

**ELANTAS Beck India Ltd.**



**ANNUAL REPORT 2019**

CSR Initiative : Inauguration of Tariya Bawali school in Ankleshwar area, Gujarat.



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CSR Initiative : Inauguration of Tariya Bawali school in Ankleshwar area, Gujarat.



CSR Initiative : Inauguration of Andada Boys school in Ankleshwar area, Gujarat.

### Board of Directors

Mr. Martin Babilas - Chairman  
 Dr. Guido Forstbach  
 Mr. Stefan Genten  
 Mr. Suresh Talwar  
 Mrs. Kishori Udeshi  
 Mr. Ravindra Kulkarni  
 Mr. Ranjal Laxmana Shenoy  
 Mr. Srikumar Ramakrishnan - Managing Director  
 Mr. Milind Talathi - Whole Time Director

### Executive Management

Mr. Srikumar Ramakrishnan  
 Managing Director  
 Mr. Milind Talathi  
 Director-Manufacturing  
 Mr. Sanjay Kulkarni  
 CFO & VP-IT & Procurement  
 Mr. Abhijit Tikekar  
 Head Legal & Company Secretary  
 Dr. Yogaraj Nabar  
 VP-Market & Technology Development  
 Mr. Nirmalkumar Simon  
 VP-Sales  
 Mr. James Herbison  
 Head R & D

### Chief Financial Officer

Mr. Sanjay Kulkarni

### Company Secretary

Mr. Abhijit Tikekar

### Registered & Corporate Office and R&D centre

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, New Delhi, Kolkata

### Website

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

### CIN

L24222PN1956PLC134746

### Auditors

Price Waterhouse  
 Chartered Accountants LLP  
 7th Floor, Tower A - Wing 1,  
 Business Bay, Airport Road,  
 Yerwada, Pune 411006.

### Internal Auditors

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

### Secretarial Auditors

Prajot Tungare & Associates  
 Practicing Company Secretaries,  
 2nd floor, Shraddha Chambers,  
 Sinhgad Road, Pune 411030

### 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.  
 Tel.: (020) 26160084/1629  
 Telefax: (020) 26163503  
 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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## Directors' Report

To the Members,  
of ELANTAS Beck India Ltd.

Your Directors have pleasure in presenting the Company's Sixty Fourth Annual Report and the Audited Financial Statements for the financial year ended 31 December 2019.

### Financial Results

(₹ in lakhs)

	Year ended 31.12.2019	Year ended 31.12.2018
Revenue from operations	39,406.64	40,911.80
Other income	1,765.62	1,192.75
Total income	41,172.26	42,104.55
Profit before exceptional item and tax	6,378.77	6,988.40
Exceptional Item	-	1,928.07
Profit before tax net of Other comprehensive income	6,354.34	8,906.70
Income tax expense	1,422.69	2,337.97
Profit for the year	4,931.65	6,568.73
Retained earnings brought forward	26,233.80	20,095.15
Less Dividend paid including Dividend Distribution Tax	430.08	430.08
Retained earnings at the end of the year	30,735.37	26,233.80

### Performance

The Company posted a turnover of ₹ 39,255 Lakhs for the year ended 31 December 2019 against the turnover of ₹ 40,853 Lakhs achieved in the previous year ended 31 December 2018. In terms of sales quantity, the tonnage sold during the year ended 31 December 2019 decreased by 3.6% over the previous year. The profit before exceptional item and tax declined over the profit before tax posted last year. The Profit before Tax and Profit after Tax, including exceptional items were ₹ 6,354 Lakhs and ₹ 4,931 Lakhs respectively.

### Share Capital

Share Capital Audit as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) 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 2019, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2019 was ₹ 792.77 Lakhs comprising of 79.28 Lakhs 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 2019 (previous year ₹ 4.50/- per equity share). The dividend is payable subject to Members' approval at the ensuing Annual General Meeting (AGM). The dividend pay-out, if approved by the Members in the ensuing AGM, will be ₹ 396.38 Lakhs.

### Business Acquisition

During the year under review, the Company acquired from Hubergroup India Private Limited, technical knowhow and the business intangibles pertaining to the wire enamel business.

The absorption and integration of the technology and other business intangibles acquired is well under way and will be fully completed during the next year. This will strengthen the knowledge base in wire enamel segment and enable the Company to offer a broader product range to a wider range of customers.

### Reserves

Directors have not recommended transfer of any amount to general reserves during the year under review.

### State of the Company's affairs:

Please refer Management Discussion & Analysis Report which forms part of this Report.





## Corporate Governance

Pursuant to the provisions of Regulation 34 (2) & (3) and 53(f), read with Schedule V to the Listing Regulations, Management Discussion and Analysis Report, Report on Corporate Governance and Compliance Certificate on Corporate Governance form part of this Report.

### Directors

During the year under review, the Members approved, by way of Postal Ballot that concluded on 1 January 2019, appointment of Mr. Suresh Talwar (DIN : 00001456), Mr. Ravindra Kulkarni (DIN : 00059367) and Mr. Ranjal L. Shenoy (DIN: 00074761) as Independent Directors for a second term of five years from 1 April 2019 and of Mrs. Kishori Udeshi (DIN :01344073) from 6 May 2019.

Dr. Guido Forstbach, Non-Executive Director (DIN: 00427508) retired by rotation as Director of the Company on 7 May 2019 and being willing and eligible, was appointed as Director of the Company.

Mr. Martin Babilas, (DIN: 00428631), retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 (The Act), 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.

The approval of the Members for the appointment of Mr. Martin Babilas who is retiring as Director by rotation and being eligible has offered himself for re-appointment has been sought in the Notice convening the AGM of your Company.

Owing to Mr. Ravindra Kumar (DIN: 06755402), Managing Director of the Company taking up an assignment within the ALTANA Group in the United States of America, he was relieved from the office of Managing Director w.e.f. 31 July 2019.

Pursuant to the recommendation of the Nomination & Remuneration Committee, the Board, in its Meeting held on 23 July 2019, subject to the approval of the Members in the ensuing AGM, appointed Mr. Srikumar Ramakrishnan (DIN: 07685069) as Managing Director of the Company for the period of three years w.e.f. 1 August 2019. The approval of the Members has been sought for appointment of Mr. Srikumar Ramakrishnan (DIN: 07685069) as Managing Director in the Notice convening the Annual General Meeting of the Company.

Mr. Ravindra Kulkarni (DIN : 00059367), Independent Director of the Company would be attaining the age of 75 years on 23 May 2020. Pursuant to the provisions of Regulation 17(1A) of Listing Regulations, it was necessary to seek Members' approval for continuation of Mr. Ravindra Kulkarni as Director. The Company in light of the relaxations provided by General Circular No. 17/2020 dated 13 April 2020, sent Ballot Notice as per Section 110 to the Members who have registered their email ID with the Company. The Members' approval is being sought by way of Electronic Voting Only. The result of the Ballot through Electronic Voting will be announced by 22 May 2020.

Particulars in pursuance of Regulation 36 of Listing Regulations read with Secretarial Standard 2 on General Meetings relating to Mr. Martin Babilas and Mr. Srikumar Ramakrishnan are given in the Notice convening the AGM.

None of the Directors is disqualified from being appointed as or holding office as Director, as stipulated under Section 164 of the Act.

### Declaration from Independent Directors

All Independent Directors have given Declaration that;

- a. They meet the criteria for independence as laid down under Section 149 (6) of the Act, and Regulation 25(8) read with 16(1)(b) of the Listing Regulations.
- b. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

And in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

Further there has been no change in the circumstances affecting their status as Independent Directors of the Company.

### Statement on Compliance with Code of Conduct for Directors and Senior Management;

Please refer page 47 of the Report on Corporate Governance annexed to this Report.

### Composition of Key Managerial Personnel (KMP)

Pursuant to provisions of Section 203 of the Act, the Company has the following KMPs as on the date of the report:



Name of the KMP	Designation	Date of Appointment
Mr. Srikumar Ramakrishnan	Managing Director	1 August 2019
Mr. Milind Talathi	Whole Time Director	27 February 2018
Mr. Sanjay Kulkarni	CFO and VP- IT & Procurement	18 August 2008
Mr. Abhijit Tikekar	Head Legal & Company Secretary	31 October 2018

Mr. Ravindra Kumar resigned as Managing Director w.e.f. 31 July 2019.

### Separate Meeting of Independent Directors

The Independent Directors are fully kept informed of the Company's business activities in all areas. A separate Meeting of Independent Directors was held on 25 February 2020 in which the Independent Directors reviewed the performance of (i) non- Independent Directors, (ii) the Board as a whole and (iii) Chairperson of the Company for the year under review.

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 Directors to effectively and reasonably perform their duties. All the Independent Directors were present at the Meeting.

### Composition of Audit, Nomination & Remuneration Committee

For details, kindly refer the Corporate Governance Report forming part of this Report.

### Nomination and Remuneration Policy

The Nomination & Remuneration Committee 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 members and the Company.

In accordance with the requirements under Section 178 of the Act, 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), (iii) Senior Management and (iv) other employees of the Company.

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

### Board Evaluation

Pursuant to the provisions of the Companies Act, and Listing Regulations, the Board during the Year 2019 has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees for the Year 2019. The evaluation has been carried out on the basis of criteria defined by the Nomination & Remuneration Committee in its Meeting dated 29 July 2014. Independent Directors in their separate meeting held on 25 February 2020 reviewed and evaluated performance of the Board for the Year 2019 and of the Non-Independent Directors, Committees and Chairperson of the Company.

Based on the evaluation, Company expects the Board and the Directors to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

### Number of Board Meetings held

During the year 2019, Six Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this Report. The intervening gap between any two Meetings was within the period prescribed by the Act and the Listing Regulations.

### Related Party Transactions

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arms' length basis and were 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 with the Company at large.

All RPT are placed before the Audit Committee for its review and 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 the Listing Regulations as well as the Rule 6 A of the Companies (Meetings of Board and its Powers) Rules, 2014, Audit Committee, by passing



Resolution by circulation on 5 December 2018 had granted omnibus approval for the proposed RPT to be entered into by the Company during the year 2019. Since there are no material RPT and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions are required to be reported in Form AOC – 2. In compliance with the Indian Accounting Standards (IND AS) 2015 RPT are shown in Note no. 36 of Financial Statements forming part this Report.

The Board of Directors of the Company, at its Meeting held on 26 February 2019, on the recommendation of the Audit Committee, reframed a policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and Regulation 23 of the Listing Regulations, as amended. The Policy as approved by the Board is uploaded and can be viewed on the Company's website <http://www.elantas.com/beck-india>.

The Non-Executive Directors have no pecuniary relationship or transaction with the Company other than commission and sitting fees paid to them. For details, kindly refer the Corporate Governance Report which forms part of this Report.

#### **Details of Loans, Guarantees and Investments**

A loan was sanctioned to a related party viz. BYK India Private Limited, by the Company of Rs. 450.00 Lakh in the year 2018. The Company made a partial disbursement of Rs. 280.47 Lakhs during the year 2018 and further partial disbursement of Rs. 50.00 lakh was made during the year under review in compliance with the provisions of Section 186 of the Act. Barring this transaction, the Company has not entered into any transaction relating to Loan, Guarantee or Investments during the period under review.

#### **Corporate Governance**

Report on Corporate Governance and the Auditors' Certificate thereon, as stipulated under Listing Regulations, is given separately in this 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 22 of the Listing Regulations.

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. Under the said Policy, provisions have been made to safeguard persons who use this mechanism from victimization. The Policy also provides access to the Chairman of the Audit Committee by any other person under certain circumstances. The Whistle Blower Policy has been uploaded on the Company's website <http://www.elantas.com/beck-india.html>

#### **Corporate Social Responsibility (CSR)**

In the last 5 years, Company has been successful in creating an image of a socially responsible and a vigilant corporate citizen in the minds of the community at large, it serves. There were number of projects and programs undertaken, pursued and sustained very well by the Company as part of CSR initiatives.

The Company considers it as its economic and social responsibility to foster sustainable local development. As a part of which, it has focused amongst others, on building of educational infrastructure and helping in mitigation of environmental issues in local areas in which it operates.

The Company officials are diligently monitoring the implementation of CSR projects through frequent site visits, meeting officials, checking records etc.

The CSR Policy Statement and Report on the activities undertaken during the year is incorporated in '**Annexure B**'.

#### **Business Responsibility Report**

Report on Business Responsibility as stipulated under the Listing Regulations and any other applicable law for the time being in force describing the initiatives taken by the Management from an environmental, social and governance perspective, forms an integral part of this Report attached as **Annexure F**.

#### **Risk Management Policy**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to the Company. Company's future growth is linked to general economic conditions prevailing in the market. Management has taken appropriate measures for identification of risk elements related to the Industry, in which the Company is engaged, and is always trying to

reduce the impact of such risks. The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks including the risks associated with cyber security. During the year under review one Risk Management Committee Meeting was held on 05 November 2019.

### **Internal Financial Controls and their adequacy**

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and entity level controls. The framework is reviewed regularly by the Management and tested by the global internal audit team and also the Internal Auditors appointed by the Company 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.

### **Extract of Annual Return**

As required under Section 92(3) of the Act and the Rules made thereunder, extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure G**. Further, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at <http://www.elantas.com/beck-india>.

### **Directors' Responsibility Statement**

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

- a) in the preparation of Annual Accounts for the Year ended 31 December 2019, the applicable accounting standards 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 2019 and of the profit of the Company for the year ended 31 December 2019.
- c) the proper and sufficient care has been taken for the 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 fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Company has laid down proper Internal Financial Controls and they are adequate and were operating effectively.
- f) the Directors have devised proper systems and processes to ensure compliance with the provisions of all applicable laws and such systems and processes are adequate and operating effectively.

### **Compliance with Secretarial Standards**

The Company has ensured compliance with the applicable Secretarial Standards.

### **Auditors**

#### **a) Internal Auditors**

The Internal Auditors, Mahajan & Aibara, Chartered Accountants, Mumbai have conducted internal audits periodically and submitted their reports to the Audit Committee. Their Reports have been reviewed by the Audit Committee.

#### **b) Statutory Auditors**

The Members, in the Sixtieth AGM held on 3 June 2016, appointed Price Waterhouse, Chartered Accountants LLP, Pune as Statutory Auditors of the Company for the financial year 2016. Further, the Members in the Sixty First AGM held on 10 May 2017 appointed them as Statutory Auditors for the remaining period of four years forming part of the first term of five years i.e. up to the conclusion of AGM for the year 2020.

There are no qualifications, reservations or adverse remarks or disclaimer made in the audit report for the Financial Year 2019.

#### **c) Cost Auditors**

In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government.





Pursuant to Section 148(1) of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, as amended, 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 2019 on a remuneration to be ratified by the Members, in the forthcoming AGM. Accordingly, a Resolution for ratification of payment of remuneration to Dhananjay V Joshi & Associates, Cost Auditors, is included in the Notice convening the AGM for approval of Members.

The Cost Audit Report for the financial year ended 31 December 2018 was filed with the Ministry of Corporate Affairs on 21 May 2019 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014 as amended.

#### **d) Secretarial Auditors**

Prajot Tungare & Associates, Practicing Company Secretaries, Pune, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2019, as required under Section 204 of the Act, read with rules framed there under.

The Secretarial Audit Report for Financial Year 2019 forms part of this Report as **Annexure A**.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their report.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

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

#### **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 and the Rules made thereunder. The Company has zero tolerance on Sexual Harassment at workplace. In compliance with the provisions of Companies Accounts Rules, 2014, as amended, the Internal Complaints Committee is set up to redress complaints received regarding Sexual Harassment. All employees including permanent and contractual, temporary, trainees and other stakeholders are covered under this policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2019.

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

#### **Particulars of Employees**

Details of employees receiving the remuneration required to be disclosed under Section 197 of the Act, 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 D**'.

#### **Compliance Certificate**

Compliance Certificate pursuant to Regulation 17 (8) of the Listing Regulations, is given in '**Annexure E**' to this Report.

#### **Deposits**

Company has not accepted any deposits and does not have any unclaimed deposits from public / members under Section 73 and 74 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

#### **Transfer of Equity Shares to IEPF Demat Account**

During the year under review, pursuant to Section 124 (6) of Act, and the Rules & Circulars notified thereunder, 1181 shares on which dividend was unclaimed/unpaid for seven years have been transferred to a demat account of the Investor Education and Protection Fund Authority (IEPF) Authority.

Except transfer of unclaimed /unpaid dividend of ₹ 4,12,466/- there were no transfers to IEPF Authority during the year under review.

#### **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, affecting the financial position of the Company occurred between the end the financial year of the Company i.e. 31 December 2019 and the date of this Report.

2. 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.
3. There were no material frauds reported by Auditors as per Sections 134 (3) (c) and 143 (12) of the Act.

#### **Acknowledgements**

The Board wishes to place on record its appreciation to all employees, shareholders and other stakeholders for the excellent support and their continued contribution to the performance of the Company.

#### **For and on behalf of the Board**

Mumbai  
05 May 2020  
Regd. Office: 147, Mumbai –Pune Road,  
Pimpri, Pune 411018

**Suresh Talwar**  
Director

**Srikumar Ramakrishnan**  
Managing Director



## ANNEXURE A

### FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 filing of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and compliances of 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 filing 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 2019, 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 2019, 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not applicable to the Company during the Audit Period];
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable to the Company during the Audit Period];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the Company during the Audit Period];
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the Audit Period];
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not applicable to the Company during the Audit Period]; and
  - (i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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 and other waste (Management Handling & Transboundary Movement) Rules, 2015; 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 Standard 1 & 2 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 hereinabove.

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, including Woman Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the applicable 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

Date: 25 February 2020

Place: Pune

## 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 web link to the CSR Policy and projects or programmes

#### CSR Policy Statement.

To take up certain CSR activities in areas or subject specified in 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.

#### Web link:

[http://www.elantas.com/fileadmin/elantas/companies/beck-india/financials/compliance\\_with\\_corporate\\_governance/Corporate\\_Social\\_Responsibility\\_Policy.pdf](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. Srikumar Ramakrishnan	- Managing Director

3. Average net profits of the Company for last three financial years: ₹ 7942.20 Lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): ₹ 158.84 Lakhs)
5. Details of CSR spent for the financial year: ₹158.87 Lakhs
  - a. Total amount to be spent during the financial year: ₹ 158.84 Lakhs
  - b. Amount unspent, if any: ₹ Nil

The Board has been updated at regular intervals with the CSR activities and is satisfied about the overall progress about Company's CSR initiatives and spending. The Company focused on spending the CSR funds on the projects only after assessing their overall viability and sustainability to stick to the very spirit of assisting the community and guided by the spirit and essence of the legislation enforcing CSR. It had few sustainable projects running successfully for third year along with newly identified projects. This led to successfully attaining the required expenditure outlined for the year.

#### Details of amount spent on CSR activities during the Financial Year 2019

No	CSR Project or Activity Identified	Sector in which project is covered	Location of Project	Amount outlay (Budget) project or program wise (₹ in Lakhs)	Amount Spent on Project or Programme (₹ in Lakhs). Sub-Heads: 1. Direct Expenditure on Projects or Programs 2. Overheads* (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent directly or through implementing Agency
1	My Dream School - School renovations in Village Tariya Bawali.	Educational	Ankleshwar, Gujrat	75.58	75.58	75.58	Through Vanarai-NGO
2	Running of extra study centers (4 no.) in slum areas .	Educational	Pune, Maharashtra	15.14	15.14	15.14	Through Surajjya NGO
3	Girls' Education Support Program - Payment of School/College Fees to needy girls.	Educational	Pune, Maharashtra	5.85	5.85	5.85	Through Swadhar IDWC, NGO
4	On the Job learning to UDCT students.	Educational	Pune, Maharashtra	1.30	1.30	1.30	Directly



5	Swatch Bharat Abhiyan Initiative .	Environmental	Ankleshwar, Gujrat	10.00	10.00	10.00	Through Bharuch District CSR Unit.
6	Imparting Value Education through Multimedia clips.	Educational	Pune, Maharashtra	12.00	12.00	12.00	Through Surhud Mandal, NGO
7	Sponsoring fees towards higher education to needy and deserving girls.	Educational	Pune, Maharashtra	2.33	2.33	2.33	Through Maharshi Karve Stree Shikshan Sanstha
8	Provision of Water Purifiers in three Zilla Parishad schools around Pune	Preventive Healthcare	Pune, Maharashtra	5.00	5.00	5.00	Through Lions Club, Pune NGO
9	Construction of Toilet Block comprising of 25 Urinals, 1 unit for Differently abled and 2 hand wash units in the Primary Boys school in Andada village of Gujarat.	Sanitation	Ankleshwar Gujarat	19.07	19.07	19.07	Through Habitat for Humanity NGO
10	Support to Flood affected cities and towns in Gujarat	Disaster Management, including relief, rehabilitation and reconstruction activities	Gujrat	5.00	5.00	5.00	Through Gujarat Chief Minister's Relief Fund
11	Support to the regions affected by natural calamities.	Disaster Management, including relief, rehabilitation and reconstruction activities	Nationwide	7.60	7.60	7.60	Through Prime Minister's National Relief Fund.
<b>Total</b>				<b>158.87</b>	<b>158.87</b>	<b>158.87</b>	

#### Responsibility statement of CSR Committee:

It is hereby confirmed that the implementation and monitoring of CSR policy is in compliance with Company's CSR objective and CSR Policy of the Company.

Mumbai  
25 February 2020  
Regd. Office: 147, Mumbai -Pune Road,  
Pimpri, Pune 411018

**Srikumar Ramakrishnan**  
Managing Director

**Ranjal Laxmana Shenoy**  
Member -CSR Committee

## Annexure C

### A. CONSERVATION OF ENERGY

#### (a) Following measures were taken to conserve energy

- Installation of a Pouch packing machine for improvement in productivity and accuracy leading to energy savings.
- Increase in batch sizes resulting in lower power consumption per ton of product.
- Lowering of process cycle time for several products by provision of better cooling combined with modifications in the heating system.
- Further replacement of conventional tube lights with energy efficient LED tube lights.
- Completion of automation on balance Mixers to enable achievement of consistent quality & reduced energy consumption.
- Incorporation of automation for packing of several finished goods.
- 15% reduction in water consumption at both sites through several actions.
- Reduction in generation for a majority of the utilities by a strict focus on consumptions & the resulting actions

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

- Completion of the WE line, which will include several technological learnings from our Affiliate companies
- 20% increase in the power generation capacity of the Solar power plant.
- Higher focus towards operational improvements to reduce energy consumption per metric ton of production

Total amount spent on energy conservation equipment's - ₹ 29.5 Lakhs

#### (c) As a consequence of the above measures, there has been a significant reduction in the overall energy consumption by 5.8% reduction in electricity, 4.0% reduction in light diesel oil & 7.4% reduction in Natural Gas.

### 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 production process through various 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 wire enamels, varnishes and hardeners for epoxy compounds.

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

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

- Developed a thermal grease product for thermal management in electronic applications to enter a new market of thermal interface materials.
- Developed a conformal coating product for the protection of circuit boards in the electronics market.
- Developed a lower-cost alternative air-drying varnish for wider access to the fan and repair markets.
- Developed a new poly (amideimide) product for use in non-stick coatings in cookware instead of wire enamel as a way to access new markets.
- Developed new epoxy products for use in rectifier-regulator potting in the automotive industry.
- Developed a new material for potting in neutral position sensors.
- 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 teams keeping in mind the requirements for RoHS/REACH regulations.
- 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.
- Continue participation in the M. Tech training program for students from local Institute on subjects complementary to the Company's business.
- Focus additional efforts on process optimization and standardization in material production.

### 4. 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 three years.

Technology imported	Year of import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of polyurethane wire enamel insulating technology from affiliate company in China	2017	Yes	-
Absorption of bond coat wire enamel technology from affiliate company in Italy	2018	Yes	-
Absorption of epoxy varnish technology from affiliate company in Italy to replace wet winding varnish	2018	Yes	-
Absorption of acrylic-based conformal coating technology from affiliate company in United States for entry into new market area	2019	No	2020

### 5. Expenditure on R & D

(₹ in Lakhs)

	Year ended 31.12.2019	Year ended 31.12.2018
(a) Capital	13.52	1,559.36
(b) Recurring	704.19	626.92
(c) Total	717.71	2,186.28
(d) Total R & D expenditure as a percentage of total turnover	1.82%	5.34%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding foreign exchange earnings and outgo is as follows:

(₹ in Lakhs)

Particulars	Year ended 31.12.2019	Year ended 31.12.2018
Earnings	394.62	450.00
Outgo	8,351.35	7,092.46

## Annexure D

### Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top Ten employees in terms of remuneration drawn during the year are as follows:

Name	Designation	Gross Remuneration Subject to tax (₹ in Lakhs)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	138.94	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	48/23	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
Mr. Srikumar Ramakrishnan	Managing Director	128.12	BE, University of Bombay PGCBM, XLRI	47/23	08.05.2019	Momentive Performance Materials India Pvt. Ltd. / Reg. Leader – India, Middle East & Africa
Mr. Milind Talathi	Whole Time Director	87.72	B. Tech (Chemical) DBM	58/33	16.07.2013	Gujarat Fluorochemicals Ltd. COO
Mr. Joy Krishna Ghosh	Vice President- Market development & Technology Development	83.92	B. Com (Hons), MBA (Calcutta)	40/17	13.01.2015	Accenture Strategy Consulting – Engagement Manager
Mr. James Herbison	Head Research & Development	74.04	Ph. D. Organic Chemistry	33/7	01.06.2018	ELANTAS PDG, INC. Senior Chemist
Mr. Sanjay Kulkarni	CFO & VP-IT & Procurement	65.33	B. Com, ACA, ACMA	53/30	18.08.2008	Gabriel India Ltd. Divisional Finance Controller – Ride Control Division
Mr. Nirmalkumar Simon	Vice President- Sales	51.53	BE Polymer, MBA	38/13	04.03.2019	Dow Chemical - General Manager- Sales
Mr. Nitin Kembhavi	Head – Accounts & Finance	40.14	B. Com, ACMA	59/34	17.08.1987	Drillco Metal Carbides Ltd.
Mr. N. Bhaskar	Head - Sales, South India	39.49	BE	55/22	23.06.1997	NA
Mr. M. L. Prabhune	Head Engg. & Maintenance - Pimpri	38.05	BE (Ele), DBM	55/25	18.07.1994	N.A.

**Note:**

1. None of the above employees is a relative of any Director of the Company.
2. The above employees include Mr. Ravindra Kumar and Mr. Srikumar Ramakrishnan, Managing Director of the Company, drawing salary not less than ₹ 1.02 Crore p.a.
3. All the above employees have executed an employment contract with the Company.
4. None of the above employees is holding more than 2% of the Equity Shares in the Company.
5. Mr. Ravindra Kumar resigned w.e.f. 31 July 2019.
6. Mr. Srikumar Ramakrishnan and Mr. Nirmalkumar Simon joined the Company during the year under review. The dates of joining are 8 May 2019 and 4 March 2019 respectively.
7. Mr. N. Bhaskar has retired from the services of the Company w.e.f. 30 August 2019.



**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.**

1. Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the Financial Year.

Sr. No.	Name of Director / KMP	Designation	Increase (%)	Ratio of Remuneration of each Director & KMP to Median Remuneration of Employees
1	Mr. Martin Babilas	Chairman Non Executive Non Independent	-	-
2	Dr. Guido Forstbach	Non Executive Non Independent Director	-	-
3	Mr. Suresh Talwar	Non Executive Independent Director	-	1.39
4	Mr. Ravindra Kulkarni	Non Executive Independent Director	-	1.10
5	Mr. Ranjal Laxmana Shenoy	Non Executive Independent Director	-	1.41
6	Mrs. Kishori Udeshi	Non Executive Independent Director	-	1.00
7	Mr. Stefan Genten	Non Executive Non Independent Director (Alternate Director to Mr. Babilas)	-	-
8	*Mr. Ravindra Kumar	Managing Director	23.26	17.81
9	**Mr. Srikumar Ramakrishnan	Managing Director	-	10.62
10	Mr. Milind Talathi	Whole Time Director	4.25	11.24
11	Mr. Sanjay Kulkarni	Chief Financial Officer	-0.18	8.37
12	Mr. Abhijit Tikekar	Company Secretary	-	3.21

\* Mr. Ravindra Kumar resigned as Managing Director of the Company w.e.f. 31 July 2019

\*\* Mr. Srikumar Ramakrishnan was appointed as Managing Director of the Company w.e.f. 01 August 2019

- No. of permanent employees on the rolls of the Company as on 31 December 2019 - 179
- Median Remuneration of the employees for the year 2019 is Rs. 7,80,255/- i.e. an increase of 24% as compared to Rs. 6,31,676/- for the Year 2018.
- The average increase already made in the salaries of employees other than managerial personnel was 21.30% whereas the increase in the managerial remuneration was 12.50%. The salary increases are based on external benchmarking, internal parity, Company performance and individual performance.
- We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.

## Annexure E

### 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 2019 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**

**Srikumar Ramakrishnan**  
**Managing Director**

**Sanjay Kulkarni**  
**Chief Financial Officer**

Date: 25.02.2020

Place: Mumbai

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



## Annexure F

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L24222PN1956PLC134746
2. **Name of the Company:** ELANTAS Beck India Limited
3. **Registered address:** 147, Mumbai-Pune Road, Pimpri Pune MH 411018
4. **Website:** <https://www.elantas.com/beck-india/about-us.html>
5. **E-mail id:** Abhijit.Tikekar@altana.com
6. **Financial Year reported:** 01.01.2019- 31.12.2019
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

SL No	Name & Description of main products/services	NIC Code of the Product /service
1	Electrical Insulations	20221
2	Engineering and Electronic Resins and Materials	20221

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
  - a. Electrical Insulations
  - b. Engineering and Electronic Resins and Materials
  - c. Construction Chemicals
9. **Total number of locations where business activity is undertaken by the Company**
  - (a) **Number of International Locations (Provide details of major 5): Nil**
  - (b) **Number of National Locations:**

ELANTAS Beck India Limited has its manufacturing facilities located at Pune and Ankleshwar at the following places;

**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.

The Company also has regional sales offices at Bengaluru, New Delhi, Kolkata

**10. Markets served by the Company - Local/State/National/International**

The Company serves both national and international markets.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** 7,92,76,820/-
2. **Total Turnover (INR):** 392,55,14,000/- (excluding Sale of Raw material, Sale of Scrap and Other Income)
3. **Total profit after taxes (INR):** 49,31,65,000/-



**4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :**

₹ 15.88 Million i.e. 3.22 % of Profit after Tax for the year 2019: ₹ 49,31,65,000/-

**5. List of activities in which expenditure in 4 above has been incurred:-**

**a. Education:**

The Company carried out construction and renovation of government schools in Tariya Bawari and Andada Villages of Gujarat. The Company also introduced a scholarship program for economically weaker students in Pune and also aided in Development and printing of educational text books for Std. VII.

**b. Healthcare & Sanitation:**

The Company has contributed to the Bharuch District CSR unit for cleaning drive of Heritage places and also contributed to Chief Ministers' Relief Fund of Gujarat and Prime Minister's Relief Fund for flood affected victims in the State of Maharashtra and Gujarat.

For more details about CSR activities, please refer page No. 12 of Annual Report.

**SECTION C: OTHER DETAILS**

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

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

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

DIN Number	07685069
Name	Mr. Srikumar Ramakrishnan
Designation	Managing Director

**(b) Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	07685069
2	Name	Mr. Srikumar Ramakrishnan
3	Designation	Managing Director
4	Telephone number	(020) 67190602
5	e-mail id	Suchitra.Gokhale@altana.com

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

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** Businesses should promote the wellbeing of all employees.



- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y+								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(\*) - The policies have been developed on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.

(+) - All the policies are available for employees to view on the Company's intranet. For external stakeholders, wishing to view the policies, a request can be emailed to the Compliance Officer.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable.

### 3. Governance related to BR

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors review the BR performance of the Company. Board meets at least once in a year and important aspects of the BR i.e. CSR, Stakeholders' complaints are deliberated by the Board.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has started publishing Business Responsibility Report from the year 2019 along with the Annual Report. The Company's Business Responsibility Report can be viewed at <http://www.elantas.com/beck-india>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

#### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

**1. Does the policy relating to ethics, bribery and corruption cover only the Company?**

No

**Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Our Whistle Blower Policy enables and encourages employees and volunteers of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy of the Company.

One Whistle Blower complaint was received during the year. The complaint was discussed at the Audit Committee Meeting of the Company and necessary actions have been initiated.

### Principle 2

#### BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

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

Instead of using synthetic raw materials, the Company has started use of natural raw materials like Rosin from Pine trees, vegetable oils & fatty acids for synthesis of some of the resins.

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

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

Reduction in Electricity per Metric Ton of production achieved is 7.5 units/ton of production. fuel (LDO) 3.38 litres/ton of production and Natural gas 1.88 cubic metre/ton of production. Waste Heat is recovered from the flue gases to reduce fossil fuels required for producing warm water required for the process heating.





As a consequence of the energy conservation measures taken, there has been a significant reduction in Y-2019 in the overall energy consumption by 5.8% reduction in electricity, 4.0% reduction in light diesel oil & 7.4% reduction in Natural Gas compared to Y-2018.

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

The Company developed new High Solids Wire Enamel for our customers which results into less solvent consumption almost up to 5%.

The Company also developed new fast curing varnishes that allowed our customers to reduce their oven curing time by almost 50% thus reduction in energy costs.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes. The Company has in place, standard operating procedures related to green procurement through which the Company endeavors to strengthen its procurement processes of energy, water, raw materials, packaging material and finished goods keeping in view the applicable regulatory compliance.

As per Ecovadis standard, majority of Company's input products are sourced sustainably.

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

Yes.

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

The Company encourages the suppliers to promote following steps at their place through Company's supplier code of communications for sustainable practices:

- Sustainable development
- Monitor, control and upgrade technology to prevent pollution and conserve resources.
- All projects and processes shall be designed keeping in view environmental protection as an integral part to achieve sustainable development.
- Maximum possible recycling.
- Reduction in use of regular water consumption.
- Maximum recovery from waste material.
- Use of treated water inside the factory premises to maintain the plantation of various plants.

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

Solvents used in Wire Enamels are recovered from the process and re-used in subsequent production. Part of the solvent may be sold in the market depending on its quality. In the year 2019, about 29 Tonnes of Solvent was re-consumed and almost 124 Tonnes of by-products were sold.

**Principle 3**

**BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

**1. Please indicate the total number of employees.**

As on 31 December, 2019, there were 179 permanent employees in the Company.

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis. -160**

**3. Please indicate the Number of permanent women employees. -14**

**4. Please indicate the Number of permanent employees with disabilities - Nil**

**5. Do you have an employee association that is recognized by management- Yes**

**6. What percentage of your permanent employees is members of this recognized employee association?- 25%**

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**



No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

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

- (a) Permanent Employees: 70%
- (b) Permanent Women Employees: 70%
- (c) Casual/Temporary/Contractual Employees: 80%
- (d) Employees with Disabilities: There are no employees with disability.

**Principle 4**

**BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TO ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE, AND MARGINALIZED.**

**1. Has the Company mapped its internal and external stakeholders?**

Yes.

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

Yes.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company focuses serving disadvantaged, vulnerable and marginalized stakeholders in core areas near to its manufacturing facilities in Maharashtra and Gujarat through various CSR initiatives enumerated hereinabove and detailed in **Annexure B** to the Directors' Report.

**Principle 5**

**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

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

The Company's Human Rights policy covers all its employees across all grades and locations.

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

During the year there was no complaint received pertaining to violation of Human Rights.

**Principle 6**

**BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

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

The Company's policy applies to all the offices and two manufacturing locations across India.

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

The Company, while undertaking its business operations, also keeps in mind the harmful effects that it's activities might have on the environment.

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

Yes. ELANTAS BECK INDIA LIMITED is ISO 14001: 2015 certified Company. The process to identify potential environmental risks as mentioned in Integrated management system.



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

The Company currently does not have any projects related to Clean Development Mechanism.

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

The Company has installed a Solar Power Plant of 250Kwp capacity. During the year, the Solar Power plant produced energy worth 3,74,818 kWh due to which, there was a reduction of almost 275 Tons of CO2 emission.

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

All Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year & are being reported accordingly.

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

The Company has received a Notice from Gujarat Pollution Control Board (GPCB) regarding alleged contamination of the Ground water source of nearby society from the Company's manufacturing facility at Ankleshwar, Gujarat. The Company is taking all the steps to comply with the directions given by the GPCB in this regard.

#### Principle 7

#### BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

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

Yes, A. Mahratta Chamber of Commerce, Industries and Agriculture

B. Indo- German Chamber of Commerce

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

The Company has advocated for economic reforms through Association.

#### Principle 8

#### BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

Yes. For more details on our CSR Initiatives, please refer 'Annexure B' to the Directors' Report.

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

The Company undertakes its CSR projects, mostly in-house and also collaborates with external NGOs whenever considered expedient in order to make use of their expertise and their reach to the targeted beneficiaries of the respective programme. At the same time, the Company monitors the processes and work carried out by NGOs.

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

All our initiatives for the projects done individually as well as that done through NGOs are planned, monitored and evaluated in partnership with the communities. We also maintain all relevant documents, collect records and photographs of the activities related to all the projects and most importantly visits to the locations for timely and accurate evaluation of the project.

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

Please refer 'Annexure B' to the Directors' Report.

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

Yes, our project interventions were need based, cost effective leading to positive results in short term span. Extensive involvement of community in planning and implementation helped in capacity building as well as created ownership of the project. Through regular interaction with the community the positive impact created was shared with them to further enhance adoption level.

**Principle 9**

**BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

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

2.5 % of complaints were pending as on the end of financial year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws /N.A.**

All the products manufactured and marketed by the Company are accompanied by label displaying product information as mandated by applicable law.

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

During the financial year 2019, there were no cases filed by any stakeholder against the Company regarding irresponsible advertising.

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

The Company carries out customer satisfaction survey on an Annual Basis.



## Annexure G

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
as on financial year ended on 31.12.2019 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.	Link Intime India Pvt. Ltd. Block No. 202, 2nd Floor, Akshay Complex,Off Dhole Patil Road, Pune - 411001

### 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

Sr No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Electrical Insulations	20221	87.00%
2	Engineering and Electronic Resins and Materials	20221	13.00%

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	ELANTAS GmbH, Wesel	HRB -11575	Holding Company	75	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.01.2019)				No. of Shares held at the end of the year (31.12.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (01.01.2019)				No. of Shares held at the end of the year (31.12.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	75.00	-
d. Bank & FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A2)	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75.00	-
<b>Total shareholding of Promoter (A) = (A1+A2)</b>	<b>59,45,761</b>	<b>-</b>	<b>59,45,761</b>	<b>75.00</b>	<b>59,45,761</b>	<b>-</b>	<b>59,45,761</b>	<b>75.00</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,01,322	0	4,01,322	5.06	4,84,030	-	4,84,030	6.11	1.04
b) Banks / FI	50	-	50	-	50	-	50	0.00	0.00
c) Central Govt	-	-	-	-	22,265	-	22,265	0.28	0.28
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	1,05,074	-	1,05,074	1.33	-	1.33
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Corporation	3,09,263	-	3,09,263	3.90	2,85,596	-	2,85,596	3.60	0.30
ii) Alternate Investment Funds	9,338	-	9,338	0.12	10,080	-	10,080	0.13	-0.01
Sub-total (B)(1):-	7,19,973	-	7,19,973	9.08	8,84,830	-	8,84,830	11.16	-2.08
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2,99,208	-	2,99,208	3.77	1,66,621	-	1,66,621	2.10	1.67
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,71,010	89,138	7,60,148	9.59	6,41,134	77,320	7,18,454	9.06	0.53
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	84,200	84,200	84,200	1.06	99,470	-	99,470	1.25	-0.19
c) NBFC's Registered with RBI	250	-	250	0.00	200	-	200	0.00	0.00
d) Others (specify) :									
IEPF	25,966	-	25,966	0.33	26,772	-	26,772	0.34	-0.01
Hindu Undivided Family	56,401	-	56,401	0.71	52,947	-	52,947	0.67	0.04
NRI	31,477	-	31,477	0.40	30,477	-	30,477	0.38	0.01
Foreign Portfolio Investor	180	-	180	0.00	380	-	380	0.00	-0.00
Clearing members	4,118	-	4,118	0.05	1,770	-	1,770	0.02	0.03
Sub-total (B)(2):-	11,72,810	89,138	12,61,948	15.92	10,19,771	77,320	10,97,091	13.84	2.08
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>18,92,783</b>	<b>89,138</b>	<b>19,81,921</b>	<b>25.00</b>	<b>19,04,601</b>	<b>77,320</b>	<b>19,81,921</b>	<b>25.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs = (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>78,38,544</b>	<b>89,138</b>	<b>79,27,682</b>	<b>100.00</b>	<b>78,50,320</b>	<b>77,320</b>	<b>79,27,682</b>	<b>100.00</b>	<b>0.00</b>



(ii) Share Holding of Promoters

Sr. 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.

Sr. 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)

Sr. No	For Each of the Top 10 Shareholders	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
1	Reliance Capital Trustee Co. Ltd-a/c Reliance small Cap Fund	3,30,510	4.17	3,71,773	4.69
2	Pinebridge Investments GF Mauritius Limited	2,20,681	2.78	2,20,681	2.78
3	Bajaj Allianz Life Insurance Company Ltd	1,10,117	1.39	1,05,074	1.33
4	Tata Mutual Fund - Tata Small Cap Fund	30,812	0.39	92,040	1.16
5	Anmol Sekhri Consultants Private Limited	61,676	0.78	61,676	0.78
6	Globe Commodities Limited	59,326	0.75	51,471	0.65
7	Nozer Jasi Shroff	40,000	0.50	40,000	0.50
8	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	25,966	0.33	26,772	0.34
9	Anmol Sekhri Consultants Pvt Ltd	23,343	0.29	23,446	0.30
10	Gymkhana Partners L.P.	34,044	0.43	21,970	0.28

(v) Shareholding of Directors & KMP

Sr. 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/sweatequity 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 (₹)
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-





## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

Sr.No.	Particulars of Remuneration	Mr. Ravindra Kumar	Mr. Milind Talathi	Mr. Srikumar Ramakishnan	Total Amount
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,28,68,247	79,92,354	72,40,657	2,81,01,258
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5,18,268	3,79,179	5,46,763	14,44,210
	(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	-	-	-	
5	Others (specify) Others - Employers contribution to PF	5,07,010	4,00,303	5,01,000	14,08,313
	<b>Total (A)</b>	<b>1,38,93,525</b>	<b>87,71,836</b>	<b>82,88,420</b>	<b>3,09,53,781</b>
	<b>Ceiling as per the Act</b>	10% 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:

(Amt. in ₹)

Sr.No	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Others	Total
1	<b>Independent Directors</b>				
	Mr. Suresh Talwar	6,45,000	4,40,000	-	10,85,000
	Mr. Ravindra Kulkarni	4,15,000	4,40,000	-	8,55,000
	Mr. R. L. Shenoy	6,60,000	4,40,000	-	11,00,000
	Mrs. Kishori Udeshi	3,40,000	4,40,000	-	7,80,000
	<b>Total (1)</b>	<b>20,60,000</b>	<b>17,60,000</b>	<b>-</b>	<b>38,20,000</b>
2	<b>Other Non Executive Directors</b>				
	Dr. Matthias Wolfgruber	-	-	-	-
	Dr. Guido Forstbach	-	-	-	-
	Mr. Martin Babilas	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (1+2)</b>	<b>20,60,000</b>	<b>17,60,000</b>	<b>-</b>	<b>38,20,000</b>
	<b>Overall Ceiling as per the Act.</b>	1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Siting Fees payable to Directors.			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD** (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer (CEO)	Company Secretary (CS)	Chief Financial Officer (CFO)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	24,42,015	59,59,546	84,01,561
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	2,64,445	2,64,445
	(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	-	-	-	-
5	Others - Employers contribution to PF	-	65,172	3,08,516	3,73,688
	<b>Total</b>	-	25,07,187	63,32,507	90,39,694

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## Management Discussion and Analysis Report

ELANTAS Beck India Limited (the Company) entered year 2019 with headwinds like weak global demand scenario, increased uncertainty due to trade conflicts between US and China & a softening economy. This made 2019 one of the most challenging years for the Company. The Company had to deal with the lower demand as well as the uncertainties about the timing of the demand. Also, the Company received a Notice from Gujarat Pollution Control Board (GPCB) and consequent to which, the Company had to close its manufacturing facility at Ankleshwar for almost a month's time which posed myriad challenges to the Company.

Your Company did its best under these circumstances to retain its position in the market. In 2019, Company saw a drop of 3.68% in revenue. The Company's profit before exceptional items & tax decreased by 8.72%.

One of the significant milestones for 2019 was acquisition of Wire Enamels business of Hubergroup India Pvt Ltd. on the 24 December 2019.

This allows the Company to offer existing and new customers even more individualized solutions besides strengthening its technology leadership in the Wire Enamels segment.

This acquisition combined with the previous year's investment in advanced ERP System; state of the art R&D facilities and the continuing progress in developing breakthrough process technology to enhance the Company's cost position should allow your Company to operate sustainably and grow in the current environment.

In response to the environmental concerns raised by GPCB at Company's manufacturing facility at Ankleshwar, your Company has taken necessary steps and your Company continues to engage with all relevant stakeholders to ensure that the issues raised are addressed appropriately and to the satisfaction of the stakeholders. The Company has taken steps to invest in the infrastructure at the location and has continued to deliver on the commitments.

Understanding customers' stated & unstated needs and devising solutions to address them, remain the bedrock of Your Company's business philosophy. Therefore, though economic outlook for the year ahead looks uncertain, your Company's continuous efforts to build on its technology leadership, a committed team, efficient operations supporting a customer centered approach should position it well in the challenging external environment.

Your Company entered 2020 on an optimistic note. However since the middle of March the nation started to see a rapid slowdown due to the COVID19 pandemic, the nationwide lockdown had an impact on the operations of our customers as well as the Company. The focus for the Company shifted to ensuring the health and well being of its employees and all its stakeholders, while at the same time minimizing disruption to the supply chain for our customers during the lockdown period. The manufacturing sites of the Company have recommenced operations after receiving the necessary permissions and after complying with the Governments directives.

The Company is eagerly looking forward to the recommencement of the economy after the lockdown. The Company is in a comfortable liquidity position to meet its commitments. The Company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.

We believe that the Company shall be in a position to adapt and sustain itself in the new "normal" that emerges in the coming period.

The Company is relooking at its strategy towards not only sustaining its position in the market, but also to identify new segments of growth.

### Segment wise Performance

#### Electrical Insulation Business

- The Electrical Insulation Business comprising of Wire Enamels and Secondary Insulation products account for approximately 87 % of the Company's sales revenue and constitutes the core business of your Company.
- Wire Enamel business primarily caters to Magnet Wire manufacturers, whose end customer base span the Home Appliances, Transformers, automotive and Industrial Segments. Secondary Insulation products like Varnishes find

application in Rotating Machines used in Home Appliances, Automotive Components, Industrial Motors, Generators and Transformers apart from the Repair and Refurbishment industry.

- The year had an impact due to market volatility/slowdown on some of the major segments which your Company catered like Transformers, Automotive etc. and also the rotating machines which catered into these end applications.
- Volumes of Wire Enamels and Varnishes were impacted in 2019 due to the market volatility. Several customers were forced to reduce their production due to Automotive plant shutdowns. Some of the major product segments like Polyester Imide, Modified Polyester enamels had a direct impact on the same. Your Company took major efforts to increase the share of business with key customers and worked to bridge the gap of volume drop.
- The Enameled Aluminum wires imported from China and other countries had created a challenge in the Indian industry and had an impact of Wire Enamel local consumption.
- In spite of the above head winds, your Company was able to achieve a pull back and achieved the same volumes in Wire Enamels through addition of new customers, products and improving share with existing customers. The Secondary Insulation Business dropped due to the market challenges and low cost Varnishes from local competition.

At present, the segment volatility continues and challenges in Industry still remains. Company is looking forward to a growth in this segment due to the following macro-economic factors;

- o Growth in demand for Electricity as the initiatives towards improving generation and distribution of power, this would lead to transformer's industry growth.
- o Demand and growth of Home Appliances.
- o Automotive industry and Ancillaries may grow after the BVI implementation.
- o Initiatives taken by the Government on smart cities, promotion of renewal and sustainable energies.
- o Opportunities in E mobility.

The Indian budget this year has also addressed the slowdown in the Industry with some benefits for Industry with tax benefits. The plan for more tenders for the Transformer Industry may also increase. Company is well equipped to address the upsides of the markets through sustained market leadership in the Electrical Insulation Business.

### **Electronic & Engineering Materials:**

Electronic & Engineering Materials business comprises of Electronic & Electrical Compounds (EL), Hardeners and Construction Chemicals (CC) and accounts for approximately 13% of the Company's sales revenue.

The EL Business has specialty products in Electronics, Auto Electricals, Filters & High Voltage Capacitors application, in addition to emerging opportunities in E Mobility. With sustained focus on new product and application development, the Company is working on new offerings in the Electronics domain, the results of which will be seen in the coming years. While EL as a business and the Customers your Company catered had a major impact due to the automotive slowdown, your Company has managed to add new Business, regained the lost business in 2018 through which you were able to mitigate the business drop to only 3%.

The CC Business has products for Industrial Flooring, Exterior Coating, Water Proofing, Structural Repairs, Sealants and Adhesives.

The CC segments too witnessed a significant impact due to the volatility in the Industry. CC as an Industry continued with a greater issue in Cash flow and related Construction projects slowdown. The same had a major impact on the payments to the suppliers of this Industry. This had a profound influence also in your Company's receivables. Your Company was selective in continuing your supplies to only specific Customers/Projects who had better payment cycles. Due to this, there was a 45% drop in CC business.

However, going forward, your Company is confident of catching up its growth in the Electronic & Electrical Compounds with its new product offerings and customer additions. In case of CC, the Company will follow an approach to rebuild the business with caution as the Payment situation in the Construction Industry still remains as a challenge.



Overall, the Company continues its strong focus on research, development, Value based solutions & technical support mechanism to ensure complete customer satisfaction in terms of quality, product solution expertise, innovation and service.

### **Current Future & Outlook**

Manufacturing growth in India is generally driven by domestic consumption, enabling government policies and investments.

The Company believes that it is well poised to grow once the market demand revives.

Following factors are important for the Company in future:

- Industrial production growth in India; especially in the relevant segments that the Company caters to.
- Global demand and geo political situation.
- Valuation of Indian Rupee especially with the US Dollar
- Ability to develop new business in the existing and new markets.

The Company will continue its focus on enhancing its capabilities across all areas in its control and endeavor to continue creating value for its customers while at the same time sustaining its market performance and financial performance.

### **Risks, Opportunities and Threats**

Ability to develop new technologies, improving production processes continuously, enhancing efficiency across the Supply Chain while developing a culture of continuous improvement has made your Company second to none in the electrical insulation market.

The Management of your Company with advise and inputs from your Board of Directors make diligent efforts to anticipate business risk and mitigate it to the best of its ability.

The measures suggested by the Board are implemented and reviewed on a regular basis.

Some of the risks, opportunities and threats as perceived by the Company management at this point of time are mentioned below:

#### **Risks**

- Subdued market demand
- Regulatory matters
- Volatility in the raw material pricing due to feedstock and /or regulatory restrictions in external markets
- Currency exchange fluctuations

#### **Opportunities**

- Improvement in the industrial production outlook
- Seamless integration of the acquired business enhancing your Company's position
- Development in e-mobility space
- Rationalization of products across plants and business lines
- Opportunities in existing or new lines of business.

#### **Threats**

- Imports of Wire Enamels or electrical equipment from other Asian markets.
- Increasing urbanization around manufacturing locations of the company leading to environmental issues.

### **Company Performance:**

The Accounting treatment of the Company in the preparation of financial statements is in consonance with the Indian Accounting Standards 2015(Ind AS) as amended and there is no deviation in the accounting treatment, different from the said Ind AS.

During the year under review, your Company's performance was adversely affected on Year on Year basis.

- The series of challenging extraneous factors, on international & domestic front, oil crisis & pressure on the rupee, the Company achieved a volume level of 22914mts, a 3.6% (3.9% in value terms) decrease as compared to previous year i.e. 23766. The Company sales stood at Rs. 39,255 Lakhs for this year as compared to Previous years i.e. 40853.
- The profit before exceptional items & tax stood at Rs. 6,378 Lakhs, representing a decrease of 8.7% over previous year 2018.
- Net cash flows from operating activities during the year stood at Rs.4,786 Lakhs as compared to Rs. 3,302 Lakhs during the previous year.

The Net Working Capital, a key performance indicator, improved due to focus on inventory and sales management.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately preceding financial year) in Key Financial Ratios along with detailed explanations therefor as required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:**

Ratio	2019	2018	Comments
Debtors Turnover	0.15	0.21	-
Inventory Turnover	0.17	0.18	-
Interest Coverage Ratio	189.78	299.78	-
Current Ratio	5.11	5.23	-
Debt Equity Ratio	0.19	0.23	-
Operating Profit Margin (%)	16.30%	17.10%	-
Net Profit Margin (%) or sector specific equivalent ratios, as applicable.	12.60%	16.10%	-
Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	-6.70%	-0.60%	Return on net Worth in Y- 2019 is lower compared to last year predominantly on account of "Income on Sale of Property" in last year

### Internal Financial Controls & their Adequacy

The Company has appointed Mahajan & Aibara as Internal Auditors to oversee and carry out an audit of its activities. The audit is based on Internal Audit plan which is reviewed each year in consultation with the Statutory Auditors and Audit Committee. The conduct of the internal audit is oriented towards review of internal controls and risks in the Company's operations such as accounting, finance, procurement, employee engagement, factory operations, travel, its processes etc.

Based on the evaluation, the Audit Committee has concluded that the financial controls of the Company have been adequate and operating effectively.

### Technical Management and Infrastructure Development

Continual Improvement has been the major thrust and projects are constantly been taken on the following:

- Safety of our processes in terms of Safety Audits & Risk Assessments through HAZOP & FMEA studies
- Sustaining and improving the quality levels of the products
- Productivity enhancement while sustaining the Quality, Health and Safety Parameters
- Resource conservation
- Constantly exploring options to reduce the emissions and effluent discharge.



- Savings in operational costs through various operational improvement programmes
- Reduction in water consumption and consequently lowering of the effluent discharge.

The Company's leadership in electrical insulation business is a hallmark of its long-valued relationship with its customers. Products offered provide technical and technological solutions to customers manufacturing processes with both pre and post technical services. This helps both in understanding the technical needs of the customer, at the same time helps in educating the customers on technological upgradations of our products and creating value for them. This support over a period has helped our reputation as consistent supplier to our satisfied customers.

The Company strives to maintain its leadership position and technological superiority by continuously focusing on operational excellence and cost effectiveness, a fact highlighted by a few examples as mentioned below:

- Understanding the market pulse by close coordination of our Marketing & Technology Department as well as developing and launching new cost-effective products
- Imbibing the business excellence culture across the organization by identifying new projects under "Altana X" a programme devised on Lean Six sigma techniques for operational excellence
- Constantly upgrading of our manufacturing processes by more automation, thereby aiding to better productivity and consistency in quality apart from savings in power & fuel.

At the same time, benchmarking with our overseas affiliates is undertaken to upgrade and improve our technical capabilities. This is done by regular meetings wherein best practices are shared at various forums formed under the stewardship of ALTANA Group and ELANTAS GmbH, Germany. Outcomes of these forums are utilized for product development, optimizing the production processes as well as safety of our plants and products.

### **Quality, Environment Management and Occupational Health & Safety**

The Company is committed towards implementation of sustainable projects and accords utmost priority to quality, environment and occupational health & safety management system.

The Company is committed to maintain its operations and workplace free from incidents and significant risk to the health & safety of its stake holders through improved engineering practices, channels of communication, safety awareness, robust checking systems and sound training practices.

The concerted efforts for resource conservation and use of renewable sources such as solar power for our R&D and Corporate office has been well appreciated by our corporate global EHS and external stake holders such as Auditors, Customers etc.

The Company identifies ways for strengthening its management system by continually identifying projects for lowering its emissions to air and water such as reducing effluent loads, installation of efficient scrubbing system and monitoring systems etc.

The Company follows practices and systems as laid down in various International standards. In Year 2019, recertification audit was carried out at the Manufacturing sites in Ankleshwar & Pimpri as well as Corporate office and all these facilities have been certified by TÜV NORD for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

In Y2019, GPCB had imposed a closure of our Ankleshwar site for a month on alleged contamination & the Company is actively working with GPCB to enhance the site facilities to a high standard as well as raising all underground piping & tanks to make them above ground to align it with the best practices adopted globally.

### **Research & Development**

The Company has continued to focus on developing capabilities in new and different areas such as continuous product development and process upgradation. New and continuing efforts have been focused in these areas and for growth into new markets. For instance, a new Thermal Constant Analyzer instrument has been procured this past year to increase our ability to develop new products for thermal interface materials in the growing electronics market.

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 participation of the

Company has been growing this previous year, with two new projects led by the Company gaining approval by the Technical Steering Committee for study under the global R&D structure.

The Market Technology & Development Department (MTD) developmental activity in EL business is showing enhanced responsiveness, with a variety of products developed in the last year for automotive, electrical and electronics market segment. Strengthened the product base and customer base through addressing new opportunities arising out of the recent upgradation from BS4 to BS6 in the automotive industry.

The Research and MTD teams are engaged in a wide range of activities aimed at maintaining a technological edge, providing effective solutions to the customers, improving internal productivity through process improvements and by using alternative raw materials. The team was granted two patents this past year based on a new technology platform developed for products in the electrical and electronics areas.

### **Human Resource/ Industrial Relations**

During the year under review the Company's HR functions focused on strengthening its Performance Management System, continuing various training and development programs for the development of its 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.

These intensive 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 179.

During the year, Company entered into wage settlement agreement with its workmen at Pimpri and Ankleshwar which concluded amicably after due discussions and negotiations. These wage settlement are for a three year period from 1 January 2019 to 31 December 2021 concluded separately for the two sites on the basis of 'Region cum Industry' principle.

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

5 May 2020

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

**Suresh Talwar**

**Director**

**Srikumar Ramakrishnan**

**Managing Director**





## Report on Corporate Governance

### 1. ELANTAS Beck's philosophy on Corporate Governance:

At ELANTAS Beck, the goal of Corporate Governance is to ensure fairness to every stakeholder. Company believes that sound Corporate Governance is important in order to enhance stakeholder's trust. Company also believes that timely compliances with the requirements of the applicable regulations, including the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are ways & means for attaining this trust.

Company's governance framework is based on its effective independent Board, separation of Board's supervisory role from the executive management team and constitution of the Committees of Board, as required under law. It's Board is constituted in compliance with the provisions of the Act and Listing Regulations as amended, as applicable. The Board functions either directly, or through various Committees constituted to oversee specific operational areas. "Corporate Governance" pertains to framework of rules, systems and processes within and by which authority is exercised and controlled within the Company.

The Compliance Report on Corporate Governance herein signifies, amongst others, adherence by the Company of all the mandatory requirements of Regulation 34 (3) and Schedule V of the Listing Regulations.

### 2. Board of Directors (Board)

#### (a) Composition and functioning:

The Composition of the Board of your Company is a fair mix of Executive, Non-Executive, and Independent Directors, which is appropriate for the size and operations of your Company and is compliant with the applicable rules and guidelines.

The Board comprises of eight Directors. Mr. Srikumar Ramakrishnan is Managing Director of the Company. Mr. Milind Talathi is Whole-time Director of the Company. Mr. Martin Babilas, Mr. Stefan Genten (acting as alternate Director to Mr. Martin Babilas) and Dr. Guido Forstbach are Non-Executive Directors. Mr. Suresh Talwar, Mrs. Kishori Udeshi, Mr. Ravindra Kulkarni and Mr. Ranjal Laxmana Shenoy are Non-Executive Independent Directors.

As on the date of this report, all Directors of the Company meet the criteria of maximum number of Directorship(s), Committee Membership(s)/ Chairmanship(s) as laid down in the Act and Listing Regulations.

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.

During the Financial Year ended 31 December 2019, Six Board Meetings were held i.e. on 26 February, 1 April, 7 May, 23 July, 5 November and 23 December.

The names and categories of the Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting (AGM) held during the year and the number of Directorships and Committee Chairpersonships / Memberships held by them in other Companies as on 31 December 2019 are given below:

Sr. No	Name of Director	Nature of Directorship	No. of Board Meetings attended	Attendance at the AGM held on 7 May 2019	Directorship in other Companies	No. of Committee positions held in other public Companies #	
						As Chairperson	As Member
1	Mr. Martin Babilas [DIN: 00428631]	NED	1	No	No	-	-
2	Dr. Guido Forstbach [DIN: 00427508]	NED	1	No	No	-	-
3	Mr. Suresh Talwar [DIN: 00001456]	ID	6	Yes	2	2	2
4	Mr. Ravindra Kulkarni [DIN: 00059367]	ID	4	No	5	1	5
5	Mr. Ranjal Laxmana Shenoy [DIN: 00074761]	ID	6	Yes	3	3	5
6	Mrs. Kishori Udeshi [DIN: 01344073]	ID	6	Yes	7	1	6
7	*Mr. Ravindra Kumar [DIN: 06755402]	ED	3	Yes	No	-	-

Sr. No	Name of Director	Nature of Directorship	No. of Board Meetings attended	Attendance at the AGM held on 7 May 2019	Directorship in other Companies	No. of Committee positions held in other public Companies #	
						As Chairman	As Member
8	Mr. Milind Talathi [DIN: 07321958]	WTD	4	Yes	No	-	-
9	Mr. Stefan Genten [DIN: 07350813]	AD	1	No	No	-	-
10	**Mr. Srikumar Ramakrishnan [DIN: 07685069]	MD	2	NA	No	-	-

{NED -Non -Executive Director, MD - Managing Director, WTD - Whole Time Director, ID - Independent Director, AD - Alternate Director}

\* Resigned w.e.f. 31 July 2019

\*\* Appointed w.e.f. 1 August 2019

# For the purpose of reckoning the limit, Memberships of Audit Committee and Stakeholders' Relationship Committee in Public Companies excluding ELANTAS Beck India Limited has been considered.

Note:

"No Director serves as an Independent Director in more than seven listed Companies.

"Directorships in Foreign Companies, Private Limited Companies and Section 8 Companies are excluded in the above table.

"None of the Independent Directors is Whole-Time Director in any other Company.

"None of the Directors holds equity shares or convertible instruments in the Company.

"No Director is related to any other Director of the Company.

#### b) Following are the details of Directorship in other Listed Entities

Sr. No.	Name of the Director	Name of the listed entities and category of Directorship
1	Mr. Martin Babilas	NIL
2	Dr. Guido Forstbach	NIL
3	Mr. Stefan Genten	NIL
4	Mr. Suresh Talwar	Procter & Gamble Health Limited - Independent Director
5	Mrs. Kishori Udeshi	1) Haldyn Glass Limited - Independent Director 2) ION Exchange (India) Limited - Independent Director 3) Sriram Transport Finance Co. Limited. - Independent Director 4) Thomas Cook (India) Limited - Independent Director
6.	Mr. Ravindra Kulkarni	1) Chowgule Steamships Limited - Independent Director 2) Entertainment Network (India) Limited - Independent Director
7	Mr. Ranjal L. Shenoy	1) Alkem Laboratories Limited - Independent Director 2) Sunshield Chemicals Limited - Independent Director
8	Mr. Srikumar Ramakrishnan	NIL
9	Mr. Milind Talathi	NIL

#### c) Core skills/ expertise/ Competencies of Board of Directors:

The Board of Directors of your Company consists of eminent personalities from varied disciplines / skills such as in depth experience in all facets of Chemical industry which the Board has identified and which the Board possesses, such as, global business, management, risk assessment and mitigation, governance, manufacturing & supply chain, finance & treasury, human capital, information technology and legal and commercial aspects specifically applicable to chemical industry as well as an effective stakeholder engagement.

The Board had considered and identified an optimized mix of the Skills, Expertise, Competencies essentially required in the sector in which the Company operates which ensures functioning of the business effectively.



### Independent Directors:

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16 (1) (b) of the SEBI Listing Regulations and that they are independent of the management.

Evaluation of Independent Directors is done by Nomination & Remuneration Committee and indicative list of factors on which evaluation was carried out, included participation & contribution by the Directors, commitment, effective deployment of knowledge & expertise, integrity and independent judgement. During the year 2019 there was no change in the constitution of Independent Directors.

### (d) Remuneration Policy:

Within the overall limits fixed by the Members in a General Meeting, the Nomination & Remuneration Committee recommends the criteria for remuneration of Executive & Non-Executive Directors and Key Managerial Personnel. Remuneration comprises of basic salary, perquisites and performance-based incentive, which is decided annually by the Board after taking into consideration the Company's performance against financial targets and non-financial objectives as well as the performance of the individual concerned against objectives agreed upon 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 2019:

(₹ In lakhs)

Name and Designation	Salary	Perquisites (Benefits)	Performance Linked Incentive	Retirement Benefits P.F & Superannuation	Total	Term of Appointment
Mr. Ravindra Kumar (Managing Director)	99.66	5.18	29.03	5.07	138.94	Appointed for 5 years w.e.f. 01 January 2017. Resigned w.e.f. 31 July 2019.
Mr. Srikumar Ramakrishnan (Managing Director)	47.42	5.47	24.99	5.01	82.89	Appointed for 3 years w.e.f. 1 August 2019.
Mr. Milind Talathi (Whole Time Director)	57.17	3.79	22.75	4.00	87.71	Appointed 3 years from 23 February 2016 (further appointed for 3 years from 27 February 2018.
<b>Total:</b>	<b>204.25</b>	<b>14.44</b>	<b>76.77</b>	<b>14.08</b>	<b>309.54</b>	

#### 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 termination of agreement with the Managing Director is six months. However, no severance compensation is payable.
- (4) Mr. Srikumar Ramakrishnan was appointed as president w.e.f. 8 May 2019 and Managing Director w.e.f. 1 August 2019 and out of the total Remuneration of Rs. 128.12 Lakh paid to Mr. Srikumar Ramakrishnan also includes Rs. 45.23 Lakh which was paid in the capacity of President of the Company.

Remuneration of Non-Executive Independent Directors comprises of sitting fees for attending Board and Committee Meetings and commission based on their overall engagement & contribution to the Company's business which is 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. All expenses incurred by such Directors for attending the meetings are reimbursed by the Company.

Details of remuneration of Non-Executive Directors for the year ended 31 December 2019:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	6,45,000	4,40,000
Mr. Ravindra Kulkarni	4,15,000	4,40,000
Mr. Ranjal Laxmana Shenoy	6,60,000	4,40,000
Mrs. Kishori Udeshi	3,40,000	4,40,000
<b>Total:</b>	<b>20,60,000</b>	<b>17,60,000</b>

### 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. The Remuneration Policy is also hosted on the website of the Company at <http://www.elantas.com/beck-india>.

### 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 Board Members are regularly updated on changes in Corporate and allied laws, Taxation laws & matters thereto. In the quarterly Board Meetings, Managing Director and Senior Management conduct a session for the Board Members sharing updates about the Company's business strategy, operations and the key trends in the industry relevant for the Company. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

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:

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Act, read with Regulation 18 of the Listing Regulations.

During the financial year ended 31 December 2019, Five Audit Committee Meetings were held i.e. on 26 February, 7 May, 23 July, 5 November and 23 December.

The Audit Committee comprises of Mr. Ravindra Kulkarni (Chairman /Independent Director), Dr. Guido Forstbach (Director), Mr. Suresh Talwar (Independent Director) and Mr. Ranjal Laxmana Shenoy (Independent Director). All the four Members of the Audit Committee are Non-Executive Directors, two third of the Members being independent, Chairman of the Audit Committee is an Independent Director thus satisfying the conditions on the composition of the Audit Committee mandated by the Listing Regulations.

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 and terms of reference as follows:

- 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.
- reviewing and monitoring 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, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage 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.
- investigating any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- reviewing the functioning of the Whistle Blower Mechanism.
- approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- reviewing 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.
- management letters /letters of internal weaknesses issued by the Statutory Auditors.
- report of Internal Auditors report concerning internal control weaknesses.

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	5	3
Dr. Guido Forstbach	5	0
Mr. Suresh Talwar	5	5
Mr. Ranjal Laxmana Shenoy	5	5

**(b) Stakeholders' Relationship Committee and Share Transfer Committee**

The Stakeholders' Relationship Committee (SRC) of the Board of Directors meets the criteria laid down under Section 178 of the Act, read with Regulation 20 of the Listing Regulations.

The Stakeholders' Relationship Committee and the Share Transfer Committee both comprise of Mr. Ranjal Laxmana Shenoy (Non-Executive- Independent Director), Mr. Srikumar Ramakrishnan (Managing Director), Mr. Milind Talathi (Whole-time Director) and Mr. Abhijit Tikekar (Company Secretary).

These Committees are headed by Mr. Ranjal Laxmana Shenoy.

Mr. Abhijit Tikekar, Company Secretary is designated as the Compliance Officer w.e.f. 31 October 2018.

During the year ended 31 December 2019, Ten Meetings of Share Transfer Committee and one Meeting of Stakeholders' Relationship Committee was held. As of 31 December 2019, there were no unresolved investor complaints.

The Members attended the Stakeholders' Relationship Committee Meetings as follows:

Name of the Member	Meetings held during the tenure of Member	Meetings attended
Mr. Ranjal Laxmana Shenoy	1	1
*Mr. Ravindra Kumar	0	0
*Mr. Srikumar Ramakrishnan	1	1
Mr. Milind Talathi	1	1
Mr. Abhijit Tikekar	1	1

\*During the year, the Committee was reconstituted by induction of Mr. Srikumar Ramakrishnan in place of Mr. Ravindra Kumar w.e.f. 1 August 2019.

Transfer of shares held in physical mode was processed by Link Intime 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, 2019, no request for transfer of shares was pending.

Terms of Reference of the Stakeholders' Relationship Committee and Share Transfer Committee:

- to oversee the performance and service standards adhered to by the Registrar & Share Transfer Agents and recommend measures to improve investor services.



- to resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- to review of measures taken for effective exercise of voting rights by shareholders.
- to review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The status of shareholder complaints received and resolved during the financial year 2019 is as under:

Number of Investor Complaints pending as on 31 December 2018	0
Number of Investor Complaints received during the period 1 January 2019 to 31 December 2019	2
Number of Investor Complaints resolved to the satisfaction of shareholders during the period 1 January 2019 to 31 December 2019	2
Number of Investor Complaints pending as on 31 December 2019	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 one Non-Executive Independent Director, Mr. Ranjal Laxmana Shenoy, Mr. Srikumar Ramakrishnan, Managing Director and Mr. Milind Talathi, Whole Time Director. Mr. Abhijit Tikekar, acts as the Secretary to implement the decisions of the Committee.

During the year ended 31 December 2019, Eight Meetings of Committee for issue of duplicate share certificates were held.

#### Scope:

- to look into the requests received for issue of duplicate share certificates on account of loss/mutilated certificates etc. and ensure the compliance of regulatory requirements for such issuance.
- to issue share certificates upon consolidation or sub-division of shares of the Company.

During the year, the Committee was reconstituted by induction of Mr. Srikumar Ramakrishnan in place of Mr. Ravindra Kumar w.e.f. 1 August 2019 and also Mr. Milind Talathi, was inducted on that date.

### d) Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013, read with Regulation 19 of the Listing Regulations and on 31 December 2019, the Nomination & Remuneration Committee of the Company comprises of four Non-Executive Directors namely Mr. Suresh Talwar (Non-Executive Independent Director, Chairman of the Committee), Mr. Ravindra Kulkarni (Non - Executive Independent Director), Mr. Ranjal Laxmana Shenoy (Non - Executive Independent Director) and Dr. Guido Forstbach (Non - Executive Director).

Four Meetings of the Committee were held during the year on 26 February 2019, 1 April 2019, 23 July 2019 and 23 December 2019.

Name of the Member	Meetings held during the tenure of Member	Meetings attended
Mr. Suresh Talwar	4	4
Mr. Ravindra Kulkarni	4	3
Mr. Ranjal Laxmana Shenoy	4	4
Dr. Guido Forstbach	4	1

The Nomination & Remuneration Committee has the following objects:

- 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.
- Recommending to the Board on the basis of criteria laid down in the Policy, all remuneration, in whatever form, payable to Directors & Senior Management.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors.

#### e) Risk Management Committee

The Board has constituted a Risk Management Committee comprising Mr. Srikumar Ramakrishnan, Mr. Ranjal Laxmana Shenoy, Dr. Guido Forstbach, Mr. Milind Talathi and Mr. Sanjay Kulkarni. During the year, one Meeting of Risk Management Committee was held on 05 November 2019 which was attended by majority of the Members as follows:

Name of the Member	Meetings held during the tenure of Member	Meetings attended
Mr. Ranjal Laxmana Shenoy	1	1
Dr. Guido Forstbach	1	0
Mr. Ravindra Kumar	0	0
Mr. Srikumar Ramakrishnan	1	1
Mr. Milind Talathi	1	1
Mr. Sanjay Kulkarni	1	1

During the year, the Committee was reconstituted by induction of Mr. Srikumar Ramakrishnan in place of Mr. Ravindra Kumar w.e.f. 1 August 2019.

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 Risk Management Committee also deals with the matters with respect to Cyber Security.

The Company has in place a comprehensive Enterprise Risk Management Manual which contains an in-depth evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Manual identifies risks, its likelihood, impact and mitigation methods. It undergoes up-dation and modification depending on the changes in business and market conditions. The job of the Committee is to review risks on a periodical 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 viz. Mr. Ranjal Laxmana Shenoy & Mrs. Kishori Udeshi and one Executive Director viz. Mr. Srikumar Ramakrishnan, Managing Director.

A Corporate Social Responsibility Policy is hosted on the website of the Company at <http://www.elantas.com/beck-india>.

One Meeting of the Committee was held on 05 November 2019 during the year under review which was attended by all the Members.





Name of the Member	Meetings held during the tenure of Member	Meetings attended
Mr. Ranjal Laxmana Shenoy	1	1
Mrs. Kishori Udeshi	1	1
Mr. Ravindra Kumar	0	0
Mr. Srikumar Ramakrishnan	1	1

During the year, the Committee was reconstituted by induction of Mr. Srikumar Ramakrishnan in place of Mr. Ravindra Kumar w.e.f. 1 August 2019.

#### 4. Other Information:

##### (a) Code of Conduct and Code for prevention of Insider Trading:

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.

As per SEBI (Prohibition of Insider Trading) Regulations 2015, (as amended from time to time) the Company has adopted Code of conduct for Fair Disclosures of Un-published Price Sensitive Information and Regulating Monitoring and Reporting of Trading by Designated Persons to deter the insider trading in the securities of the Company based on the Un-published Price Sensitive Information.

The trading window is closed during the time of declaration of results and occurrence of any material event as per the Code for such duration as may be decided by the Compliance Officer. In line with the amendments introduced by SEBI in the Insider Trading Regulations, the Code was amended suitably to align it with the amendments which are effective 1 April 2019. The Board of Directors has appointed Mr. Abhijit Tikekar, Head Legal & Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the Code for trading in Company's securities. During the year under review there has been due compliance with the Insider Trading Regulations, as amended.

##### (b) CEO/CFO Certificate

A certificate from the Managing Director and CFO & VP - IT and Procurement, on the integrity of the financial statements and other matters of the Company for the financial year ended 31 December 2019, annexed and forms part of the Annual Report, was placed before the Board at its Meeting held on 25 February 2020.

##### (c) General Body Meetings:

(i) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place	Special Resolutions passed
31 December 2016	10 May 2017	2.30 pm.	Hall No.4, 'A' Wing,	Nil
31 December 2017	10 May 2018	2.30 pm.	5th Floor, MCCA Trade Tower, ICC Complex, SenapatiBapat Road, Pune 411016.	Payment of remuneration by way of Commission to the Non-Executive Directors.
31 December 2018	7 May 2019	2.30 pm.		Nil

(ii) 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 2018, the Company approached the Members through Postal Ballot of which results of the postal ballot were declared during the year under review.

**(e) Disclosures:**

- In terms of the requirements of Accounting Standard (IND AS) 24 on Related Party Disclosures issued by the Companies Indian Accounting Standards 2015, transactions with related parties have been adequately disclosed in Note No. 36 in Notes to accounts forming part of the Balance Sheet as at 31 December 2019. 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.
- No strictures penalties have been imposed on the Company by the Stock Exchange or by the Securities Exchange Board of India or any other statutory authority on any matters related to capital markets during the last three years.
- No personnel has been denied the access to the Audit Committee.
- The Company has been complying with the mandatory and discretionary requirements under part E of Schedule II of Listing Regulations.
- The Company complies with the requirements of corporate governance as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Company requires its Officers and Employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. For this purpose the Board of Directors of the Company has adopted "Whistle Blower Policy" to encourage and enable employees and volunteers of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy and to build and strengthen a culture of transparency and trust within the organization. The person making a report of the violation can keep his/her identity anonymous and choose to submit the violation report on a confidential basis. If an individual reasonably believes that a violation has occurred, the individual is encouraged to share his or her questions, concerns, suggestion or complaints to person designated by the Company. Specific telephone number and email ID is mentioned in the Whistle Blower Policy. In addition to the above, under exceptional circumstances a complainant can complain directly to the Chairman of the Audit Committee. No personnel of the Company has been denied access to either the Designated Person or to the Audit Committee. The Whistle Blower Policy has been placed on the Company's website and can be accessed through <http://www.elantas.com/beck-india/financials/compliance-with-corporate-governance.html>
- The Board has accepted all the recommendations of Committees of the Board during the year under review.
- Web link of Related Party Transactions policy :<http://www.elantas.com/beck-india/financials/compliance-with-corporate-governance.html>
- A certificate has been received from Prajot Tungare and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority which is annexed to this report.

**(f) Discretionary requirements under Regulation 27 read with Part E of Schedule 2 of Listing Regulations**

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 and published in news papers.
- **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 to the Audit Committee with details and actions to be taken.

**(g) Sexual Harassment Complaints:**

Disclosure in relation to complaints of Sexual Harassment please refer page no. 7 of this Report.

**(h) Independent Directors' Meeting was held on 25 February 2020.**





**(i) Means of Communication:**

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website.

**a. Financial Results and Statements:**

The unaudited quarterly results are announced within forty-five days from the end of the quarter. The audited annual results are announced within sixty days from the closure of financial year as required under SEBI Listing Regulations. The aforesaid financial results are communicated to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. The results are generally published in Free Press Journal (English edition in Mumbai) and Loksatta (Marathi edition in Pune) & Navashakti (Marathi edition in Mumbai), which is a regional (Marathi) daily newspaper.

The audited financial statements form part of the Annual Report which is sent to the Members within the statutory period and well in advance of the AGM.

The Annual Report of the Company, the quarterly / half yearly and the yearly financial results and the yearly financial statements and the press releases of the Company are also disseminated on the Company's website <http://www.elantas.com/beck-india> and can be downloaded and also informed to the Stock Exchange.

**b. Presentations, Press Releases:**

The presentations on the performance of the Company and press releases are placed on the Company's website immediately after these are communicated to the Stock Exchange for the benefit of the Institutional Investors and analysts and other shareholders.

**c. Material Information:**

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance / operations of the listed entity or other price sensitive information.

**d. Online filing:**

All information is filed electronically on BSE's online Portal - BSE Corporate Compliance & Listing Centre (Listing Centre).

**e. SCORES:**

Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**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) 64<sup>th</sup> Annual General Meeting:**

Day, Date & Time	Tuesday, 21 July 2020 at 11.30 a.m.
Place	Through Video Conference
Dates of Book Closure	From Wednesday 15 July 2020 to Tuesday 21 July 2020 (both days inclusive).
Dividend payment date	On or before Tuesday, 18 August 2020, if declared in the Annual General Meeting on 21 July 2020, within the stipulated statutory period.

**(c) Unclaimed dividends**

i) Pursuant to Sections 124 and 125 of the 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.



Furthermore, the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 mandate companies to transfer such shares on which dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

ii) Following table gives information relating to outstanding dividend amount and date when it becomes due for transfer to IEPF.

Financial Year	Dividend payment date	Unclaimed/unpaid dividend as on 31.12.2019 transfer to IEPF	Proposed date for transfer to IEPF
2012	29.04.2013	₹ 40,22,240.00	28.06.2020
2013	06.05.2014	₹ 27,53,630.00	04.07.2021
2014	06.05.2015	₹ 253,705.50	04.07.2022
2015	03.06.2016	₹ 300,690.00	03.08.2023
2016	10.05.2017	₹ 284,904.00	08.07.2024
2017	10.05.2018	₹ 194,440.50	10.07.2025
2018	07.05.2019	₹ 192,478.50	10.07.2026
*This amount may undergo change in case of any claims received / processed by the Company after 31.12.2019.			
** Indicative date and actual date may vary.			

iii) 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 01 April 2019 to 31 March 2020.

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

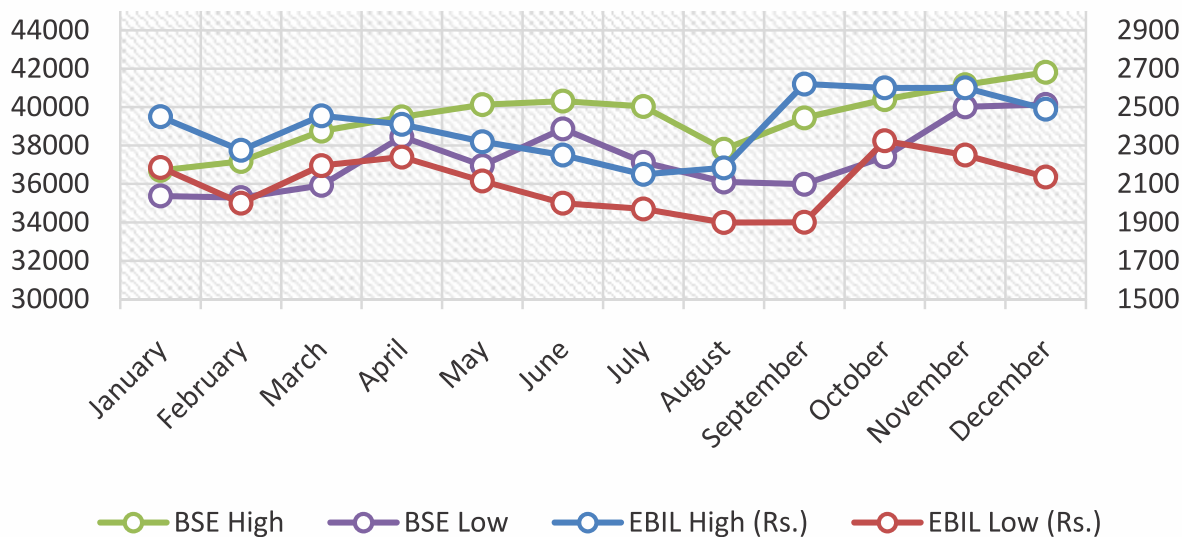
**(f) Stock Performance:**

The monthly High / Low of the equity shares of the Company:

Year 2019	Price of Equity Shares of the Company		Sensex	
	High (₹)	Low (₹)	High	Low
January	2450.00	2186.00	36701.03	35375.51
February	2275.00	2000.00	37172.18	35287.16
March	2455.00	2195.95	38748.54	35926.94
April	2410.00	2240.00	39487.45	38460.25
May	2320.00	2115.00	40124.96	36956.10
June	2250.00	1999.95	40312.07	38870.96
July	2150.00	1970.00	40032.41	37128.26
August	2184.00	1899.00	37807.55	36102.35
September	2620.00	1900.55	39441.12	35987.80
October	2599.95	2325.00	40392.22	37415.83
November	2600.00	2250.00	41163.79	40014.23
December	2489.00	2136.00	41809.96	40135.37



## Stock Performance



**(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 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 are placed at every Board Meeting.

**(h) Registrars and Share Transfer Agents:**

Link Intime India Pvt. Ltd. is the Share Transfer Agents (STA) of the Company who are having their office at Pune. The STA also handles transactions of shares in electronic form as depository interface for the Company.

**(i) Dematerialization:**

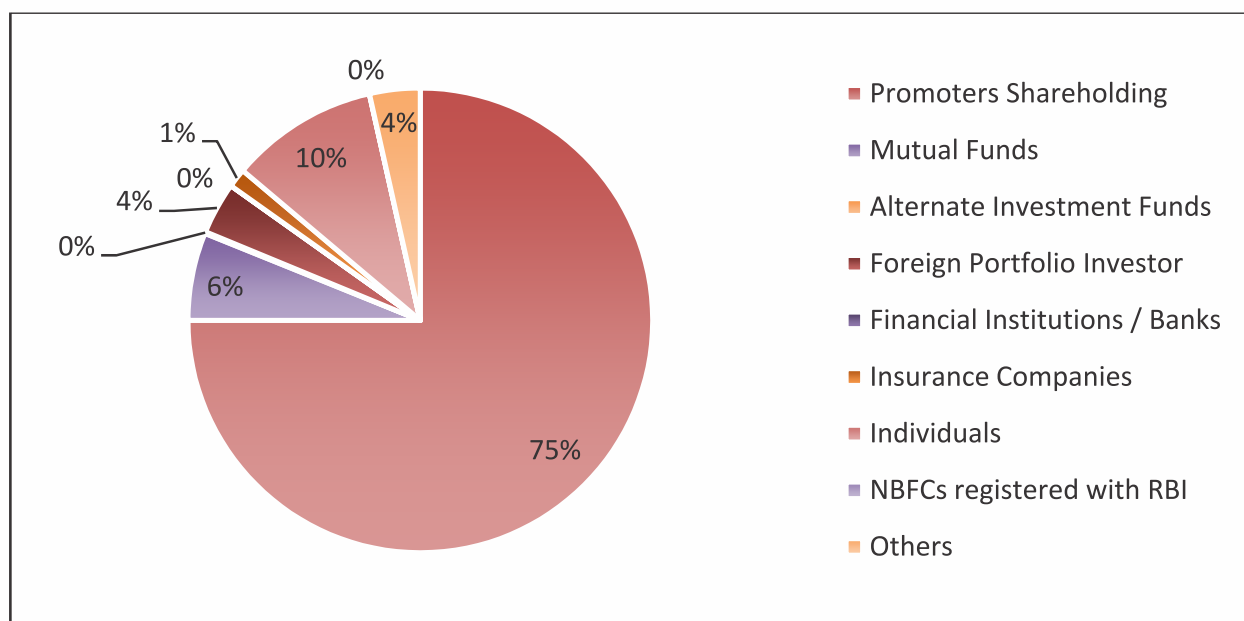
As of 31 December 2019, 78,48,411 shares i.e. 99.00% of the Company's total issued, subscribed and paid-up capital were held in dematerialized form.

**(j) Distribution of Shareholding as of 31 December 2019:**

Shareholding of Nominal Value (₹ In INR)	No. of shareholders	No. of shares	% to total
1 to 5000	6566	468767	5.91
5001 to 10000	133	104262	1.32
10001 to 20000	61	92479	1.17
20001 to 30000	13	33722	0.43
30001 to 40000	9	31085	0.39
40001 to 50000	3	14260	0.18
50001 to 100000	16	105672	1.33
100001 and above	19	7077435	89.27
<b>Total:</b>	<b>6820</b>	<b>7927682</b>	<b>100.00</b>

**(k) Shareholding Pattern as on 31 December, 2019**

Class of Shareholder	No. of shares	% to total
Promoters Shareholding	5945761	75.00%
Public Shareholding		
Mutual Funds	484030	6.11
Alternate Investment Funds	10080	0.13
Foreign Portfolio Investor	285596	3.60
Financial Institutions / Banks	50	0.00
Insurance Companies	105074	1.33
Individuals	817924	10.31
NBFCs registered with RBI	200	0.00
<b>Others</b>	<b>278967</b>	<b>3.52</b>
<b>Total:</b>	<b>7927682</b>	<b>100.00</b>



**(l) 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) 67190666]
- Plot No.1 (A, B & C) & 122, GIDC Industrial Area, Ankleshwar 393002  
Dist.: Bharuch, Gujarat. [Tel: (02646) 662736]

**(ii) Registered Office:**

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

Tel: (020) 67190600/605/606

**(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:**

Mr. Abhijit Tikekar

Head Legal & Company Secretary and Compliance Officer

ELANTAS Beck India Ltd.

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

Tel: (020) 67190606

**(m) Name of the Stock exchange and address:**

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

[www.bseindia.com](http://www.bseindia.com)

**(n) Total fees for all services paid by the Company to the statutory auditors Price Waterhouse Chartered Accountants LLP, Chartered Accountants is as follows:**

**Auditors Remuneration (exclusive of GST):**

Please refer page No. 99 to notes to accounts.

**For and on behalf of the Board**

Mumbai

05 May 2020

Regd. Office : 147, Mumbai - Pune Road,

Pimpri, Pune 411018

**Suresh Talwar**

**Director**

**Srikumar Ramakrishnan**

**Managing Director**

## **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of

### **ELANTAS Beck India Limited**

We have examined the compliance of conditions of Corporate Governance by ELANTAS Beck India Limited, for the year ended December 31, 2019 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

**For and on behalf of**

**Price Waterhouse Chartered Accountants LLP**

**Firm Registration Number: 012754N/N500016**

UDIN: 20109846AAAABU5810

Place: Mumbai

Date: February 25, 2020

**Amit Borkar**

**Partner**

**Membership No: 109846**







**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 2019.

**For ELANTAS Beck India Ltd.**

Mumbai  
25 February 2020

**Srikumar Ramakrishnan**  
**Managing Director**

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

## Certificate of Practicing Company Secretary

The Members,

### **ELANTAS Beck India Limited**

147, Mumbai - Pune Road, Pimpri, Pune 411018

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ELANTAS Beck India Limited having CIN L24222PN1956PLC134746 and having its Registered Office at 147, Mumbai Pune Road, Pimpri, Pune 411018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 December 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director
1	Mr. Martin Babilas
2	Dr. Guido Forstbach
3	Mr. Suresh Talwar
4	Mr. Ravindra Kulkarni
5	Mr. Ranjal Laxmana Shenoy
6	Mrs. Kishori Udeshi
7	Mr. Milind Talathi
8	Mr. Srikumar Ramakrishnan
9	Mr. Stefan Genten [Alternate Director to Mr. Martin Babilas]

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

### **For Prajot Tungare & Associates**

#### **Company Secretaries**

#### **CS Prajot Tungare**

##### **Partner**

FCS: 5484

CP No: 4449

UDIN: F005484A000578859

Date: 27 February 2020

Place: Pune



## Independent Auditor's Report

To the Members of Elantas Beck India Limited

Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of Elantas Beck India Limited ("the Company"), which comprise the balance sheet as at December 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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 December 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

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

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Refer Note 1 (d) and 25 to the Financial Statements. During the year, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" (the "Standard") which is effective from January 1, 2019. The Company has opted for modified retrospective approach as permitted by the Standard and consequently, management has reviewed its existing contracts with customers to assess the impact pursuant to the adoption of the standard.</p> <p>The Company's revenue from sale of goods gets recognized when control is transferred to customer and there remains no unfulfilled obligation. In terms of exchange of goods, revenue is measured at fair value of</p>	<p>Our audit procedures were designed to cover testing of certain customer contracts and included the following:</p> <ul style="list-style-type: none"> <li>■ Obtaining an understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition process including contract monitoring, billings and approvals;</li> <li>■ Testing whether the revenue recognition is in line with the terms of customer contracts;</li> <li>■ Assessing whether fair value of consideration received, or receivable has been determined appropriately in terms of the customer contract, reviewing customer correspondence and ensuring pre and post year end cut-off had been appropriately applied;</li> </ul>

the consideration received or receivable, after deduction of any discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax etc.

As described in the notes, adoption of the Ind AS 115 did not have any significant impact on the recognition and measurement of revenue and related items in the financial statements of the Company

We have considered revenue recognition as a key audit matter since there exists a risk of material misstatement; and additional disclosures are required to be made in the year of adoption in accordance with the applicable accounting standards.

- Testing of journal entries for unusual/irregular revenue transactions; and
- Evaluating adequacy of the presentation and disclosures

Based on the above stated procedures, we did not identify any significant exceptions in revenue recognition. Further, presentation and disclosures as per the standard was considered to be reasonable.

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs



will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and 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.
- (e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, refer to our remarks in paragraph 14(b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
  - ii. The Company has long-term contracts as at December 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Amit Borkar

Partner

Membership Number 109846

UDIN: 20109846AAAABT3708

Place: Mumbai

Date: February 25, 2020



## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Elantas Beck India Limited on the financial statements for the year ended December 31, 2019

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Elantas Beck India Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Amit Borkar

Mumbai Partner

February 25, 2020 Membership Number 109846

UDIN: 20109846AAAABT3708

## Annexure B to Independent Auditor's Report

**Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Elantas Beck India Limited on the financial statements as of and for the year ended December 31, 2019.**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and accordingly, to this extent, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of employees' state insurance though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, profession tax, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, duty of customs, value added tax, sales tax and goods and service tax which have not been





deposited on account of any dispute. The particulars of dues of service tax and duty of excise as at December 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Disallowance of modvat credit	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
Finance Act, 1944	CENVAT credit claimed on the basis of letters	75.05	-	2005-2008	Asst. Commissioner GST, Pune & Baroda
	Disallowance of service tax credit on outward freight	42.21	-	2005-2008	Asst. Commissioner GST, Pune & Baroda
	Disallowance of service tax credit on project management consultancy	35.54	17.75	2011-2015	Commissioner of Central Tax (Appeals), Pune

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Amit Borkar  
Partner  
Mumbai  
February 25, 2020  
Membership Number: 109846  
UDIN: 20109846AAAABT3708

## Balance Sheet as at 31 December 2019

(Currency : ₹ in lakhs)

	Notes	Dec. 31, 2019	Dec. 31, 2018
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	5,612.23	5,953.93
Capital work-in-progress	3	994.94	43.36
Investment properties	4	513.18	521.16
Intangible assets	5	4,898.68	508.59
Intangible assets under development	5	33.89	-
Financial assets			
(a) Investments	6 (a)	-	1.98
(b) Loans	7	480.99	425.45
(c) Other financial assets	8	1,968.43	1,302.54
Income-tax assets (net)	16 (b)	241.40	317.83
Other non-current assets	13	99.06	106.59
<b>Total non-current assets</b>		<b>14,842.80</b>	<b>9,181.43</b>
<b>II. Current assets</b>			
Inventories	12	4,977.39	5,112.89
Financial assets			
(a) Investments	6 (b)	15,983.73	17,363.95
(b) Trade receivables	9	6,109.28	8,356.96
(c) Cash and cash equivalents	10 (a)	583.63	225.13
(d) Bank balances other than (c) above	10 (b)	1,857.79	785.61
(e) Loans	7	3.22	3.11
(f) Other financial assets	11	224.26	217.30
Income-tax assets (net)	16 (b)	48.18	-
Other current assets	14	1,005.39	259.51
<b>Total current assets</b>		<b>30,792.87</b>	<b>32,324.46</b>
<b>Total assets</b>		<b>45,635.67</b>	<b>41,505.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	17 (a)	792.77	792.77
Other equity	17 (b)	37,610.13	33,108.56
<b>Total equity</b>		<b>38,402.90</b>	<b>33,901.33</b>
<b>LIABILITIES</b>			
<b>I. Non-Current liabilities</b>			
Financial liabilities			
Security Deposits	19	46.34	47.24
Employee benefit obligations	22	406.35	426.55
Deferred tax liabilities (net)	16 (a)	754.63	947.86
<b>Total non-current liabilities</b>		<b>1,207.32</b>	<b>1,421.65</b>
<b>II. Current liabilities</b>			
Financial liabilities			
(a) Trade payables			
- Total outstanding dues of micro and small enterprises	18	266.75	202.28
- Total outstanding dues of creditors other than micro and small enterprises	18	3,381.99	4,676.41
(b) Other financial liabilities	20	1,987.63	954.94
Provisions	21	152.98	166.58
Employee benefit obligations	23	37.29	35.87
Current tax liabilities	16 (b)	-	5.76
Other current liabilities	24	198.81	141.07
<b>Total current liabilities</b>		<b>6,025.45</b>	<b>6,182.91</b>
<b>Total liabilities</b>		<b>7,232.77</b>	<b>7,604.56</b>
<b>Total equity and liabilities</b>		<b>45,635.67</b>	<b>41,505.89</b>

The accompanying notes are an integral part of these financial statements. This is the Balance Sheet referred to in our report of even date.  
 For Price Waterhouse Chartered Accountants LLP  
 Firm Registration Number: 012754N/N500016

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

Amit Borkar  
 Partner  
 Membership No.: 109846  
 Place : Mumbai  
 Date : February 25, 2020

R.L. Shenoy  
 Director  
 DIN: 00074761

Srikumar Ramakrishnan  
 Managing Director  
 DIN: 07685069

Sanjay Kulkarni  
 Chief Financial Officer

Abhijit Tikekar  
 Company Secretary



## Statement of Profit and Loss for the year ended 31 December 2019

(Currency : ₹ in lakhs)

	Notes	Dec. 31, 2019	Dec. 31, 2018
Revenue from operations	25	39,406.64	40,911.80
Other income	26	1,765.62	1,192.75
Total income		41,172.26	42,104.55
Expenses			
Cost of materials consumed	27	25,568.82	26,773.17
Purchases of stock in trade	28	50.18	166.34
Changes in inventories of finished goods, work-in-progress and stock in trade	29	(247.82)	(107.20)
Employee benefits expense	30	2,735.38	2,558.99
Finance costs	31	33.79	23.39
Depreciation and amortisation expense	32	735.37	657.86
Other expenses	33	5,917.77	5,043.60
Total expenses		34,793.49	35,116.15
Profit before exceptional item and tax		6,378.77	6,988.40
Exceptional Item	15	-	1,928.07
Profit before tax		6,378.77	8,916.47
Income tax expense			
Current tax	16	1,605.89	1,585.62
Deferred tax	16	(183.20)	752.35
Total tax expense		1,422.69	2,337.97
Profit for the year		4,956.08	6,578.50
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	23 (B)	(34.46)	(15.02)
Income tax relating to these items	16	10.03	5.25
		(24.43)	(9.77)
Total other comprehensive income for the year, net of tax		(24.43)	(9.77)
Total comprehensive income for the year		4,931.65	6,568.73
Earnings per share			
Basic and Diluted (In Rupees)	34	62.52	82.98

The accompanying notes are an integral part of these financial statements. This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Amit Borkar  
Partner  
Membership No.: 109846

R.L. Shenoy  
Director  
DIN: 00074761

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

Srikumar Ramakrishnan  
Managing Director  
DIN: 07685069

Sanjay Kulkarni  
Chief Financial Officer

Abhijit Tikekar  
Company Secretary

Place : Mumbai

Date : February 25, 2020



## Statement of Changes in Equity

(Currency : ₹ in lakhs)

### Equity Share Capital

	Notes	
As at 1 January 2018		792.77
Change in equity share capital	17 (a)	-
As at 31 December 2018		792.77
Change in equity share capital	17 (a)	-
As at 31 December 2019		792.77

### Other Equity

	Note	Reserves & Surplus			Total
		Securities Premium	General reserve	Retained Earnings #	
As at January 1, 2018		695.18	6,179.58	20,095.15	26,969.91
Profit for the year		-	-	6,578.50	6,578.50
Other comprehensive income		-	-	(9.77)	(9.77)
Transactions with owners in their capacity as owners:					
Dividends paid	17 (b)	-	-	(356.75)	(356.75)
Dividend distribution tax thereon	17 (b)	-	-	(73.33)	(73.33)
<b>As at December 31, 2018</b>		<b>695.18</b>	<b>6,179.58</b>	<b>26,233.80</b>	<b>33,108.56</b>

	Note	Reserves & Surplus			Total
		Securities Premium	General reserve	Retained Earnings #	
As at January 1, 2019		695.18	6,179.58	26,233.80	33,108.56
Profit for the year		-	-	4,956.08	4,956.08
Other comprehensive income		-	-	(24.43)	(24.43)
Transactions with owners in their capacity as owners:					
Dividends paid	17 (b)	-	-	(356.75)	(356.75)
Dividend distribution tax thereon	17 (b)	-	-	(73.33)	(73.33)
<b>As at December 31, 2019</b>		<b>695.18</b>	<b>6,179.58</b>	<b>30,735.37</b>	<b>37,610.13</b>



## Statement of Changes in Equity (Continued)

# Retained earnings include balance of government grants amounting to ₹ 40 lakhs amortised in accordance with requirement of Ind AS 20. These grants were received between 1982 to 2002 for setting up manufacturing units in specified areas under various incentive schemes. There are no unfulfilled conditions or other contingencies attached to these grants. Under Companies Act, grants of such nature are treated as capital reserve and cannot be distributed as dividend.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

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

Amit Borkar  
Partner

Membership No.: 109846

Place : Mumbai

Date : February 25, 2020

R.L. Shenoy  
Director

DIN: 00074761

Srikumar Ramakrishnan  
Managing Director

DIN: 07685069

Sanjay Kulkarni  
Chief Financial Officer

Abhijit Tikekar  
Company Secretary

## Statement of Cash Flows for the year ended 31 December 2019

(Currency : ₹ in lakhs)

	2019	2018
<b>A) Cash flows from operating activities</b>		
Profit before income tax	6,378.77	8,916.47
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Exceptional income	-	(1,928.07)
Depreciation and amortisation expense	735.37	657.86
Gain on disposal of property, plant and equipment	(13.75)	(11.53)
Net (gain)/ loss on financial assets measured at fair value through profit or loss	(30.46)	7.01
Interest income classified as investing cash flows	(253.45)	(155.56)
Dividend income classified as investing cash flows	(975.21)	(757.95)
Finance cost	33.79	23.39
Bad debts and advances written off	12.35	0.10
Provision for doubtful debts	315.92	60.60
Liabilities no longer required written back	(182.63)	-
<b>Change in operating assets and liabilities</b>		
(Increase) / Decrease in Trade Receivables	1,919.41	(1,104.66)
(Increase) / Decrease in Inventories	135.50	(624.18)
(Increase) / Decrease in Other financial assets	(25.67)	(144.88)
(Increase) / Decrease in Other assets	(743.83)	134.53
Increase / (Decrease) in Trade Payables	(1,045.36)	486.64
Increase / (Decrease) in Other financial liabilities	117.65	76.68
Increase / (Decrease) in Provisions	(13.60)	(22.05)
Increase / (Decrease) in Employee benefit obligations	(53.24)	(52.18)
Increase / (Decrease) in Other liabilities	57.74	(378.29)
<b>Cash generated from operations</b>	<b>6,369.30</b>	<b>5,183.93</b>
Income taxes paid (net of refunds received)	(1,583.40)	(1,881.56)
<b>Net cash inflow from operating activities</b>	<b>4,785.90</b>	<b>3,302.37</b>
<b>B) Cash flows from investing activities</b>		
Payments for purchase of properties, plant and equipment, Intangible assets & investment properties	(1,254.06)	(2,317.93)
Purchase of business (refer note 5)	(3,600.00)	-
Proceeds from disposal of Property, plant and equipment and Intangible assets	30.77	18.31



## Statement of Cash Flows for the year ended 31 December 2019

(Currency : ₹ in lakhs)

	2019	2018
Proceeds from disposal of assets classified as held for sale (net of tax)	-	2,455.75
Purchase of Investments	(10,863.69)	(25,374.16)
Proceeds from sale of investments	12,276.35	21,871.59
Fixed deposits (above 3 months) placed	(5,716.31)	(2,872.87)
Fixed deposits (above 3 months) matured	3,973.30	2,486.87
Loans and advances granted	(55.65)	(297.08)
Interest received	272.51	97.94
Dividend received	975.21	757.95
<b>Net cash outflow from investing activities</b>	<b>(3,961.57)</b>	<b>(3,173.63)</b>
<b>C) Cash flows from financing activities</b>		
Dividends paid	(356.75)	(356.75)
Dividend distribution tax	(73.33)	(73.33)
Interest paid	(35.75)	(18.51)
Net cash outflow from financing activities	(465.83)	(448.59)
Net increase / (decrease) in cash and cash equivalents	358.50	(319.85)
Cash and cash equivalents at the beginning of the year	225.13	544.98
<b>Cash and cash equivalents at the end of the year</b>	<b>583.63</b>	<b>225.13</b>
<b>D) Components of cash and cash equivalents</b>		
Cash on hand	2.02	0.56
Balances with banks		
In current accounts	581.29	224.57
In EEFC accounts	0.32	-
<b>Total cash and cash equivalents (refer note 10 (a))</b>	<b>583.63</b>	<b>225.13</b>

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

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

Amit Borkar  
Partner

R.L. Shenoy  
Director

Srikumar Ramakrishnan  
Managing Director  
DIN: 07685069

Sanjay Kulkarni  
Chief Financial Officer

Abhijit Tikekar  
Company Secretary

Membership No.: 109846

DIN: 00074761

Place : Mumbai

Date : February 25, 2020

## Notes to the Financial Statements

### Background:

Elantas Beck India Limited ("the Company") is a public limited Company domiciled in India and was incorporated on March 15, 1956 under the provisions of the Companies Act, 1956. It is listed on the Bombay Stock Exchange (BSE). The Company is a subsidiary of Elantas GmbH Company based in Germany. Elantas GmbH is part of Altana Group whose Ultimate Holding Company is SKion GmbH. The registered office of the Company is situated at 147, Mumbai-Pune Road, Pimpri, Pune, Maharashtra - 411 018.

The Company manufactures a wide range of specialty chemicals for electrical insulation and construction industries. It has manufacturing plants at Pimpri and Ankleshwar in India.

### 1. Significant accounting policies:

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

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Board of Directors have authorized these financial statements for issue on February 25, 2020.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

##### (iii) Current/ Non-current classification

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

##### (iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2019:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign currency transactions and advance consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendments to Ind AS 12, Income taxes
- Amendments to Ind AS 40, Investment property

The Company has updated its accounting policies following the adoption of Ind AS 115. Refer note 1(d) below for details of the same. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Company's Managing Director. Refer note 37 for segment information presented.

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

##### (ii) Transactions and balances





Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

(d) Revenue recognition

(i) Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers has been issued with effect from annual period beginning on or after April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. A new five-step process must be applied before revenue can be recognized:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

*Transition*

Using the modified retrospective approach, there was no adjustments required to the retained earnings as at January 1, 2019 due to adoption of Ind AS 115. Adoption of the Ind AS 115 did not have any material impact on the recognition and measurement of revenue and related items in the financial statements of the Company.

*Revenue recognition policy*

Revenue is recognised at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods.

The timing of when the Company transfers the goods may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties such as Goods and Services Tax (GST).

The Company does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Export incentives

Export incentives are accounted for in the year of export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

(e) Income tax

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

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

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

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

(f) Leases

*As a lessee*

Leases of property, plant and equipment, where the Company, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

*As a lessor*

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet on their nature.

(g) Impairment of assets

Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amounts exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(j) Inventories

Inventories are stated at lower of costs and net realizable value. Cost of inventories comprises cost of purchase determined on weighted average basis. Cost of work-in-progress and finished goods comprises of direct materials, direct labour and all manufacturing overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Investments and other Financial assets

(i) Classification

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

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



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

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

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

(ii) Measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

The company subsequently measures equity investment at fair value. The Company's Management elects to present fair value gains and losses on equity investments in the statement of profit and loss on an instrument by instrument basis. Dividends from such investments are recognized in profit or loss as other income when the company's right to receive payment is established.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer note 39 for details of how the company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Dividend income from investments is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(l) Offsetting financial instruments

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

(m) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method over the useful lives of assets as determined based on internal technical evaluation. Useful lives of assets are as follows:

Assets	Useful life followed by the Management (years)	Useful life prescribed in Schedule II (years)
Building and roads Office Building Factory Building	60 30	60 30
Plant and Machinery (based on single shift)	15-20	15-20
Office Equipment	5	5
Laboratory Equipment	10	10
Electrical Installations	10	10
Computers	3-6	3-6
Furniture and Fixtures	10	10
Motor Vehicle	5	8

Leasehold improvements are depreciated over the period of the lease agreement.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses respectively.

(n) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment property includes freehold land and office building. Freehold land is determined to have an indefinite useful life which is reviewed at the end of each financial year. Accordingly, the freehold land is not depreciated. Office building generally have useful life of 60 years. Depreciation for office building is provided for on the straight-line method over the useful life as determined based on internal technical evaluation.

(o) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software



- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Technical Know-How, Customer Lists and Non-Compete Rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization.

All other separately acquired intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortization.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the profit or loss.

Intangible assets are amortized on the straight line method as follows:

Asset	Useful life (Years)
Computer Software	3
Computer Software (developed internally)	5
Technical Know-How	10
Customer Lists	10
Non-Compete Rights	5

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(p) Trade and other payables

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

(q) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Provisions are not recognized for future operating losses.

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

(r) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned and sick leaves and long-term service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The classification of other long-term employee benefit obligations into current and non-current as shown in financial statements is as per actuarial valuation report.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plan - gratuity and cash rewards at retirement
- (b) Defined contribution plans - superannuation fund and provident fund

**(a) Defined benefit plans - Gratuity and cash rewards at retirement**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. This plan is funded.

The Company also has 'Cash reward at retirement' plan which provides a payment of Rs. 2,500 for each year of service rendered at the time of normal retirement. This plan is unfunded.

The liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (as applicable). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**(b) Defined contribution Plans - Superannuation Fund and Provident Fund**

The Company contributes on a defined contribution basis to Employees' Provident Fund and Superannuation Fund. The contributions towards Provident Fund is made to regulatory authorities and contribution towards Superannuation Fund is made to Life Insurance Corporation of India. Such benefits are classified as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Contributions are recognized as employee benefit expense when they are due.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employer accepts voluntary redundancy in exchange for these benefits. The company recognizes termination benefits in the Statement of Profit and Loss in the year as an expense as and when incurred.

(s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of business comprises the fair values of the assets transferred.

Identifiable assets acquired are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

(w) Exceptional items:

Exceptional items comprise items of income and expense, including tax items, that are material in amount and not likely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial position.

(x) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(y) New standards or interpretations:

New standards or interpretations issued but applicable from January 1, 2020 to the Company:

The Company will apply the following standard for the first time for its annual reporting period commencing January 1, 2020:

(i) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The standard shall be effective from reporting period beginning on or after April 1, 2019 and cannot be early adopted. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of January 1, 2020 and that comparatives will not be restated. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

The Company is in the process of assessing the detailed impact of Ind AS 116. However, the Company does not expect that adoption of Ind AS 116 will have significant impact on the financial statements.

(ii) Other Pronouncements

Following accounting pronouncements are not expected to have significant impact on the Company's financial statement.

1. Ind AS 12 Income taxes - Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies

need to determine the probability of the relevant tax authority accepting each tax treatment, or company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on January 1, 2020.

2. Amendment to Ind AS 19 - plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Currently, the Company does not have any impact on account of this amendment.

## 2. Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

#### i. Legal contingencies

The Company has received various orders and notices from tax and regulatory authorities. The outcome of these matters may have a material effect on financial position, results of operations of cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expenses to resolve the matters. In making the decisions regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiency reliable estimate of the amount of loss. The filing of suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Refer note 35 for details of contingent liabilities as at year end.

#### ii. Segment reporting

Ind-AS 108 Operating Segments requires management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Company's Managing Director, based on its internal reporting structure and functions. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director to assess performance and allocate resources. Refer note 37 for further details of the operating segments identified.

#### iii. Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate,





growth rate, etc. that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

### Critical estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### iv. Fair value of Investment Properties

The fair value of land and building recognized under investment property is appraised each year by independent external valuer. The best evidence of fair value are current prices in an active market for similar investment property. In the absence of such information, the company determines the amount within a range of reasonable fair value estimates. The underlying assumptions of these estimates are explained in more detail in note 4.

#### v. Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. For further details about gratuity obligations are given in note 22 and 23.

### 3. Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Buildings & roads	Plant & equipment*	Office equipment	Computers	Furniture fixtures	Motor vehicles	Total	Capital work in progress
Opening gross carrying amount as on January 1, 2018	3.63	8.06	1,718.12	2,014.98	161.50	155.65	252.06	167.41	4,481.41	1,015.43
Additions	-	-	-	-	-	-	-	-	-	1,563.56
Transfers	-	-	1,431.21	655.33	40.38	156.86	185.49	66.36	2,535.63	(2,535.63)
Disposals	-	-	-	(1.06)	(8.32)	(1.96)	-	(6.05)	(17.39)	-
Gross carrying amount as on December 31, 2018	3.63	8.06	3,149.33	2,669.25	193.56	310.55	437.55	227.72	6,999.65	43.36
Accumulated depreciation	-	0.20	61.08	257.78	50.54	61.66	41.40	59.73	532.39	-
Charge for the year	-	0.20	64.44	270.38	35.81	47.69	47.78	56.10	522.40	-
Disposals	-	-	-	(0.40)	(2.34)	(1.96)	-	(4.37)	(9.07)	-
Closing accumulated depreciation as at December 31, 2018	-	0.40	125.52	527.76	84.01	107.39	89.18	111.46	1,045.72	-
Net carrying amount as on December 31, 2018	3.63	7.66	3,023.81	2,141.49	109.55	203.16	348.37	116.26	5,953.93	43.36
<b>Particulars</b>	<b>Freehold land</b>	<b>Leasehold land</b>	<b>Buildings &amp; roads</b>	<b>Plant &amp; equipment*</b>	<b>Office equipment</b>	<b>Computers</b>	<b>Furniture fixtures</b>	<b>Motor vehicles</b>	<b>Total</b>	<b>Capital work in progress</b>
Opening gross carrying amount as on January 1, 2019	3.63	8.06	3,149.33	2,669.25	193.56	310.55	437.55	227.72	6,999.65	43.36
Additions	-	-	-	-	-	-	-	-	-	1,212.96
Transfers	-	-	5.34	152.35	13.85	5.58	8.61	75.65	261.38	(261.38)
Disposals	-	-	-	(7.71)	(5.38)	(2.03)	(5.60)	(22.51)	(43.23)	-
Gross carrying amount as on December 31, 2019	3.63	8.06	3,154.67	2,813.89	202.03	314.10	440.56	280.86	7,217.80	994.94
Accumulated depreciation	-	0.40	125.52	527.76	84.01	107.39	89.18	111.46	1,045.72	-
Charge for the year	-	0.20	82.71	287.90	39.02	65.42	60.59	50.22	586.06	-
Disposals	-	-	-	(6.74)	(3.67)	(2.03)	(2.70)	(11.07)	(26.21)	-
Closing accumulated depreciation as at December 31, 2019	-	0.60	208.23	808.92	119.36	170.78	147.07	150.61	1,605.57	-
Net carrying amount as on December 31, 2019	3.63	7.46	2,946.44	2,004.97	82.67	143.32	293.49	130.25	5,612.23	994.94

\*Plant and equipment includes Plant and Machinery, Laboratory Equipment and Electrical Installations.

**Notes:**

- 1 Refer to note 35 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 2 Leasehold land pertains to land taken from Gujarat Industrial Development Corporation wherein the lease term is 99 years with a renewal option for a further period of 99 years.
- 3 Capital work in progress mainly comprises of Plant & Machinery.

#### 4 Investment properties

Particulars	December 31, 2019	December 31, 2018
Opening gross carrying amount	524.48	3.40
Additions	-	521.08
Deletion	-	-
Closing gross carrying amount	524.48	524.48
Accumulated Depreciation		
Opening accumulated depreciation	3.32	-
Depreciation charge	7.98	3.32
Closing accumulated depreciation	11.30	3.32
<b>Net carrying amount</b>	<b>513.18</b>	<b>521.16</b>

##### (i) Amounts recognized in profit or loss for investment properties

	December 31, 2019	December 31, 2018
Rental Income	151.92	75.96
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	10.76	11.91
Income from investment properties before depreciation	162.68	87.87
Depreciation	(7.98)	(3.32)
<b>Net income from investment properties</b>	<b>154.70</b>	<b>84.55</b>

##### (ii) Contractual Obligations

There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

##### (iii) Leasing arrangements

Certain investment properties are leased to related parties under long-term operating lease with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	December 31, 2019	December 31, 2018
Within one year	151.92	151.92
Later than one year but not later than 5 years	402.96	558.29
Later than 5 years	-	-
<b>Total</b>	<b>554.88</b>	<b>710.21</b>

##### (iv) Fair Value

	December 31, 2019	December 31, 2018
Investment properties	2,600.54	2,600.54

##### Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by an independent valuer. The fair value is measured using external expert appraisals, by applying input factors for comparable assets not traded on active markets (fair value hierarchy level 2). "

## 5 Intangible assets

Particulars	Computer Software	Technical Know-How	Customer Lists	Non-Compete Rights	Total	Intangible assets under development
Opening gross carrying amount as on January 1, 2018	43.04	-	-	-	43.04	515.40
Additions	-	-	-	-	-	112.71
Transfers	628.11	-	-	-	628.11	(628.11)
Disposals	(5.23)	-	-	-	(5.23)	-
Gross carrying amount as on December 31, 2018	665.92	-	-	-	665.92	-
Accumulated Amortisation						
Balance as at January 1, 2018	25.36	-	-	-	25.36	-
Amortisation charge for the year	132.14	-	-	-	132.14	-
Disposals	(0.17)	-	-	-	(0.17)	-
Closing accumulated amortisation as at December 31, 2018	157.33	-	-	-	157.33	-
Net carrying amount as on December 31, 2018	508.59	-	-	-	508.59	-
Particulars	Computer Software	Technical Know-How	Customer Lists	Non-Compete Rights	Total	Intangible assets under development
Opening gross carrying amount as on January 1, 2019	665.92	-	-	-	665.92	-
Additions	-	-	-	-	-	65.31
Transfers	31.42	-	-	-	31.42	(31.42)
Assets acquired in business combination (refer note below)	-	736.98	3,613.30	149.72	4,500.00	-
Disposals	(0.38)	-	-	-	(0.38)	-
Gross carrying amount as on December 31, 2019	696.96	736.98	3,613.30	149.72	5,196.96	33.89
Accumulated Amortisation						
Balance as at January 1, 2019	157.33	-	-	-	157.33	-
Amortisation charge for the year	131.13	1.62	7.92	0.66	141.33	-
Disposals	(0.38)	-	-	-	(0.38)	-
Closing accumulated amortisation as at December 31, 2019	288.08	1.62	7.92	0.66	298.28	-
Net carrying value as on December 31, 2019	408.88	735.36	3,605.38	149.06	4,898.68	33.89

### Note on business combination:

The Company accounts for business combinations as of the date when control over the financial transactions and operating policies is effectively obtained. Fair value measurement of assets acquired in a business combination is as performed in the course of the allocation of the consideration transferred by using standard discounted cash flow methods based on input factors of fair value hierarchy level 3.

### Acquisitions in 2018

In 2018, there were no acquisitions.

### Acquisitions in 2019

On December 24, 2019 (the "Acquisition date"), the wire enamel business of Hubergroup India Private Limited was acquired in the form of an asset deal. Of the purchase price of ₹ 4,500 lakhs an amount of ₹ 3,600 lakhs was paid immediately and remaining amount of ₹ 900 lakhs has been paid in the month of January 2020.



The following table provides an overview of the provisional allocation of the consideration transferred to the assets acquired at the acquisition date;

Assets	₹ In lakhs
Technical Know-How	736.98
Customer Lists	3,613.30
Non-Compete Rights	149.72
Net identifiable asset required	4,500.00

Based on the provisional allocation of the consideration it was noted that there was no goodwill or gain on bargain purchase. Since the acquisition of business was closer to the end of the financial year, there was no contribution to sales or income from the business for the year ended December 31, 2019. Had this business been acquired on January 1, 2019, it would have contributed as follows:

	For the year ended December 31, 2019
Revenue from operations*	3,977.18
Profit before tax*	369.58

\*These amounts have been calculated using the financial information available with the Management, as provided by Hubergroup India Private Limited pursuant to the asset purchase agreement. Profit before tax has been adjusted for the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2019.

#### Acquisition related costs

Acquisition related cost of ₹ 9 lakhs is included in Other expenses in Statement of Profit and Loss.

#### Measurement period

The company does not expect any further significant changes till the end of measurement period to the amounts recognised pursuant to acquisition stated above.

## 6 (a) Investments

	As at December 31, 2019	As at December 31, 2018
Investment in equity instruments (fully paid-up) Equity instruments at FVPL		
Quoted		
Nil (December 31, 2018 : 500) equity shares of State Bank of India	-	1.98
Unquoted		
146,365 (December 31, 2018 : 146,365) equity shares of Narmada Clean Tech Ltd	-	-
33,604 (December 31, 2018 : 33,604) equity shares of Roplas (India) Limited	-	-
Total (equity instruments)	-	1.98
Total non-current investments	-	1.98
Aggregate amount of quoted investments	-	1.98
Aggregate market value of quoted investments	-	1.98
Aggregate amount of unquoted investments	-	-

## 6 (b) Investments

As at December 31, 2019 Units	As at December 31, 2018 Units	Face value per unit Rs.		As at December 31, 2019 Rs. lakhs	As at December 31, 2018 Rs. lakhs
			Investment in mutual funds Unquoted mutual funds valued at FVPL		
-	22,473.40	1,000.00	Axis Liquid Fund - Daily Dividend - Reinvest	-	225.04
2,37,044.31	-	1,000.00	Axis Banking & PSU Debt Fund - Monthly Dividend Reinvest	2,422.16	-
7,52,464.95	18,44,740.40	100.00	Aditya Birla Sun Life Liquid Fund - Daily Dividend Regular Plan	753.93	1,848.34
-	16,73,463.74	100.00	DHFL Pramerica Insta Cash Fund - Daily Dividend Reinvest	-	1,678.55
-	1,77,623.15	1,000.00	DSP Liquidity Fund - Regular Plan - Daily Dividend Reinvest	-	1,777.89
-	17,30,599.45	100.00	ICICI Prudential Liquid Fund - Daily Dividend	-	1,733.16
1,93,10,086.24	-	10.00	ICICI Prudential Banking & PSU Debt Fund- Weekly Dividend Reinvest	1,980.29	-
-	1,49,132.45	1,000.00	IDFC Cash Fund-Daily Dividend - (Regular Plan) - Reinvest	-	1,492.94
2,18,51,620.22	-	10.00	IDFC Corporate Bond Fund - Monthly Dividend	2,298.92	-
-	1,80,308.67	1,000.00	Kotak Liquid Regular Plan Daily Dividend - Reinvest	-	2,204.83
2,21,975.15	-	1,000.00	KOTAK Corp Bond Fund Short Term - Monthly Dividend Reinvest	2,330.67	-
-	1,85,138.05	1,000.00	L&T Liquid Fund - Regular Daily Dividend Reinvestment Plan	-	1,873.19
87,35,569.17	-	10.00	L&T Ultra Short Term Fund - Regular - Daily Dividend Reinvest	897.88	-
-	1,22,912.21	1,000.00	Reliance Liquid Fund - Daily Dividend Option - Reinvest	-	1,879.01
2,08,53,239.22	-	10.00	Nippon India Banking & PSU Debt Fund - Monthly Dividend Plan	2,194.14	-
2,01,802.48	-	1,000.00	SBI Banking & PSU Fund - Regular Plan - Monthly Dividend	2,207.85	-
67,905.29	83,648.64	1,000.00	Tata Liquid Fund Regular Plan - Daily Dividend	680.08	837.76
21,366.89	1,77,864.72	1,000.00	UTI Liquid Cash Plan - Daily Dividend Plan Reinvest	217.81	1,813.24
			<b>Total (mutual funds)</b>	<b>15,983.73</b>	<b>17,363.95</b>
			<b>Total current investments</b>	<b>15,983.73</b>	<b>17,363.95</b>
			<b>Aggregate amount of unquoted investments</b>	<b>15,983.73</b>	<b>17,363.95</b>



## 7 Loans

Non-current	As at December 31, 2019	As at December 31, 2018
<b>Unsecured, considered good</b>		
Housing loans to employees	7.15	10.44
Security deposits	143.37	134.54
Loan to related parties (Refer note 36)*	330.47	280.47
<b>Total</b>	<b>480.99</b>	<b>425.45</b>

Current	As at December 31, 2019	As at December 31, 2018
<b>Unsecured, considered good</b>		
Housing loans to employees	3.22	3.11
<b>Total</b>	<b>3.22</b>	<b>3.11</b>

\* Loan given to BYK India Private Limited (a fellow subsidiary) carries interest @ 8.50% p.a. The loan is repayable in monthly installments, after 12 months of moratorium period which ended in March 2019. The moratorium period was further extended by 12 months through amended agreement dated June 11, 2019 which would end in March 2020.

## 8 Other financial assets - non - current

	As at December 31, 2019	As at December 31, 2018
Fixed Deposits with Bank (refer note below)	1,916.89	1,250.65
Interest accrued but not due on deposits	51.54	51.89
<b>Total</b>	<b>1,968.43</b>	<b>1,302.54</b>

Note : Out of the Fixed deposits mentioned above ₹ 0.65 lakhs (December 31, 2018 : ₹ 0.65 lakhs) are given as security for Bank Guarantee for a period of more than one year.

## 9 Trade receivables

	As at December 31, 2019	As at December 31, 2018
Trade Receivables	6,503.13	8,425.17
Receivables from related parties (Refer note 36)	41.14	50.86
Less: Allowance for doubtful debts	(434.99)	(119.07)
<b>Total</b>	<b>6,109.28</b>	<b>8,356.96</b>

### Break-up of security details

	As at December 31, 2019	As at December 31, 2018
Unsecured, considered good	6,109.28	8,356.96
Trade receivables - credit impaired	434.99	119.07
Less: Allowance for doubtful debts	(434.99)	(119.07)
<b>Total</b>	<b>6,109.28</b>	<b>8,356.96</b>

## 10 (a) Cash and cash equivalents

	As at December 31, 2019	As at December 31, 2018
Cash on hand	2.02	0.56
<b>Balances with banks</b>		
In current accounts	581.29	224.57
In EEFC accounts	0.32	-
<b>Total</b>	<b>583.63</b>	<b>225.13</b>

**10 (b) Bank balances other than 10 (a) above**

	As at December 31, 2019	As at December 31, 2018
<b>Balances with banks</b>		
- in deposits with original maturity of more than three but less than twelve months	1,777.77	701.00
<b>In earmarked accounts</b>		
Unpaid dividend accounts (refer note below)	80.02	84.61
<b>Total</b>	<b>1,857.79</b>	<b>785.61</b>

Note : Unclaimed dividend account represents held for dividend remittance and hence are not available for use.

**11 Other financial assets - current**

	As at December 31, 2019	As at December 31, 2018
Interest accrued on fixed deposits	14.26	26.96
Interest accrued on loan to related party (Refer note 36)	-	6.01
Others (refer note below)	210.00	184.33
<b>Total</b>	<b>224.26</b>	<b>217.30</b>

Note : Others primarily include cross charges/ recoveries from related parties, employee advances, etc. Refer note 36 for other balances receivable from related parties which are included above.

**12 Inventories**

	As at December 31, 2019	As at December 31, 2018
Raw materials	2,703.44	3,041.28
Intermediates and Work in progress	709.59	721.79
Packing Materials	182.42	202.33
Finished goods	1,312.01	1,026.47
Stock - in - trade	14.26	39.78
Stores and spares	55.67	81.24
<b>Total</b>	<b>4,977.39</b>	<b>5,112.89</b>

The goods in transit pertaining to raw materials during the year ended December 31, 2019 were ₹ 211.24 lakhs (December 31, 2018 : ₹ 356.83 lakhs).

Amounts recognized in profit or loss

Provision for excess and obsolete inventory amounted to ₹ 167.07 lakhs (December 31, 2018 : ₹ 43.16 lakhs).

Increase/(decrease) in provisions were recognized in respective years in statement of profit or loss and included in 'Cost of materials consumed'.

**13 Other non current assets**

	As at December 31, 2019	As at December 31, 2018
Capital Advances	54.66	60.14
Balances with government authorities	44.40	46.45
<b>Total</b>	<b>99.06</b>	<b>106.59</b>

**14 Other current assets**

	As at December 31, 2019	As at December 31, 2018
Prepaid expenses	153.19	138.63
Balances with government authorities	714.04	2.45
Advances to Employees	6.85	4.77
Advances to Supplier	131.31	113.66
<b>Total</b>	<b>1,005.39</b>	<b>259.51</b>





## 15 Exceptional item

Pursuant to the Board of Directors' in principle approval in the year ended December 31, 2016, for the sale of the surplus office space ("Beck House"), at Pune, the Company had classified the written down value of the property amounting to ₹ 521.08 lakhs as 'Assets held for sale'. The Company executed sale deed for the said property on January 5, 2018 for a consideration of ₹ 2,500 lakhs. The resultant profit on sale of the property was treated as an exceptional item.

## 16 (a) Deferred tax assets/ (liabilities)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at December 31, 2019	As at December 31, 2018
Deferred tax asset		
Provision for doubtful trade receivables	126.67	41.61
Provision for compensated absences and other employee benefits	110.40	139.65
Others	98.23	172.22
	<b>335.30</b>	<b>353.48</b>
Deferred tax liability		
Property, plant and equipment and intangible assets	1,089.93	1,301.34
	<b>1,089.93</b>	<b>1,301.34</b>
<b>Total deferred tax assets/ (liabilities) (net)</b>	<b>(754.63)</b>	<b>(947.86)</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

## Changes in Deferred Tax Assets/ (Liabilities) in Statement of Profit and Loss (charged)/ credited during the year

Particulars	Year Ended	
	December 31, 2019	December 31, 2018
Provision for doubtful trade receivables	85.06	21.37
Provision for compensated absences and other employee benefits	(39.28)	(51.46)
Property, plant and equipment and intangible assets	211.41	(753.65)
Fair value changes in Investment	-	29.59
Others	(73.99)	1.80
<b>Total</b>	<b>183.20</b>	<b>(752.35)</b>

## 16 (b) Income Taxes

### (i) Movement in income tax balances

	As at December 31, 2019	As at December 31, 2018
Closing income tax balance (net)		
- Current	48.18	-
- Income-tax assets	241.40	317.83
- Current tax liabilities	-	(5.76)
<b>Tax Assets/(Liabilities) (net of provision)</b>	<b>289.58</b>	<b>312.07</b>

	As at December 31, 2019	As at December 31, 2018
Opening Balance (Tax Asset /(Liability) (net))	312.07	16.13
Current tax payable for the year	(1,605.89)	(1,585.62)
Taxes paid/ (Refund Received)	1,583.40	1,881.56
<b>Closing Balance</b>	<b>289.58</b>	<b>312.07</b>

(ii) The major components of income tax expense for the year ended December 31, 2019 and December 31, 2018 are:

**Statement of profit and loss**

Profit and Loss section	Year ended December 31, 2019	Year ended December 31, 2018
<b>Current income tax charge</b>		
Current income tax		
- Current tax on profit for the year	1,603.68	1,584.67
- Adjustments for current tax of prior periods	2.21	0.95
Deferred tax	(183.20)	752.35
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,422.69</b>	<b>2,337.97</b>
<b>Other comprehensive income section</b>	<b>Year ended December 31, 2019</b>	<b>Year ended December 31, 2018</b>
Deferred tax related to items recognised in OCI during the year	10.03	5.25
<b>Income tax charged to Other comprehensive income</b>	<b>10.03</b>	<b>5.25</b>

(iii) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for December 31, 2019 and December 31, 2018:

	Year ended December 31, 2019	Year ended December 31, 2018
Accounting profit/ (loss) before tax	6,378.77	8,916.47
At Statutory income tax rate of 29.12%* (December 31, 2018 : 34.944%)	1,857.50	3,115.77
Tax Effects of amounts which are not taxable in calculating taxable income	(381.62)	(433.81)
Tax Effects of amounts which are not deductible in calculating taxable income	37.89	26.40
Tax relating to prior period	2.21	0.95
Impact of changes in tax rate during the year	(59.22)	-
Effect of lower tax on exceptional item	-	(402.94)
Others	(34.07)	31.60
<b>At the effective tax rate</b>	<b>1,422.69</b>	<b>2,337.97</b>
Income tax expense reported in the statement of profit or loss	1,422.69	2,337.97

\* Tax expense for the year reflects changes made vide 'The Finance (No. 2) Act, 2019' as applicable to the Company w.e.f April 1, 2019. Further, on September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company is currently in the process of evaluating this option. These financial statements do not contain the impact of opting for the lower tax rate under the aforesaid Ordinance.



**17 (a) Equity share capital**

	As at December 31, 2019	As at December 31, 2018
<b>Authorised equity share capital:</b>		
15,000,000 (December 31, 2018 : 15,000,000, Equity Shares of ₹ 10 each)	1,500.00	1,500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and Paid up :</b>		
7,927,682 (December 31, 2018 : 7,927,682) Equity Shares of ₹ 10 each	792.77	792.77
<b>Total</b>	<b>792.77</b>	<b>792.77</b>

**(a) Reconciliation of number of equity shares**

	As at December 31, 2019	As at December 31, 2018
Shares outstanding at the beginning and end of the year	79,27,682	79,27,682

**(b) Terms/ rights attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Shares held by Holding Company/ Ultimate Holding Company and/ or their subsidiaries/ associates**

	As at December 31, 2019	As at December 31, 2018
Elantas GmbH (Holding Company)	59,45,761	59,45,761

**(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at December 31, 2019		As at December 31, 2018	
	% holding	No. of shares	% holding	No. of shares
Elantas GmbH	75.00%	59,45,761	75.00%	59,45,761

(e) The Company has not issued any bonus shares in 5 years immediately preceding year ended December 31, 2019.

(f) There were no shares bought back nor allotted either as fully paid-up bonus shares or under any contract without payment being received in cash during five years immediately preceding December 31, 2019

**17 (b) Other Equity**

(i) Other than retained earnings (balance at the beginning and end of the year)	As at December 31, 2019	As at December 31, 2018
Securities premium account	695.18	695.18
General reserve	6,179.58	6,179.58
<b>Total (A)</b>	<b>6,874.76</b>	<b>6,874.76</b>

**Nature and purpose of reserves**
**Securities premium account**

Securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

## General reserve

"General reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act 1956.

(ii)	As at December 31, 2019	As at December 31, 2018
<b>Retained earnings</b>		
Opening balance	26,193.80	20,055.15
Net profit for the year	4,956.08	6,578.50
	<b>31,149.88</b>	<b>26,633.65</b>
Less: Dividend paid	(356.75)	(356.75)
Less: Dividend distribution tax on above	(73.33)	(73.33)
Items of other comprehensive income recognised directly in retained earnings Re-measurements of post-employment benefit obligations (net of tax)	(24.43)	(9.77)
<b>Sub-total :</b>	<b>30,695.37</b>	<b>26,193.80</b>
<b>Retained earnings - Amortised Government Grants (refer note below)</b>		
Balance at the beginning and end of the year	40.00	40.00
<b>Sub-total :</b>	<b>40.00</b>	40.00
<b>Total Retained earnings (B)</b>	<b>30,735.37</b>	<b>26,233.80</b>
<b>Total Other Equity (A+B)</b>	<b>37,610.13</b>	<b>33,108.56</b>

### Note:

Retained earnings include balance of government grants amortised in accordance with requirement of Ind AS 20. These grants were received between 1982 to 2002 for setting up manufacturing units in specified areas under various incentive schemes. There are no unfulfilled conditions or other contingencies attached to these grants. Under Companies Act, grants of such nature are treated as capital reserve and cannot be distributed as dividend. Also refer note 42 of the financial statement for impact of government grant on financial statement on transition date.

## 18 Trade Payables

	As at December 31, 2019	As at December 31, 2018
Total outstanding dues of micro and small enterprises	266.75	202.28
Total outstanding dues of creditors other than micro and small enterprises		
(i) Related Parties (Refer note 36)	89.34	68.16
(ii) Others	3,292.65	4,608.25
<b>Total</b>	<b>3,648.74</b>	<b>4,878.69</b>



### Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Sr. No.	Particulars	December 31, 2019	December 31, 2018
a)	Principal amount outstanding towards suppliers registered under MSMED Act and remaining unpaid as at the year end	261.58	193.38
b)	Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	0.03	0.31
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	858.21	1,618.23
d)	Interest paid for amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e)	Interest due and payable on amounts paid to suppliers registered under the MSMED Act	5.14	8.59
f)	Interest accrued and remaining unpaid at the end of each accounting year	5.17	8.90
g)	Further interest remaining due and payable for earlier years	-	-

#### 19 Financial liabilities - non-current

	As at December 31, 2019	As at December 31, 2018
Security Deposits from Related parties (Refer note 36)	41.29	41.29
Security Deposits - Others	5.05	5.95
<b>Total</b>	<b>46.34</b>	<b>47.24</b>

#### 20 Other financial liabilities - current

	As at December 31, 2019	As at December 31, 2018
Capital creditors (refer note (iii) below)	985.18	66.45
Security deposits	379.56	331.42
Payable to employees	523.56	392.10
Unpaid dividend (refer note (i) below)	80.02	84.61
Other payables (refer note (ii) below)	19.31	80.36
<b>Total</b>	<b>1,987.63</b>	<b>954.94</b>

#### Notes:

- (i) There is no amount due and outstanding as on December 31, 2019 to be credited to Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.
- (ii) Other payables include commission payable to directors, retention money payable, etc. Also refer note 36 for other balances payable to related parties which are included above.
- (iii) Includes payable of ₹ 900 lakhs (Previous Year: Nil) in relation to business acquisition in the current year as referred to in note 5.

## 21 Current provisions

	As at December 31, 2019	As at December 31, 2018
Provision for sales tax (Refer note below)	152.98	166.58
<b>Total</b>	<b>152.98</b>	<b>166.58</b>

Note: The Company has made provision for expected sales tax liability (including interest) on account of sales tax assessments in process under the Central Sales Tax Act, 1956.

### Movement in provisions

	December 31, 2019	December 31, 2018
Balance as at the beginning of the year	166.58	188.63
<b>Charged/(Credited) to profit or loss</b>		
Additional provision recognised	-	-
Unused amounts reversed	-	-
Amounts used during the year	(13.60)	(22.05)
<b>Balance as at the end of the year</b>	<b>152.98</b>	<b>166.58</b>
<b>Non current</b>	<b>152.98</b>	166.58
<b>Current</b>	-	-

## 22 Non-current employee benefit obligations

	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
- Provision for compensated absences	320.57	343.83
- Provision for service awards	43.53	47.35
- Provision for gratuity	26.93	18.55
- Provision for cash rewards	15.32	16.82
<b>Total</b>	<b>406.35</b>	<b>426.55</b>

## 23 Current employee benefit obligations

	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
- Provision for compensated absences	28.09	28.17
- Provision for service awards	6.70	7.70
- Provision for cash rewards	2.50	-
<b>Total</b>	<b>37.29</b>	<b>35.87</b>

### A Defined contribution plan

#### Provident and superannuation fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations as well as to superannuation fund. The contributions are made to registered provident administered by the government and superannuation trust administered through Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 110.89 lakhs (December 31, 2018 - ₹ 95.56 lakhs) and defined contribution plan (superannuation fund) is ₹ 112.48 lakhs (December 31, 2018 - ₹ 104.69 lakhs).



## B Defined benefit plan

### I Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and is administered through group gratuity scheme with Life Insurance Corporation of India.

The Payment of Gratuity (Amendment) Act, 2018 was notified by the Central Government on March 29, 2018. The amendment increases the existing ceiling limit of the amount of gratuity payable to employees who have completed five years of continuous service from rupees 10 lakhs to rupees 20 lakhs. The amendment has also increased the maximum maternity leave from 12 weeks to 26 weeks in the Payment of Gratuity Act 1972 consistent with the requirement in the Maternity Benefit Act, 1961. Maternity leave to the extent specified in the act shall be included while determining the period of continuous service for women employees. Due to the change, the Company had recognized past service cost of ₹ 167 lakhs for the year ended December 31, 2018.

### II Cash rewards at retirement

The Company has a defined benefit plan of cash rewards whereby at the time of normal retirement, ₹ 2,500 is payable to employees for each year of service rendered. The scheme is unfunded.

#### Movement in balances - Gratuity

- (i) The amounts recognised in balance sheet and movements in the net benefit obligation - Gratuity, over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
<b>January 1, 2018</b>	<b>434.49</b>	<b>(430.34)</b>	<b>4.15</b>
Current service cost	31.43	-	31.43
Past service cost	166.57	-	166.57
Interest expense/(income)	29.14	(29.95)	(0.81)
<b>Total amount recognised in Profit or Loss</b>	<b>227.14</b>	<b>(29.95)</b>	<b>197.19</b>
Return on plan assets	-	(1.48)	(1.48)
(Gain)/loss from experience change	34.65	-	34.65
(Gain)/loss from change in financial assumption	(14.73)	-	(14.73)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>19.92</b>	<b>(1.48)</b>	<b>18.44</b>
Employer contributions	-	(201.23)	(201.23)
Benefits paid	(103.85)	103.85	-
<b>December 31, 2018</b>	<b>577.70</b>	<b>(559.15)</b>	<b>18.55</b>

	Present value of obligation	Fair value of plan assets	Net amount
<b>January 1, 2019</b>	<b>577.70</b>	<b>(559.15)</b>	<b>18.55</b>
Current service cost	44.26	-	44.26
Interest expense/(income)	44.21	(44.73)	(0.52)
<b>Total amount recognised in Profit or Loss</b>	<b>88.47</b>	<b>(44.73)</b>	<b>43.74</b>
Return on plan assets	-	(1.17)	(1.17)
(Gain)/loss from experience change	33.76	-	33.76
(Gain)/loss from change in financial assumption	3.04	-	3.04
<b>Total amount recognised in Other Comprehensive Income</b>	<b>36.80</b>	<b>(1.17)</b>	<b>35.63</b>
Employer contributions	-	(70.99)	(70.99)
Benefits paid	(97.62)	97.62	-
<b>December 31, 2019</b>	<b>605.35</b>	<b>(578.42)</b>	<b>26.93</b>

Fair value of the planned assets represents the balance as contributed by the Company to the fund.

(ii) The net liability disclosed above relates to funded plans are as follows :

	December 31, 2019	December 31, 2018
Present value of funded obligation	605.35	577.70
Fair value of plan assets	(578.42)	(559.15)
<b>Deficit</b>	<b>26.93</b>	<b>18.55</b>

The Company has no legal obligation to settle the deficit in the funded plan with an immediate contribution or additional one-off contributions.

(iii) Significant estimates

The significant actuarial assumptions were as follows :

	December 31, 2019	December 31, 2018
Discount rate	7.00%	8.00%
Salary growth rate	9.00%	10.00%

(iv) Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	December 31, 2019	December 31, 2018
Discount rate		
0.50% increase	(19.75)	(18.12)
0.50% decrease	20.98	19.20
Salary growth rate		
0.50% increase	8.66	8.71
0.50% decrease	(8.97)	(9.00)

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

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

**Projected benefits payable from the fund in future years from the date of reporting:**

	December 31, 2019	December 31, 2018
Less than a year	64.26	50.27
Between 2 to 5 years	320.47	308.45
Between 6 to 10 years	361.04	465.02
<b>Total</b>	<b>745.77</b>	<b>823.74</b>

The weighted duration of the defined benefit obligation is 7 years (December 31, 2018 : 7 years).

(v) The major categories of plan assets are as follows:

	December 31, 2019	December 31, 2018
Funds managed by insurer	100%	100%

(vi) Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:





### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

### Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

### Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

### Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

### Movement in balances - Cash rewards at retirement

- (i) **The amounts recognised in balance sheet and movements in the net benefit obligation - Cash rewards, over the year are as follows :**

	Present value of obligation
January 1, 2018	19.77
Current service cost	1.05
Interest expense/(income)	1.32
Total amount recognised in Profit or Loss	2.37
(Gain)/loss from experience change	(0.16)
(Gain)/loss from change in financial assumption	(3.26)
Total amount recognised in Other Comprehensive Income	(3.42)
Benefits paid	(1.90)
December 31, 2017	16.82

	Present value of obligation
January 1, 2019	16.82
Current service cost	0.87
Interest expense/(income)	1.30
Total amount recognised in Profit or Loss	2.17
(Gain)/loss from experience change	(2.20)
(Gain)/loss from change in financial assumption	1.03
Total amount recognised in Other Comprehensive Income	(1.17)
Benefits paid	-
December 31, 2019	17.82

- (ii) **Significant estimates**

The significant actuarial assumptions were as follows :

	December 31, 2019	December 31, 2018
Discount rate	7.00%	8.00%

### (iii) Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	December 31, 2019	December 31, 2018
<b>Discount rate</b>		
0.50% increase	(0.53)	(0.51)
0.50% decrease	0.56	0.52

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

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

#### Projected benefits payable from the fund in future years from the date of reporting:

	December 31, 2019	December 31, 2018
Less than a year	2.50	1.03
Between 2 to 5 years	10.06	10.83
Between 6 to 10 years	8.04	12.10
<b>Total</b>	<b>20.60</b>	<b>23.96</b>

The weighted duration of the defined benefit obligation is 7 years (December 31, 2018 : 7 years).

### (iv) Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

## 24 Other Current liabilities

	As at December 31, 2019	As at December 31, 2018
Statutory dues	194.14	126.30
Advances from customers	4.67	14.77
<b>Total</b>	<b>198.81</b>	<b>141.07</b>

## 25 Revenue from operations

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Sale of products</b>		
- Finished goods	39,138.97	40,648.89
- Traded goods	116.17	204.48
	39,255.14	40,853.37
<b>Other Operating Revenue</b>		
- Sale of raw materials	25.27	15.14
- Sale of scrap	126.23	43.29
	151.50	58.43
<b>Revenue from Operations</b>	<b>39,406.64</b>	<b>40,911.80</b>



**Note: Reconciliation of Revenue with contract price**

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Revenue as per statement of profit and loss account</b>	<b>39,255.14</b>	40,853.37
Adjustments for : Incentives Rebates, discounts etc	-	-
<b>Contract Price</b>	<b>39,255.14</b>	<b>40,853.37</b>

**26 Other income**

	Year ended December 31, 2019	Year ended December 31, 2018
Interest income from financial assets carried at amortised cost		
Interest income on security deposits	<b>180.64</b>	110.92
Interest Income on loan to related party	<b>27.45</b>	18.75
Interest Income - others	<b>45.36</b>	25.89
Dividend income from investments	<b>975.21</b>	757.95
Rental income	<b>151.92</b>	108.53
Government Grants (Refer note (i) below)	<b>5.37</b>	30.21
Net gain on disposal of property, plant and equipment	<b>13.75</b>	11.53
Net gain on financial assets measured at fair value through profit or loss	<b>30.46</b>	-
Other non-operating income (refer note (ii) below)	<b>335.46</b>	128.97
<b>Total</b>	<b>1,765.62</b>	<b>1,192.75</b>

Notes: (i) Government grants are in the form of export incentives available to the Company. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance. (ii) Includes ₹ 182.63 lakhs (Previous Year : Nil) of provision for certain legal matters no longer required written back.

**27 Cost of raw materials consumed**

	Year ended December 31, 2019	Year ended December 31, 2018
Consumption of raw materials		
Inventory at the beginning of the year	<b>3,041.28</b>	2,550.73
Purchases	<b>23,474.66</b>	25,602.17
Inventory at the end of the year	<b>(2,703.44)</b>	(3,041.28)
	<b>23,812.50</b>	25,111.62
Consumption of packing materials		
Inventory at the beginning of the year	<b>202.33</b>	140.99
Purchases	<b>1,736.41</b>	1,722.89
Inventory at the end of the year	<b>(182.42)</b>	(202.33)
	<b>1,756.32</b>	1,661.55
<b>Total</b>	<b>25,568.82</b>	<b>26,773.17</b>

**28 Purchases of stock in trade**

	Year ended December 31, 2019	Year ended December 31, 2018
Purchases of stock in trade	50.18	166.34
<b>Total</b>	<b>50.18</b>	<b>166.34</b>

**29 Change in Inventories of finished goods, work-in-progress and stock in trade**

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Opening Inventory</b>		
- Finished goods	1,026.47	1,278.89
- Work in progress	721.79	394.09
- Stock - in - trade	39.78	7.86
	1,788.04	1,680.84
<b>Less: Closing Inventory</b>		
- Finished goods	1,312.01	1,026.47
- Work in progress	709.59	721.79
- Stock - in - trade	14.26	39.78
	2,035.86	1,788.04
<b>Net change in inventory</b>	<b>(247.82)</b>	<b>(107.20)</b>

**30 Employee benefits expense**

	Year ended December 31, 2019	Year ended December 31, 2018
Salaries, wages and bonus	2,302.78	1,988.06
Contribution to provident and other funds	223.69	200.25
Other employee benefits	41.09	193.36
Staff welfare expenses	167.82	177.32
<b>Total</b>	<b>2,735.38</b>	<b>2,558.99</b>

**31 Finance costs**

	Year ended December 31, 2019	Year ended December 31, 2018
Interest to bank on cash credit facilities	0.20	0.02
Others	33.59	23.37
<b>Total</b>	<b>33.79</b>	<b>23.39</b>

**32 Depreciation and amortisation expense**

	Year ended December 31, 2019	Year ended December 31, 2018
Depreciation on property, plant and equipment	586.06	522.40
Depreciation on investment properties	7.98	3.32
Amortisation of intangible assets	141.33	132.14
<b>Total</b>	<b>735.37</b>	<b>657.86</b>



### 33 Other expenses

	Year ended December 31, 2019	Year ended December 31, 2018
Consumption of Stores and Spares	397.10	306.39
Power and Fuel	581.61	628.88
Delivery Charges	1,211.93	1,166.04
Rent	28.79	22.25
Rates and taxes	68.94	81.23
Insurance	66.24	64.05
Repairs and maintenance		
- Buildings	5.49	3.67
- Machinery	390.10	334.35
- Others	14.63	32.88
Repacking Charges	80.80	79.75
Royalty	233.89	151.10
Telephone and communication	47.89	46.73
Travelling and conveyance	161.62	167.30
IT allocation charges	231.98	206.55
Sharing of Global R&D Charges	193.01	221.57
Commission and sitting fees to directors	38.20	33.55
Bad Debts and advances written off	12.35	0.10
Provision for Doubtful debts	315.92	60.60
Commission on sales	2.38	1.38
Net losses on foreign currency transactions and translations	4.13	95.79
Net loss on financial assets measured at fair value through profit or loss	-	7.01
Legal and Professional Charges	612.00	260.99
Payment to auditors (Refer Note 33 (a))	38.79	38.13
Corporate Social Responsibility expenses (Refer Note 33 (b))	158.88	151.03
Miscellaneous expenses	1,021.10	882.28
<b>Total</b>	<b>5,917.77</b>	<b>5,043.60</b>

#### 33 (a) Payment to auditors (exclusive of GST)

	Year ended December 31, 2019	Year ended December 31, 2018
As auditor		
Statutory Audit	21.00	21.00
Limited Reviews	10.50	10.50
In other capacities		
Other audit related services	4.20	3.50
Reimbursement of out of pocket expenses	3.09	3.13
<b>Total</b>	<b>38.79</b>	<b>38.13</b>

### 33 (b) Corporate Social Responsibility (CSR)

	Year ended December 31, 2019	Year ended December 31, 2018
Gross amount required to be spent by the Company during the year	158.88	151.03
<b>Total</b>	<b>158.88</b>	<b>151.03</b>

Amount spent during the year	In cash	
	December 31, 2019	December 31, 2018
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above	158.88	151.03
<b>Total</b>	<b>158.88</b>	<b>151.03</b>

### 33 (c) Research and development expenses

	Year ended December 31, 2019	Year ended December 31, 2018
a. Expenses of revenue nature (debited to statement of profit and loss)	704.19	626.92
b. Expenses of capital nature (addition to Property, Plant and Equipment)	13.52	1,559.36
<b>Total</b>	<b>717.71</b>	<b>2,186.28</b>

The research and development expenses disclosed herewith refers to the 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).

### 34 Earnings per share (EPS)

	Year ended December 31, 2019	Year ended December 31, 2018
Net profit attributable to the equity shareholders of the company	4,956.08	6,578.50
Weighted average number of equity shares	79,27,682	79,27,682
Basic & diluted earnings per share (in Rupees)	62.52	82.98

Note: The Company does not have outstanding diluted potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

### 35 Contingencies and commitments

#### a) Contingent liabilities

	As at December 31, 2019	As at December 31, 2018
Excise and service tax matters	294.17	285.38
<b>Total</b>	<b>294.17</b>	<b>285.38</b>

Note:

1. As at December 31, 2018, the Company had an appeal pending for hearing at Hon'ble District & Sessions Court, Ankleshwar in respect of its two raw materials (Solvents), which are covered under the Essential Commodities Act,



covering the period from January 2009 to December 2017. During the current year, the appeals were disposed of by the Hon'ble District & Sessions Court, Ankleshwar. There was no consequential liability on the Company pursuant to disposal of the appeal.

2. The Company had received order from Labour Court in relation to termination of three employees in December 2014. Against the said order, the Company had filed revision application with Labour Court, Pune. The revision application filed by the Company was rejected vide order passed on February 3, 2020. The management had terminated those employees in the best interest of the Company. The Company is in process of evaluating legal options and does not expect a significant impact on the financial statements on account of the matter.

3. On March 6, 2019, the Company was directed for closure of its operations in Ankleshwar by the Gujarat Pollution Control Board (GPCB) due to a suspected water contamination issue. GPCB through its subsequent orders had granted temporary revocation of the closure order. Last order dated December 23, 2019 received from GPCB has provided temporary revocation upto March 23, 2020. The Company is representing to GPCB for a permanent revocation of the closure order and is doing all the necessary acts, deeds and formalities in that connection.

4. The Company's pending litigations comprise of proceedings pending with Excise and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for cases 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.

#### b) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 384.66 lakhs (December 31, 2018 : ₹ 211.84 lakhs)

#### c) Lease commitments

There were no non-cancellable operating leases as on December 31, 2019 and December 31, 2018.

### 36 Related party transactions

#### Name of the related parties and nature of relationship

##### (i) where control exists :

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest		Relationship
			December 31, 2019	December 31, 2018	
1	Elantas GmbH	Germany	75.00%	75.00%	Holding Company
2	Altana Management Services GmbH	Germany	0.00%	0.00%	Holding Company of Elantas GmbH
3	Altana AG	Germany	0.00%	0.00%	Holding Company of Altana Management Services GmbH
4	SKion GmbH	Germany	0.00%	0.00%	Ultimate Holding Company

##### (ii) Other Related Parties with whom transactions have taken place during the year:

###### (I) Fellow Subsidiaries:

- 1 BYK-Chemie GmbH
- 2 Elantas PDG Inc.
- 3 Elantas Europe s.r.l.
- 4 Elantas (Tongling) Co Ltd
- 5 Elantas (Zhuhai) Co., Ltd
- 6 BYK Chemie Asia Pacific Pte. Ltd (branch of BYK Asia Pacific Pte. Ltd)
- 7 BYK Asia Pacific Pte. Ltd
- 8 Elantas Europe GmbH
- 9 Elantas Malaysia Sdn Bhd
- 10 Eckart Asia Limited
- 11 Actega Terra GmbH
- 12 BYK India Private Limited
- 13 BYK Korea LLC



**(II) Key Management Personnel:**

- 1 Mr. Ravindra Kumar (Managing Director upto July 31, 2019)
- 2 Mr. Srikumar Ramakrishnan  
(President from May 8, 2019 to July 31, 2019 and Managing Director from August 1, 2019)
- 3 Mr. Milind Talathi (Director)
- 4 Mr. Suresh Talwar (Independent Director)
- 5 Mr. Ravindra Kulkarni (Independent Director)
- 6 Mr. Ranjal Laxmana Shenoy (Independent Director)
- 7 Mrs. Kishori Udeshi (Independent Director)
- 8 Mr. Stefan Genten (Director)
- 9 Mr. Martin Babilas (Director)
- 10 Dr. Guido Forstbach (Director)

**36 Transactions with related parties**

I	Name of the Party and nature of transaction	December 31, 2019	December 31, 2018
	<b>Intermediate Holding Companies</b>		
<b>(a)</b>	<b>Altana AG</b>		
	Services received	48.09	54.30
	Reimbursements paid	39.69	-
	Reimbursements received	1.36	1.71
<b>(b)</b>	<b>Altana Management Services GmbH</b>		
	IT allocation charges	231.98	206.55
	Reimbursements received	2.46	0.90
	<b>Holding Company</b>		
	<b>Elantas GmbH</b>		
	Reimbursements received	4.11	1.61
	Sharing of Global R&D Charges	193.01	221.57
	Services received	148.27	161.42
	Purchase of assets	-	2.23
	Royalty expenses	61.24	63.36
	Dividend paid	267.56	267.56
	<b>Fellow subsidiaries</b>		
<b>(a)</b>	<b>Elantas Europe s.r.l.</b>		
	Commission Income	8.67	-
	Reimbursements received	7.48	1.61
	Purchase of raw materials	173.55	73.57
	Services received	-	4.73
	Royalty expenses	146.52	73.89
<b>(b)</b>	<b>Elantas PDG Inc.</b>		
	Reimbursements received	1.07	1.70
	Purchase of raw materials	7.34	87.43
	Services received	121.00	71.93
	Royalty expenses	9.33	13.85
<b>(c)</b>	<b>BYK-Chemie GmbH</b>		
	Reimbursements received	1.24	1.70
	Services received	-	0.58
	Purchase of assets	-	8.53





	Name of the Party and nature of transaction	December 31, 2019	December 31, 2018
<b>(d)</b>	<b>BYK Chemie Asia Pacific Pte. Ltd</b>		
	Reimbursements received	-	0.38
	Rental income		32.57
<b>(e)</b>	<b>Elantas (Tongling) Co Ltd</b>		
	Sale of goods	2.90	-
	Purchase of raw materials	275.66	-
<b>(f)</b>	<b>Elantas (Zhuhai) Co., Ltd</b>		
	Sale of goods	61.58	85.56
	Purchase of raw materials	-	25.79
	Royalty income	5.38	6.50
<b>(g)</b>	<b>Eckart Asia Limited</b>		
	Reimbursements received	289.74	255.89
<b>(h)</b>	<b>Elantas Europe GmbH</b>		
	Purchase of raw materials	-	21.05
	Services received	-	10.83
	Royalty expenses	16.80	-
	Reimbursements received	-	0.81
<b>(i)</b>	<b>Elantas Malaysia Sdn Bhd</b>		
	Sale of goods	17.47	69.59
	Commission on sales	1.89	0.13
	Reimbursements received	13.37	11.30
<b>(j)</b>	<b>Actega Terra GmbH</b>		
	Reimbursements received	35.74	32.40
<b>(k)</b>	<b>BYK India Private Limited</b>		
	Rental income	151.92	75.96
	Loan given	50.00	280.47
	Interest Income on loan	27.45	18.75
	Reimbursements received	27.06	6.81
<b>(l)</b>	<b>BYK Korea LLC</b>		
	Services received	0.18	0.13
<b>(m)</b>	<b>BYK Asia Pacific Pte. Ltd</b>		
	Reimbursements received	-	38.14
	<b>Key Management Personnel</b>		
	Short-term employee benefits	295.95	220.27
	Post-employment benefits	58.83	23.70
	Director Sitting fees	20.60	15.95
	Director Commission	17.60	17.60

Notes:

- (1) Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not presented above.
- (2) Transactions during the year reported above include impact of increase/(decrease) in provision for expenses accounted for as on year end.
- (3) Appointment and Remuneration paid/payable to the new managing director (Mr. Srikumar Ramakrishnan) is subject to the approval of shareholders in the ensuing annual general meeting.



## II Outstanding Balances from sale/ purchase of goods and services

	Name of the Party and nature of balance	December 31, 2019	December 31, 2018
<b>(i)</b>	<b>Trade Receivables</b>		
	Elantas (Zhuhai) Co., Ltd	34.14	33.55
	Altana Management Services GmbH	-	0.88
	Elantas (Tongling) Co Ltd	2.90	-
	Elantas Malaysia Sdn Bhd	4.10	16.43
	<b>Total</b>	<b>41.14</b>	<b>50.86</b>
<b>(ii)</b>	<b>Trade Payables</b>		
	Elantas Europe s.r.l.	-	21.05
	Elantas GmbH	-	13.47
	Elantas (Zhuhai) Co., Ltd	-	17.57
	Elantas PDG Inc.	52.80	16.01
	Altana management Services GmbH	14.58	-
	Altana AG	17.36	-
	BYK Korea LLC	0.07	-
	BYK Asia Pacific Pte. Ltd	4.53	-
	Elantas Malaysia Sdn Bhd	-	0.06
	<b>Total</b>	<b>89.34</b>	<b>68.16</b>
<b>(iii)</b>	<b>Security Deposits received</b>		
	BYK Chemie Asia Pacific Pte. Ltd	-	41.29
	BYK India Private Limited	41.29	-
	<b>Total</b>	<b>41.29</b>	<b>41.29</b>
<b>(iv)</b>	<b>Loan given and interest accrued thereon</b>		
	BYK India Private Limited	330.47	286.48
	<b>Total</b>	<b>330.47</b>	<b>286.48</b>
<b>(v)</b>	<b>Other receivables</b>		
	Elantas GmbH	158.28	135.94
	Altana AG	1.07	0.90
	BYK-Chemie GmbH	-	0.10
	Eckart Asia Limited	19.14	-
	Actega Terra GmbH	1.96	3.65
	Elantas Europe s.r.l.	11.56	0.80
	<b>Total</b>	<b>192.01</b>	<b>141.39</b>
<b>(vi)</b>	<b>Other current liabilities</b>		
	Payable to employees	96.43	80.55
	Commission payable	17.60	17.60
	<b>Total</b>	<b>114.03</b>	<b>98.15</b>

## III Terms and conditions for outstanding balances

Transactions with related parties were made on normal commercial terms and conditions.

All outstanding balances are unsecured and payable in cash.



### 37 Segment reporting

#### (a) Description of segments and principal activities

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

The Managing Director of the Company have been identified as the chief operating decision maker.

The CODM evaluates the performance based on the revenues and operating profit for the two segments, the composition of which is explained below:

Segment	Products covered
Electrical Insulations	The Electrical Insulation System business line comprises three product groups: wire enamels, insulating varnishes and resins, and casting and potting compounds. These products are used in the light and heavy electrical industries.
Engineering & Electronic Resins and Materials	This comprises of complete solutions for printed circuit boards (PCBs), PCB protection solutions, construction chemicals used for post-construction coating applications and flexible electrical insulations.

#### Information about business segments

Particulars	December 31, 2019	December 31, 2018
<b>Segment Revenue (Includes Other Income allocable to segments)</b>		
Electrical Insulations	34,595.46	34,753.99
Engineering & Electronic Resins and Materials	5,160.51	6,314.05
<b>Net Sales / Income From Operations (including other income)</b>	<b>39,755.97</b>	<b>41,068.04</b>
<b>Segment results</b>		
Electrical Insulations	4,766.42	5,377.41
Engineering & Electronic Resins and Materials	588.79	894.23
Less: Finance Cost	(33.79)	(23.39)
Add : Other unallocable income	1,416.29	1,036.51
Less : Other unallocable expenditure	(358.94)	(296.36)
<b>Profit before exceptional item and tax</b>	<b>6,378.77</b>	6,988.40
Exceptional Item	-	1,928.07
<b>Profit before tax</b>	<b>6,378.77</b>	<b>8,916.47</b>
<b>Segment Assets</b>		
Electrical Insulations	22,656.08	18,096.66
Engineering & Electronic Resins and Materials	4,115.60	4,713.42
Others	18,863.99	18,695.81
<b>Total Assets</b>	<b>45,635.67</b>	<b>41,505.89</b>
<b>Segment Liabilities</b>		
Electrical Insulations	5,088.86	5,099.74
Engineering & Electronic Resins and Materials	735.42	926.40
Others	1,408.49	1,578.42
<b>Total Liabilities</b>	<b>7,232.77</b>	<b>7,604.56</b>
<b>Capital Expenditure</b>		
Electrical Insulations	5,642.99	1,156.09
Engineering & Electronic Resins and Materials	115.92	1,017.88
Other	19.36	23.38
<b>Total capital expenditure</b>	<b>5,778.27</b>	2,197.35
<b>Depreciation and amortisation expense</b>		
Electrical Insulations	551.25	497.14
Engineering & Electronic Resins and Materials	155.51	128.51
Other	28.61	32.21
<b>Total depreciations and amortisation expense</b>	<b>735.37</b>	<b>657.86</b>

**(b) Information about geographical segments Revenue from external customers**

Particulars	December 31, 2019	December 31, 2018
India	39,373.49	40,624.95
Outside India	382.48	443.09
<b>Total</b>	<b>39,755.97</b>	<b>41,068.04</b>

Entire non-current assets and deferred tax assets are located in India. There are no major customers contributing 10% or more of the Company's revenue.

**38 Fair value measurements Financial instruments by category**

	December 31, 2019		December 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Investments				
Equity instruments	-	-	1.98	-
Mutual Funds	15,983.73	-	17,363.95	-
Loans	-	484.21	-	428.56
Trade receivables	-	6,109.28	-	8,356.96
Cash and cash equivalents	-	2,441.42	-	1,010.74
Long term deposits with banks	-	1,968.43	-	1,302.54
Other financial assets	-	224.26	-	217.30
<b>Total financial assets</b>	<b>15,983.73</b>	<b>11,227.60</b>	<b>17,365.93</b>	<b>11,316.10</b>
Financial liabilities				
Trade payables	-	3,648.74	-	4,878.69
Security Deposits	-	425.90	-	378.66
Capital Creditors	-	985.18	-	66.45
Payable to Employees	-	523.56	-	392.10
Unpaid Dividend	-	80.02	-	84.61
Other Payables	-	19.31	-	80.36
<b>Total financial liabilities</b>	<b>-</b>	<b>5,682.71</b>	<b>-</b>	<b>5,880.87</b>

**i) Fair value hierarchy**

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At December 31, 2019</b>					
<b>Financial assets</b>					
Investments					
Equity instruments	6 (a)	-	-	-	-
Mutual Funds	6 (b)	-	15,983.73	-	15,983.73
<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>At December 31, 2018</b>					
<b>Financial assets</b>					
Investments					
Equity instruments	6 (a)	1.98	-	-	1.98
Mutual Funds	6 (b)	-	17,363.95	-	17,363.95



Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchange is valued using the closing price as at the end of the reporting period.

Level 2: Level 2 valuations are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. This includes mutual funds whose closing NAV is provided by Asset Management Company (AMC) and is also available on Association of Mutual Funds in India (AMFI) website.

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

**ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices or dealer quotes for similar instruments

**iii) Valuation process**

The finance department of the company performs the valuation of financial assets and liabilities required for financial reporting purposes including level 3 fair values. Changes in fair values are analyzed at the end of each reporting period and an explanation for the reason for fair values are discussed.

**iv) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of trade receivables, security deposits, loans and advances to employees, fixed deposits with banks, interest accrued on fixed deposits, cash and cash equivalents, other bank balances, trade payables, security deposits received, capital creditors, payable to employees, unpaid dividend and others are considered to be reasonable approximation of their fair values.

**39 Financial risk management**

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(A) Credit risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to related parties, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations.

**Trade receivables**

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

Period	As at December 31, 2019			As at December 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Not due	5,577.42	-	5,577.42	6,722.16	-	6,722.16
Overdue up to 3 months	535.09	(3.23)	531.86	1,466.42	-	1,466.42
Overdue 3-6 months	156.98	(156.98)	-	93.12	-	93.12
Overdue more than 6 months	274.78	(274.78)	-	194.33	(119.07)	75.26
<b>Total</b>	<b>6,544.27</b>	<b>(434.99)</b>	<b>6,109.28</b>	<b>8,476.03</b>	<b>(119.07)</b>	<b>8,356.96</b>

#### Movement of allowance for doubtful debts

	Amount
<b>Allowance for doubtful debts as on December 31, 2018</b>	<b>119.07</b>
Change during the year	315.92
<b>Allowance for doubtful debts as on December 31, 2019</b>	<b>434.99</b>

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk, being the total of the carrying amount of balances with bank, short term deposits with banks, trade receivables and other financial assets is disclosed at the end of the each reporting period. Refer relevant notes for details. At the reporting date, there were no significant arrangements which reduced the maximum credit risk.

#### (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To assure the solvency and financial flexibility, the Company retains a liquidity

reserve through cash and cash equivalents and lines of credit. The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for :

Period	As at December 31, 2019		As at December 31, 2018	
	< 1 year	> 1 year	< 1 year	> 1 year
Trade payables	3,648.74	-	4,878.69	-
Security Deposits	379.56	46.34	331.42	47.24
Capital Creditors	985.18	-	66.45	-
Payable to Employees	523.56	-	392.10	-
Unpaid Dividend	80.02	-	84.61	-
Other Payables	19.31	-	80.36	-
<b>Total</b>	<b>5,636.37</b>	<b>46.34</b>	<b>5,833.63</b>	<b>47.24</b>



## (C) Market risk

### I) Foreign currency risk

The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company's exposure to foreign currency arises from short term receivables and payables where fluctuations in the foreign exchange rates are generally not significant and consequently limiting the company's exposure.

#### i) Foreign currency risk exposure

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

	December 31, 2019			December 31, 2018		
	EUR	GBP	USD	EUR	GBP	USD
<b>Financial assets</b>						
Trade and other receivables	193.07	-	66.99	66.85	-	69.78
Bank balances	-	-	0.32	-	-	-
<b>Exposure to foreign currency risk (assets)</b>	<b>193.07</b>	<b>-</b>	<b>67.31</b>	<b>66.85</b>	<b>-</b>	<b>69.78</b>
<b>Financial liabilities</b>						
Trade payables	56.10	-	491.40	47.40	2.26	632.31
<b>Exposure to foreign currency risk (liability)</b>	<b>56.10</b>	<b>-</b>	<b>491.40</b>	<b>47.40</b>	<b>2.26</b>	<b>632.31</b>
<b>Net exposure to foreign currency risk - assets/ (liability)</b>	<b>136.97</b>	<b>-</b>	<b>(424.09)</b>	<b>19.45</b>	<b>(2.26)</b>	<b>(562.53)</b>

#### ii) Sensitivity

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

	Impact on profit before tax	
	December 31, 2019	December 31, 2018
<b>EUR sensitivity</b>		
INR/EUR - Increase by 5% (31 December 2018-5%)	6.85	0.97
INR/EUR - Decrease by 5% (31 December 2018-5%)	(6.85)	(0.97)
<b>GBP sensitivity</b>		
INR/GBP - Increase by 5% (31 December 2018-5%)	-	(0.11)
INR/GBP - Decrease by 5% (31 December 2018-5%)	-	0.11
<b>USD sensitivity</b>		
INR/USD - Increase by 5% (31 December 2018-5%)	(21.20)	(28.13)
INR/USD - Decrease by 5% (31 December 2018-5%)	21.20	28.13

### II) Interest rate risk

The Company's main interest rate risk arises from deposits placed over a period of time on frequent basis thereby exposing the Company to interest rate risk. The Company's policy is to have fixed interest rate at the time of deal execution.

"The loan to related party is carried at amortised cost. The Company recovers interest as per the terms of the agreement. The interest rate approximates the market rate of interest and hence the interest risk for loan given to related party is not considered to be substantial."

The exposure of Company's loans to interest rate change at the end of the reporting period is described below

	December 31, 2019	December 31, 2018
Fixed rate loan to related party	330.47	280.47

The impact of interest rate sensitivity on the statement of profit and loss is given in the table below:

	December 31, 2019	December 31, 2018
Interest rate - increase by 1%	3.30	2.80
Interest rate - decrease by 1%	(3.30)	(2.80)

#### 40 Capital Management

##### a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2019 and December 31, 2018.

##### b) Dividends

	December 31, 2019	December 31, 2018
<b>(i) Equity shares</b>		
Final dividend for the year ended December 31, 2018 of ₹ 4.5 (December 1, 2017 of ₹ 4.5) per fully paid share	356.75	356.75
Dividend Distribution tax thereon	73.33	73.33
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
The directors have recommended the payment of a final dividend of ₹ 5 per fully paid equity share (December 31, 2018 - ₹ 4.5 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	396.38	356.75
Dividend Distribution tax thereon	-	73.33

41 At the year end, the Company has long term contracts for which there were no material foreseeable losses. The Company does not have any derivative contracts as at December 31, 2019.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N500016

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

**Amit Borkar**  
Partner  
Membership No.: 109846

**R. L. Shenoy**  
Director  
DIN:00074761

**Srikumar Ramakrishnan**  
Managing Director  
DIN: 07685069

**Sanjay Kulkarni**  
Chief Financial Officer

**Abhijit Tikekar**  
Company Secretary

Place : Mumbai  
Date : February 25, 2020



## ELANTAS Beck India Limited

### NOTICE

Notice is hereby given that the Sixty Forth Annual General Meeting (AGM) of the Members of ELANTAS Beck India Limited (CIN: L24222PN1956PLC134746) will be held on Tuesday, 21 July 2020, at 11.30 a.m. through Video Conference (VC)/ Other Audio-Visual Means (OAVM) facility to transact following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements for the year ended December 31, 2019 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year 2019.
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. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, if any, for the time being in force, the remuneration not exceeding Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand only) as Audit fees plus out of pocket expenses at actuals plus applicable taxes, payable to Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No. 000030) appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on December 31, 2019 be and is hereby ratified."

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

"RESOLVED THAT Mr. Srikumar Ramakrishnan (DIN 07685069) be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with the provisions of Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and applicable provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for appointment of Mr. Srikumar Ramakrishnan as Managing Director of the Company for a period of Three years effective 1 August 2019 to 31 July 2022 on such terms & conditions including those relating to the remuneration as set out in the Agreement dated 23 July 2019 entered into between him and the Company, an extract of which is set out in the explanatory statement attached hereto with the liberty to the Board of Directors/ Nomination & Remuneration Committee of the Company to alter and vary the terms and conditions of appointment and/or remuneration, subject to the limits as approved by the Shareholders in such manner as may be agreed to between the Board of Directors (including its Committee thereof) and Mr. Srikumar Ramakrishnan.

RESOLVED FURTHER THAT any Director of the Company and / or Company Secretary be and is hereby authorized 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."

**By order of the Board of Directors**

Pune : Pune  
Date : 12.05.2020

**Abhijit Tikekar**  
**Head Legal & Company Secretary**

ELANTAS Beck India Limited  
CIN: L24222PN1956PLC134746  
Registered Office:  
147, Mumbai-Pune Road, Pimpri,  
Pune 411018, Maharashtra., India  
Tel: (020) 67190600  
Abhijit.Tikekar@Altana.com  
<http://www.elantas.com/beck-india>

## NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the items no. 4 and 5 is annexed hereto. The Board of Directors of the Company at its Meeting held on 5 May 2020 considered that the special business being considered unavoidable, be transacted at the 64th AGM of the Company.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8 April 2020, 13 April 2020 and 5 May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 64th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue.
3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 64th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting and for participation in the 64th AGM through VC/OAVM Facility and e-voting during the 64th AGM.
4. In line with the MCA Circulars and SEBI Circular, the Notice of the 64th AGM will be available on the website of the Company at [www.elantas.com](http://www.elantas.com), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL (agency for providing the Remove Voting Facility) i.e. at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
6. Members may join the 64th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11.00 a.m. IST i.e. 30 minutes before the time scheduled to start the 64th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 64th AGM.

7. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, auditors, etc. can attend the 64th AGM without any restriction on account of first-come first-served principle.
8. The attendance of the Members participating in the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at [Abhijit.Tikekar@altana.com](mailto:Abhijit.Tikekar@altana.com).
10. Details of Directors seeking re-appointment:

<b>Particulars</b>	<b>Mr. Martin Babilas</b>	<b>Mr. Srikumar Ramakrishnan</b>
Date of birth	23 September 1971	14 December 1972
Date of first appointment on the Board	6 May 2014	1 August 2019
Qualifications	MBA, Diploma - Kaufmann	BE, University of Bombay PGCBM, XLRI
Expertise in specific area	Accounting and Management	Expertise in Chemical Engineering and Sales Function
Directorships held in other Companies	Nil	Nil
Membership/ Chairmanships of Committees of Other Companies	Nil	Nil
Shareholding in the Company as on 31 December 2019	NIL	NIL
No. of Board Meetings attended	1	2
Remuneration Last drawn	Nil	Rs. 1,28,12,419/-
Terms & Conditions of Appointment/ Re-appointment	As per the Resolution at item no. 3 of the Annual General Meeting Notice dated 5 May 2020	As per the Resolution at item no. 5 of the Annual General Meeting Notice dated 5 May 2020 read with Explanatory Statement thereto.

Remuneration Proposed to be paid	Nil	As may be decided by the Members.
Relationship with Other Directors, & KMP	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel

11. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 15 July 2020 to Tuesday, 21 July 2020 (both days inclusive), for the purpose of payment of Dividend.
12. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates to the Company's Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited, so as to enable the Company to consolidate their holdings into one folio.
13. Pursuant to Section 123, 124 and 125 of the Act, the Company will be transferring in June 2020, the unclaimed dividend and shares, if any for the financial year ended 31 December 2012 to the Investor's Education and Protection Fund of the Central Government.
14. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the web site of the Company for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.
15. As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more as on due date of the transfer, are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective Members, necessary steps will be initiated by the Company to transfer shares held by the Members to IEPF along with dividend remaining unpaid/unclaimed thereon.
16. Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

17. It may also be noted that once the unclaimed dividend and shares are transferred to the credit of the said Fund, as above, no claim shall lie in respect thereof with the Company.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company by clicking on the link [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) or by sending an email containing scanned copy of request letter and self attested copy of PAN card to [pune@linkintime.co.in](mailto:pune@linkintime.co.in).
19. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as for e-voting during the AGM will be provided by NSDL. The procedure for e-voting on the day of the AGM is same as that of the remote e-voting.
21. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned under General Guidelines for Shareholders.
22. The e-voting period commences from Saturday 18 July 2020 at 9.00 a.m. and ends on Monday 20 July 2020 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.

23. The voting rights of Members shall be in proportion to their share in of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday 14 July 2020.
24. Mr. Prajot Tungare, (Membership No. FCS 5484), Partner of Prajot Tungare and Associates, Pune, has been appointed as the Scrutinizer to scrutinize the remote e voting process and casting vote through the e-voting system during the Meeting in a fair and transparent manner.
25. During the 64th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 64th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 64th AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 64th AGM.
26. The Scrutinizer shall after the conclusion of e-voting at the 64th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 64th AGM, who shall then countersign and declare the result of the voting forthwith.
27. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.elantas.com/beck-india>, Notice Board of the Registered Office and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results are declared by the Chairman and also communicated to BSE Limited.
28. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 64th AGM and the Annual Report for the year 2019 including therein the Audited Financial Statements for year 2019, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 64th AGM and the Annual Report for the year 2019 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
  - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered

along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's Registrar & Share Transfer Agent at [pune@linkintime.co.in](mailto:pune@linkintime.co.in).

- b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Alternately, Members can also update the details by clicking on [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and following the procedure mentioned therein.

29. Members holding shares in physical form under more than one folio in identical order of names are requested to write to Registrar & Share Transfer Agent enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.

## **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

### **A. How do I vote electronically using NSDL e-voting system?**

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

### **Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:



<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) To retrieve your 'initial password', if your email ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned in the notice to get the email ID registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your Demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a

request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

### **Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **GENERAL GUIDELINES FOR SHAREHOLDERS :-**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board resolution / authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [prajot@prajottungarecs.com](mailto:prajot@prajottungarecs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. 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 User Details / Password?' or the 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com), to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and the e-voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com), or call on the toll-free no.: 1800-222-990, or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email address: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone no. +91 22 2499 4545, who will also address grievances connected with voting by electronic means.
4. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 64th AGM by email and holds shares as on the cut-off date i.e. Friday 19 June 2020, may obtain the User ID and password by sending a request to the Company's email address [Abhijit.Tikekar@altana.com](mailto:Abhijit.Tikekar@altana.com) .

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Members will be able to attend the 64th AGM through VC/OAVM Facility through the NSDL e-voting system at <https://www.evoting.nsdl.com> under shareholders/Members login by using the remote e-voting credentials and selecting the EVEN for the Company's 64th AGM. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice of the 64th AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

- b) Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
- c) Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d) Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 64th AGM through VC/OAVM Facility.

### **INSTRUCTIONS FOR INCOME TAX COMPLIANCE WITH RESPECT TO DIVIDEND :-**

- 1) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by clicking on [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and following the procedure mentioned therein latest by 15 July 2020.
- 2) The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
- 3) Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the details /documents by email to reach at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or by clicking on [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and following the procedure mentioned therein by 15 July 2020.
- 4) For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.
- 5) In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of

the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

- 6) No withholding of tax is applicable to resident individual Shareholders having valid PAN and if the dividend payable is less than Rs. 5,000/- per financial year and in cases of resident Insurance Companies and resident Mutual Fund category Shareholders.
- 7) In order to receive the relevant information from Shareholders to determine the rate of tax deduction as applicable to them, we request all Shareholders to kindly verify the correctness of their respective residential status and category of holding and update the same with their respective depository participant or with the Registrar and Share Transfer Agent of the Company – Link Intime India Private Limited ("Link Intime"), at the earliest. To facilitate this, the Company with Link Intime India Private Limited ("Link Intime"), Company's Registrar and Share Transfer Agent has enabled a Shareholder web-portal for submission of tax exemption forms/requested documents. Shareholders can submit their tax exemption forms and supporting documents directly on portal for purposes of tax deduction at source by clicking the below link and selecting "ELANTAS Beck India Limited" in the Company dropdown.  
<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>
- 8) We request shareholders to upload the relevant documents on aforesaid link on or before 15 July 2020. No documents received after 15 July 2020 will be considered for payment of final dividend for FY 2019, if approved.
- 9) If the documents are found in accordance with the provisions of the IT Act the same shall be considered while deducting the taxes.

**Annexure to the Notice**  
**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

**Item No. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its Meeting held on 26 February 2019 approved the payment of a remuneration not exceeding Rs. 1.25 Lakh as Audit fees plus out of pocket expenses at actuals and taxes as may be applicable subject to the approval of the Members to Dhananjay V Joshi & Associates, Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31 December 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

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

The Board recommends passing of the Ordinary Resolution as set out at item no. 4 of the Notice for your approval.

**Item No. 5**

Pursuant to the recommendation of the Nomination & Remuneration Committee (Nomination and Remuneration Committee), the Board of Directors at its Meeting held on 23 July 2019, appointed Mr. Srikumar Ramakrishnan as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and Article 171 of the Articles of Association, with effect from 01 August 2019 to hold office up to the date of the next Annual General Meeting. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Srikumar Ramakrishnan will hold office up to the date of the ensuing Annual General Meeting but is eligible for appointment as a Director.

Pursuant to the provisions of Section 160, the Company has received a notice in writing from a Member proposing the candidature of Mr. Srikumar Ramakrishnan for the office of Director of the Company under the provisions of Section 160 of the Companies Act, 2013.

The Board, in the same Meeting on recommendation of NRC, also appointed Mr. Srikumar Ramakrishnan as Managing Director of the Company for a period of three years with effect from 1 August 2019 subject to the approval of the Members in the General Meeting.

Mr. Srikumar Ramakrishnan is a Bachelor of Chemical Engineering from Bombay University, Mumbai. He has more than 23 years of experience and has worked on various projects in the areas of sales & marketing, new business development, new product development etc.

The material terms as approved by the Board and the contract dated 23 July 2019 entered into between the Company and Mr. Srikumar Ramakrishnan are as under:

1. Mr. Srikumar Ramakrishnan is hereby appointed as Managing Director (the Managing Director) of ELANTAS Beck India Limited effective 1 August 2019.
2. The Company hereby reserves the right to assign the Managing Director other reasonable responsibilities for the ALTANA Group or affiliated Companies in India or abroad if such is required by the business interests of the Company.
3. The other important terms & conditions of agreement are as under;
4. For his service, the Managing Director shall receive from the Company;
  - a) an annual salary in the amount of INR 11,000,000.00/- gross (in words: eleven million Rupee gross),
  - b) a bonus, for each business year in which 100% of objectives are achieved, in the amount of INR 6,000,000.00/- gross (in words: Six Million Indian Rupee gross) as per the objectives set by the Board /Nomination and Remuneration Committee with Mr. Srikumar.
  - c) And an annual increase not exceeding 15% on the said remuneration as may be determined by the Board.
5. The remuneration shall be reviewed each year, beginning on 1 July 2020. The annual performance review is once per year, according to Company policy and timing.
6. The Company will provide a car to the Managing Director as Company car for business and private use. The buying price of the car is capped at INR 3,000,000.00 net. All car related expenses in relation to the Company car will be paid by the Company.
7. The Managing Director shall be insured under the Company's group accident insurance according to the policy in place.
8. Medical and hospitalization expenses will be fully covered for the Managing Director and his

family (spouse and children) according to the Company's Medical Benefits plan. The Company will reimburse these costs upon presentation of the respective transaction receipts, if arrangement will not directly be made by the Company.

9. The Managing Director will receive a yearly Company's contribution to the Provident Fund, Superannuation, Gratuity and other benefits under the Pension Scheme.
10. The annual performance review is once a year, according to Company policy and timing
11. The Employment Agreement shall have a term of 3 (three) years and shall ceases on 31 July, 2022. The Company shall decide as to extensions prior to the commencement of the final year of the term. Besides, the agreement can be terminated by either party, before effluxion of time, by giving six months' notice in writing to the other party.

Except Mr. Srikumar Ramakrishnan, 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 in to between Mr. Srikumar Ramakrishnan and the Company is open for 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, up to and including the day of Annual General Meeting.

The Board recommends passing of an Ordinary Resolution as set out at item no. 5 of the Notice for your approval.

**By order of the Board of Directors**

Place : Pune

Date : 12.05.2020

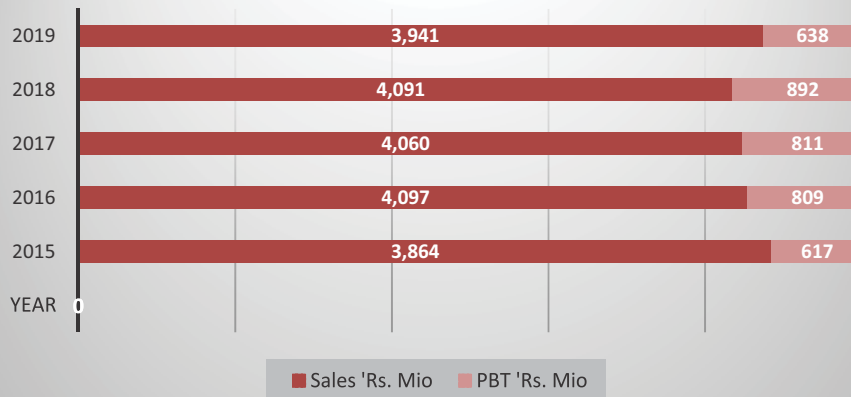
**Abhijit Tikekar**

**Head Legal & Company Secretary**

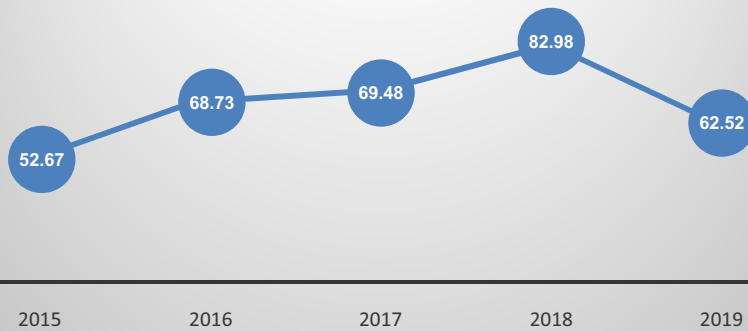
Regd. Office: 147, Mumbai-Pune Road,  
Pimpri, Pune 411018



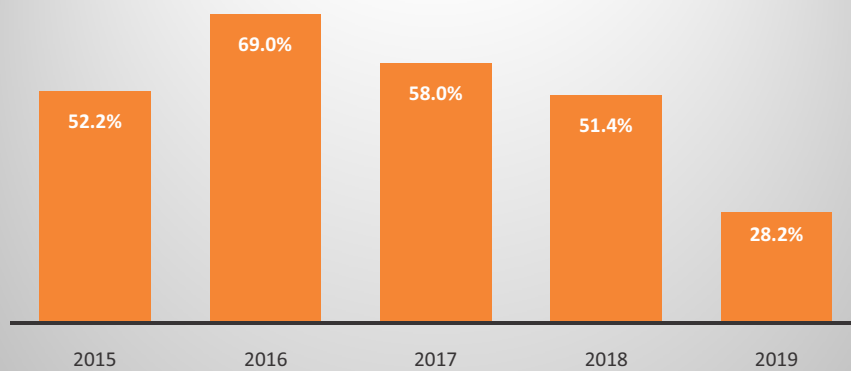
## Sales & Pre tax profit



## Earning per share



## Return on capital employed



## **ELANTAS Beck India Ltd.**

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

[www.elantas.com/beck-india](http://www.elantas.com/beck-india)

A member of  **ALTANA**