chemical Engineers, Pune & is currently the Hon. Chairman of UDCT Alumni Association, Pune.

Terms and Conditions of Remuneration of Mr. Milind Talathi

A. Salary:

Salary including allowances not exceeding ₹ 60 lakh per annum, as may be decided by the Board of Directors from time to time.

B. Performance Salary:

Performance Salary not exceeding ₹ 35 lakh per annum, as may be decided by the Board of Directors from time to time.

C. Perquisites:

- a. Housing: Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof.
- b. Other perquisites: Gas, electricity, water, furnishing, medical reimbursement, leave travel allowance (for self and family), club fees, medical insurance, other benefits and amenities as per the rules of the Company as applicable from time to time.

Monetary value of the above perquisites is restricted to ₹ 25 lakh per annum. Company's contribution to Provident Fund and Superannuation fund shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of Leave at the end of the tenure shall not be included in the computation of limits of remuneration or perquisites as per the Rules of the Company.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated on the basis of actual cost thereof to the Company.

Use of car for official duties and telephone at residence (including payments of local and long distance official calls) will not be included in the computation of perquisites for the purpose of computing the ceiling.

The Board of Directors may, in its discretion pay to Mr. Milind Talathi lower remuneration than the maximum remuneration stipulated above and revise the remuneration from time to time, within the maximum limits stipulated above.

Except Mr. Milind Talathi, none of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

The Board therefore recommends passing of the resolution for your approval.

A copy of the Agreement entered in to between Mr. Milind Talathi and the Company is open to inspection by Members at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Saturdays and Sundays and Public Holidays, upto and including the day of Annual General Meeting.

Item No. 8

The present Statutory Auditors of the Company viz. BSR & Co. L.L.P. have expressed their desire not to be reappointed as Auditors of the Company and have requested to consider their resignation from the conclusion of this Annual General Meeting vide their letter dated 16 February 2016. Audit Committee and the Board of Directors have accepted the same and recommended the acceptance of resignation to the Shareholders for their approval.

Consequent to the resignation of the present Auditors, it is proposed to appoint Ms. Price Waterhouse, Chartered Accountants L.L.P. (PWC) as Statutory Auditors of the Company for the financial year 2016 from the conclusion of this Annual General Meeting, on a remuneration to be mutually decided between the Board of the Company and the Auditors. PWC have expressed their willingness to get appointed vide their letter dated 11 February 2016 addressed to the Company. They have also declared their eligibility pursuant to the provisions of Section 139 of the Companies Act, 2013, to act as Statutory Auditors of the Company.

The said appointment of PWC in place of BSR & Co. L.L.P is recommended by the Audit Committee.

The Board therefore recommends passing of the resolution for your approval.

Item No. 9

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of Dhananjay V Joshi & Associates, Cost Accountants, in its meeting held on 23 February 2016, to conduct the audit of the cost records of the Company for the financial year ending 31 December 2016. The Board also approved the remuneration of the Cost Auditors not exceeding ₹ One Lac for the Financial Year 2016, subject to the approval of the Members in the ensuing Annual General Meeting.

In terms of the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be fixed by the Members of the Company. Accordingly, the Members are requested to fix the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

The Board therefore recommends passing of the resolution for your approval.

By order of the Board of Directors

Place : Pune
Date : 9 May 2016

Shirish Dabir
Company Secretary

ATTENDANCE SLIP

Registered Office : 147, Mumbai-Pune Road, Pimpri, Pune 411018.

1. Please fill this Attendance slip and hand it over at the entrance of the meeting hall.
2. Only Members of the Company or their proxies will be allowed to attend the meeting.

I/We, hereby record my presence at the Sixtieth Annual General Meeting of the Company, being held at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Friday, 3 June 2016 at 2.30 p.m.

Member's / Proxy's Signature : _____

Member's / Proxy's Full Name : _____
(in block capitals)

Folio No. / DP-ID / Client ID : _____

No. of Shares : _____



PROXY FORM

Registered Office : 147, Mumbai-Pune Road, Pimpri, Pune 411018.

I / We _____

of _____

being a member of ELANTAS Beck India Ltd. hereby

appoint _____

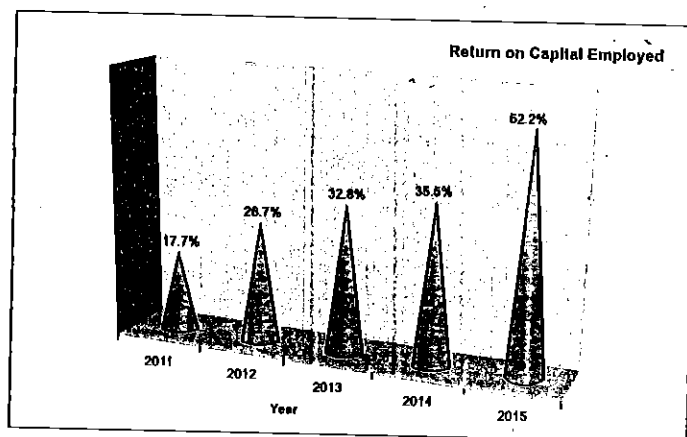
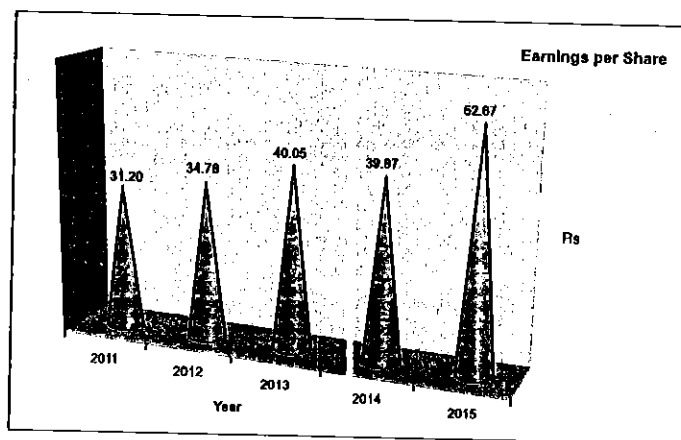
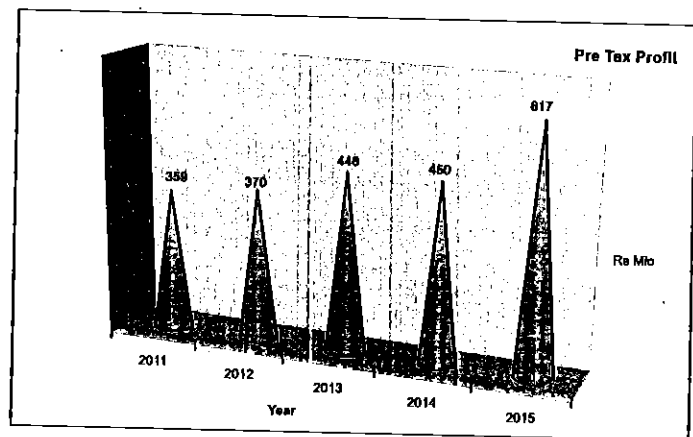
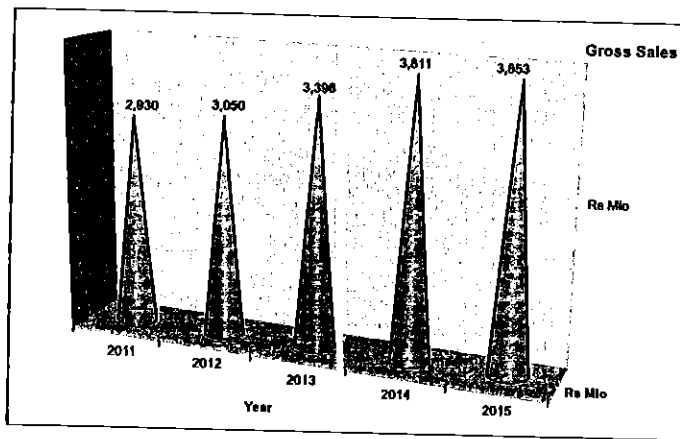
of _____ or failing him / her _____

_____ of _____

as my / our proxy to vote for me / us on my / our behalf at the Sixtieth Annual General Meeting of the Company to be held on Friday, 3 June 2016 at 2.30 p.m.

Signed this..... day of 2016 Signature

Folio No. / DP-ID / Client ID : _____



ELANTAS Beck India Ltd.

147, Mumbai-Pune Road, Pimpri, Pune- 411018, INDIA
www.elantas.com/beck-india

A member of ** ALTANA**