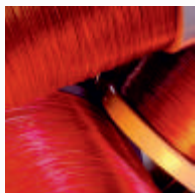




Annual Report 2014



Opening of QC Laboratory at the auspicious hands of Dr. Matthias Wolfgruber, Chairman of the Board and CEO of ALTANA AG



Active Participation in INSULEC 2015, an International Conference organized by IEEMA. Theme: Reliable Insulation Materials + Systems Vision 2020

Enthusiasm at its best: Participation in Pune International Marathon 2014 'Run for Peace'



Board of Directors

Dr. Matthias Wolfgruber
Chairman

Dr. Guido Forstbach

Mr. Martin Babilas
(appointed w.e.f. 06 May 2014)

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Ranjal Laxmana Shenoy

Mrs. Kishori Udeshi
(appointed w.e.f. 06 May 2014)

Mr. Ravindra Kumar
Managing Director

Mr. Sharadkumar Shetye
(retired w.e.f. 27 May 2014)

Executive Management

Mr. Ravindra Kumar
Managing Director

Mr. Sanjay Kulkarni
General Manager – Finance & Materials (CFO)

Mr. Shirish Dabir
DGM - Legal, HRM & Company Secretary

Mr. Milind Talathi
Vice-President- Manufacturing

Mr. Joy Ghosh
Head- Market & Technology Development

Dr. Vinayak Bhanu
General Manager- Research & Development

DGM - Legal, HRM & Company Secretary

Mr. Shirish Dabir

Registered Office & Corporate Office

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

Works

- 1) 147, Mumbai-Pune Road,
Pimpri, Pune 411 018.
- 2) Plot No. 1 (A, B & C) & 122,
GIDC Industrial Area,
Ankleshwar 393 002.

Regional Offices

Bengaluru, Kolkata, New Delhi

Website

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

CIN

L24222PN1956PLC134746

Auditors

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

Internal Auditors

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

Cost Auditors

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

Solicitors

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

Bankers

The Bank of Nova Scotia
HDFC Bank Ltd.

Registrars & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex,
Warehouse No 52 & 53, Plot No 13AB,
2nd Floor, Sakinaka, Andheri (East),
Mumbai 400072.

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Directors' Report

To the Members,

The Directors have pleasure in presenting the Fifty-ninth Annual Report and the Audited Accounts for the financial year ended 31 December 2014.

Financial Highlights

(₹ in lacs)

	Year ended 31.12.2014	Year ended 31.12.2013
Income from operations	34,992.44	31,522.68
Profit before Interest, Depreciation & Tax	5,062.87	5,016.25
Depreciation	542.17	538.04
Interest	23.98	17.79
Profit Before Tax	4,496.72	4,460.42
Provision for tax	1,336.09	1,285.31
Net Profit	3,160.63	3,175.11
Profit & Loss Account brought forward	4,310.92	6,610.91
Profit available for appropriation	7,471.55	9,786.02
Appropriations:		
Proposed dividend	356.75	4,360.23
Tax on Dividend distributed	71.33	797.36
Transfer to General Reserve	316.06	317.51
Carried to Profit & Loss Account	6727.41	4,310.92
	7,471.55	9,786.02
Earnings Per Share of Rs. 10/- each.		
Basic and diluted EPS before extra-ordinary items(not annualized): ₹	39.87	40.05
Basic and diluted EPS after extra-ordinary items (not annualized): ₹	39.87	40.05

Performance

The sales at ₹ 34,008.15 lacs for the year ended 31 December 2014 registered 12.2% growth over the sales of ₹ 30,311.52 lacs for the previous year ended 31 December 2013. In terms of sales quantity, the tonnage sold during the year ended 31 December 2014 increased by 8.4% over the previous year. This, alongwith sales price alignments, stronger rupee for most part of the year, also softening of input costs towards end of the year, helped the Company to report better operating profits. The profit before tax, however showed marginal increase of ₹ 36.30 lacs over the profit before tax posted last year, mainly on account of the lower income from investments which were reduced after the payment of dividends last year.

The Profit before Tax and Profit after Tax were ₹ 4,496.72 lacs and ₹ 3,160.63 lacs respectively.

Share Capital

Share Capital Audit as per the directives of the Securities and Exchange Board of India is conducted on a quarterly basis by V.R. Associates, Practicing Company Secretaries. The Share Capital & Audit Reports are duly forwarded to BSE Ltd. where the equity shares of the Company are listed. During the year ended 31 December 2014, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2014 was ₹ 792.77 lacs comprising of 79.28 lacs shares of ₹10/- each.

Dividend

The Directors are pleased to recommend a dividend of ₹ 4.50 per equity share of ₹ 10/- each, for the year ended 31 December 2014.

Directors

Mr. Sharadkumar Shetye retired from the position of Executive / Wholetime Director with effect from 27 May 2014. The Directors place on record their appreciation of the valuable contribution of Mr. Shetye during his tenure as the Wholetime director of the Company.

Mr. Martin Babilas and Mrs. Kishori Udeshi were appointed as Additional Directors with effect from 06 May 2014. Both Mr. Babilas and Mrs. Udeshi hold the office upto the date of the ensuing Annual General Meeting. The Directors propose the appointment of Mr. Suresh Talwar and Mrs. Kishori Udeshi as Independent Directors for a period of five years from the date of

approval of the Members in the forthcoming Annual General Meeting. The Directors also propose the appointment of Mr. Martin Babilas as a Director, liable to retire by rotation. Dr. Guido Forstbach is liable to retire by rotation, but being eligible, offers himself for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms and conditions of appointment of the Independent Directors are incorporated on the website of the Company at <http://www.elantas.com/beck-india>.

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

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

Remuneration Policy

The Board, on recommendation of Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The Policy is also available on the website of Company i.e. <http://www.elantas.com/beck-india>.

Corporate Governance

Report on Corporate Governance and the Auditors' Report thereon, as stipulated under Clause 49 of the Listing Agreement, is given separately in this Annual Report.

Whistle Blower Policy

The Company has established a vigil mechanism named as Whistle Blower Policy within the Company.

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

Corporate Social Responsibility Committee

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

The Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, in the current year 2015.

Related Party Transactions

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

All RPT are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature.

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

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

Listing on Bombay Stock Exchange

The Company's shares are listed on BSE Ltd.

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with appropriate explanations relating to material departures.
2. The accounting policies have been consistently applied, and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014, and the profit for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules 2014, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the financial year 2015 on a remuneration to be fixed by the Members, in the forthcoming Annual General Meeting. Accordingly, a resolution for payment of remuneration to Dhananjay V Joshi & Associates, Cost Accountants, is included at Item No. 8 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year ended 31 December 2013 which was due for filing on 29 June 2014, was filed with MCA on 27 June 2014.

Auditors

BSR & Co. LLP, Chartered Accountants, Pune, have been appointed as the Statutory Auditors, by the Members of the Company in its Annual General Meeting held on 06 May 2014 to hold office upto the conclusion of the Annual General Meeting to be held in the year 2017. The Board and Audit Committee recommend ratification of the appointment of Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The Company has received a letter from retiring Auditors to the effect that their re-appointment, if carried out, would be within the prescribed limits under Section 224 of the Companies Act, 1956.

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

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

Green Initiative

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

Sexual Harassment of Women at Workplace

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Compliance on Minimum Public Shareholding

In order to be compliant with the SEBI requirement on minimum public shareholding of 25%, the Promoters, ELANTAS GmbH made in March, 2014 an 'Offer for Sale' to the public on BSE Ltd., for 269,109 equity shares of ₹ 10 each, aggregating to 3.39% of the total paid up equity share capital of the Company, through Stock Exchange mechanism, which met with success and the shareholding of the Promoters stood reduced from 78.39% to 75%. Thus the Company is compliant with the minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957 as amended, read with Clause 40 A of the Listing Agreement.

Particulars of Employees

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

Industrial Relations

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

Acknowledgments

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

The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated 4 April 2014 clarified that the Financial Statements and the documents required to be attached thereto, the Auditors' and Board Report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, Schedules and Rules made thereunder. Accordingly, the Financial Statement and the Auditors' Report as aforesaid are prepared as per the requirements of the Companies Act, 1956, and also in compliance with the disclosure requirements of Clause 49 of the Listing Agreement as revised.

For and on behalf of the Board

Mumbai
24 February 2015

Suresh Talwar
Director

Ravindra Kumar
Managing Director

Annexure A to the Directors' Report

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

- Installation of a Waste Heat Recovery System from Thermic Fluid heater flue gases to produce hot water and reduce natural gas consumption at Ankleshwar
- Storage of Mesitol in molten stage thereby eliminating drumming charges and re-melting operations at Ankleshwar
- Installation of a bulk Storage Tank for Cresols to reduce external drumming costs as well as save on drum transport & handling at Ankleshwar
- Recycling of thermic fluid pumps gland cooling water instead of draining to ETP at Ankleshwar
- Installation of Oil Vacuum pumps to replace water-jet ejector vacuum pumps to save power and water consumption at Pimpri
- Installation of 8 nos. energy efficient thermic fluid circulation pumps at Pimpri
- Replacement of old chilling plant by an energy efficient chilling plant at Pimpri
- Installation of variable frequency drives for equipments at Pimpri
- Stoppage of old R & D Thermic heater & increasing occupancy of running process Thermic heater for achieving higher efficiency at Pimpri
- Stoppage of old inefficient steam boiler & transferring entire load to existing efficient boiler at Pimpri
- Installation of transparent roofing sheets for higher illumination & reduced lighting costs at both sites

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

- Re-aligning production activities including debottlenecking to save on utilities and increase in productivity at Pimpri and Ankleshwar
- Installation of 3 nos. Bulk Cresol Storage Tanks at Ankleshwar to (i) eliminate external drumming operations, (ii) reduce drum transport & handling and (iii) to increase productivity
- Installation of Bulk Storage Tank for Epoxy to reduce drumming activities, reduce re-melting activities, enable faster charging to the reactors thereby reducing overall energy requirements at Pimpri

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

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

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

	Year ended 31 December 2014	Year ended 31 December 2013
a. POWER & FUEL CONSUMPTION		
1) Electricity		
a) Purchased Unit (KWH in lacs)		
Total KWH	29.10	27.60
Total amount (₹ in lacs)	200.50	186.08
Rate / KWH (₹)	6.89	6.74
b) Own generation		
(i) Through Diesel generator		
Units (KWH in lacs)	0.81	0.62
Units per ltr. of Diesel Oil	3.42	3.37
Cost / Unit (₹)	19.20	16.96
(ii) Through Steam turbine / generator		
Units (KWH)	-	-
Units per ltr. of fuel oil / gas	-	-
Cost / Unit (₹)	-	-
2) Coal		
Quantity (Tonnes)	-	-
Total amount (₹ In lacs)	-	-
Average Rate (₹ / MT)	-	-
3) Furnace Oil (LDO/HSD)		
Quantity (K. ltrs.)	309.00	276.00
Total amount (₹ In lacs)	197.07	179.93
Average Rate (₹ / KL)	63,777.00	65,192.00
4) Natural Gas		
Quantity (KM3)	561.00	579.00
Total amount (₹ In lacs)	221.58	206.37
Rate (₹/ KM3)	39,497.00	35,642.00
b. CONSUMPTION PER M.T. OF PRODUCTION		
Products : Wire Enamels, Impregnating Varnishes & Synthetic Resins		
Electricity (KWH)	158.65	159.33
Furnace Oil in ltrs. (LDO/HSD)	16.38	15.56
Coal	-	-
Natural Gas	29.78	32.66
Others	-	-

B TECHNOLOGY ABSORPTION

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

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

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

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

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

- Development of Poly amide imide and Solderable polyurethane wire enamels
- Introduction of polyurethane adhesive potting compounds for industrial air filters

- Unsaturated polyester resin for trickle impregnation of small industrial motor
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents

3. Future plan of action.

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

4. Expenditure on R & D

(₹. in Lacs)

	Year ended 31.12.2014	Year ended 31.12.2013
(a) Capital	11.76	24.51
(b) Recurring	376.73	361.21
(c) Total	388.49	385.72
(d) Total R & D expenditure as a percentage of total turnover	1.02	1.14

5. Technology absorption, adaptation & innovation:

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

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

Technology imported	Year of import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of PAI primer wire enamel Technology from affiliate company in Italy.	2013	Yes	-
Absorption of filled solventless polyesterimide varnish technology from affiliate company in USA.	2013	Yes	-
Absorption of PAI Wire Enamel insulating technology from affiliate company, in Italy.	2014	No	2015

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Annexure B to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended 31 December 2014.

Name	Designation	Gross Remuneration Subject to tax (₹)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	14,228,968	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	42/18	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
Mr. Sharadkumar Shetye *	Director- Manufacturing	2,728,631	B.Tech.(Chemical Engg.) D.B.M., M.M.S.	65/43	20.10.1971	-

* Retired with effect from 27 May 2014.

Notes:

1. The Company has agreement of employment with its Directors. The Agreements are terminable with a notice of six months on either side.
2. Gross remuneration includes allowances, Company's contribution to provident and superannuation funds, provision for medical entitlement as per Company's rules, monetary value of perquisites calculated as per Income Tax Act / Rules and does not include provisions for leave encashment, premium for gratuity and group insurance.
3. None of the above two employees is a relative of any Director of the Company.

Management Discussion & Analysis Report

In the year 2014, the seeds of much needed sustainable economic stability were sown, with a Government enjoying clear majority coming to power at the centre, after a two decade long of coalition politics.

While with this change, the future could be viewed with a certain degree of optimism, the year 2014 proved to be as tumultuous as the preceding one, particularly against the backdrop of:

- Subdued manufacturing growth leading to overall depressed demand.
- Tweaked input costs.
- Continued suboptimal capacity utilization of the user industry.
- Increasing imports of Electrical Equipment contracting the local production of electrical equipments.
- Sharp fall in global oil price levels towards the end of 2014, leading to a mismatch between market expectations and extent of softening of input costs.

Against these odds, your Company could deliver a satisfactory financial performance in terms of top and bottom line growth. This significant achievement was possible due to combination of proactive measures such as:

- Appropriate 'value proposition' through continuous value engineering.
- Fine tuning the product offering thru favorable product mix.
- Exploiting the global synergies.
- A sharp focus on product development through a close coordination between application engineering and Research & Development.
- Timely price correction.

The above measure ensured that your Company continues to maintain its dominant market position in the business lines of Primary & Secondary Insulation while significantly improving its market position in the business line of Electronic & Engineering Materials.

Segment wise Performance

Electrical Insulation Systems

- The EIS Business, covering business lines PI and SI, forms a major element of Company's business contributing by over 80% to the Company's total sales revenue. This business also constitutes the core business of your Company.
- The major segments that are being catered through EIS are Magnet Wire Industry and Original Equipment Industry covering a host of electrical equipments such as rotating machines, transformers etc. besides a major chunk of repair segment.
- The year under review has been quite challenging, with majority of the end use segment which includes replacement market languishing for want of demand leading to low capacity utilization.
- At the same time, the increased incidence of imports of Electrical Equipments especially from China has not exactly helped in growth of Original Equipment Manufacturers.
- Added to this, beginning with Q4, with price of Copper going southwards, the winding wire industry resorted to production cutbacks to avoid any possible losses on inventory.
- The fall out of Crude Oil softening in excess of 50%, during 2nd half has had its impact on market sentiments leading to a virtual price war for price elastic commodity segment that your Company is dealing in, besides clamor for overall price correction. Your Company too had to go in for a selective price correction, yet without any value erosion.
- Against all these adversities, the EIS performance during 2014 stands out representing 9% sales revenue growth over 2013.
- This achievement was possible with timely introduction of new products of judicious value proposition through tradeoffs between volumes and margins.

Going forward the emerging market looks quite buoyant with:

- Government's resolve to prioritize power segment.
- Projected installed capacity of power generation by 2022, to be in the region of 400 GW.
- Per capita electricity consumption which is less than 1/3rd of Global Average is expected to go up.
- Setting up of "Smart City", a concept which is bound to push the infrastructure demand including downstream electrical equipment.

Your Company is well equipped to address the possible demand spurt in an effective fashion, ensuring in the process, sustained market leadership in the EIS segment.

Electronic & Engineering Materials

E&EM business comprises of business lines:

- Electronic & Electrical (EL) Compounds
- Construction chemicals

The E&EM business contributed about 18.4% of the total sales revenue during the year under review.

The growth potential for EL products is high, in view of specialty product offerings for Electronics, Auto Electricals, Capacitors, Filters & High Voltage applications. The EL business is identified as the thrust area for growth in the Company.

Company's specialty products based on newer chemistries of Epoxy & Polyurethane have been well received by the Auto electric component manufacturers mainly for two & three Wheeler industries. OEM customers are replacing the imported Epoxy & Polyurethane compounds by our in-house developed systems based on indigenous raw materials. Active help from European & US affiliates of ELANTAS has aided in speeding the development process and offer better products.

In addition to conventional electronic & electrical applications, newer areas are being explored like adhesives & sealing compounds for RO/UV filtration membranes, LED potting, advanced battery adhesives etc. The initial response from the industry has been very encouraging. These products are based on specialized chemistries & have good opportunities in upcoming markets.

To keep pace with the changing global needs, Company is well equipped to develop and supply speciality products meeting technical specifications with active support from global technology network within ELANTAS group. The Company offers environmentally safe 'RoHS & REACH' compliant products to meet specific customer demand.

Company offers UL (Underwriters Laboratory, USA) listed products to Electronic & Electrical manufacturer's targeting export to USA & other countries.

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

Current Future & Outlook

On the background of political stability & economic sustainability, the overall and specific business outlook of your Company, looks positive.

Some of the emerging positives perceived by your Company are:

- Domestic demand is likely to go up with increased spending caused due to lowering of the inflation combined with sharp reduction in oil prices.
- Lower fuel subsidies along with repeated fuel tax hikes gives the necessary elbow room to the Government to boost the fortunes of infrastructure and manufacturing segment, the key segments under focus.
- The availability of coal is now most likely to improve in the near future giving positive outlook to power sector.
- Government's commitment to "Make in India" might lead to possible tax sops for Manufacturing Segment along with correction to inverted duty structure.
- A visible shift from 'cooperative' to 'competitive' federalism attracting more and more investors.
- Last, but not the least, Central Government is also committed to:
 - High Growth Trajectory
 - Predictable Tax Regime
 - Fiscal Prudence
 - Rapid Infrastructure Development
 - Accelerated reforms in Power, Energy, Railways, and Ports etc.
 - GST roll out

Your Company is already well positioned with necessary organizational restructuring to capitalize on emerging opportunities as listed above.

At the same time, the timely delivery of commitment is equally critical to support these upbeat sentiments. Your Company therefore prefers to view the outlook with cautious optimization.

Risks, Opportunities and Threats

The Company aims to address the opportunities offered and threats posed by its business environment strategically by maintaining a sustainable and robust business model and continually improving on them. The risk canvas is revisited periodically by the Company together with the help of the Internal Auditors and presented to the Board together with appropriate mitigation plans and their status. Some of the risks, opportunities and threats in the Company radar are detailed below:

Risks

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

Opportunities

- Stable government may improve the outlook of the economy which may benefit the industry as a whole
- Power and infrastructure sector expected to get impetus in the coming years
- Structural economy reforms e.g. GST
- Opportunities in adjacent lines of business.

Threats

- Increasing level of competition in the Indian market
- Imports of electrical equipments mainly from other Asian countries
- Attracting and retaining human capital

Company Performance:

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

- As explained earlier, the challenging extraneous factors including subdued demand notwithstanding sales of your Company stood at 19049 t valued at INR 34,008.15 Lacs reflecting YoY growth of 8.4% by volume and 12.2 % by value.
- Similarly, the profit before tax at ₹ 4,496.72 Lacs representing an improvement of 0.8% over Y2013.
- Net cash flows from operating activities during the year at ₹ 3,061.92 Lacs were higher as compared to ₹ 2,321.77 Lacs during the previous year.
- The Net Working Capital, a key performance indicator, stood at 74 days as of 31 December 2014 as against 86 days as of 31 December 2013.

Internal Control Systems

The Company has appropriate Internal Control Systems for business processes, financial reporting & controls, compliance with applicable laws, regulations etc.

Regular internal audits and checks ensure that system and procedures are continuously improved. The Audit Committee of Board of Directors reviews the adequacy and effectiveness of Internal Control Systems and suggests ways of further strengthening them from time to time.

Technical Management and Infrastructure Development

In keeping with its belief that significant growth potential exists over a long term in its product segments, the Company has upgraded the infrastructure at its manufacturing sites to manufacture and supply larger volumes of products to customers. Such up-gradation includes completion of projects, realignment of products at both sites & overall modernization of facilities. This has paved the way for more efficient production.

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

- Preparation of a Master Plan for Manufacturing for both sites considering potential market requirements over the next few years
- Relocation of equipments in-line with the Master Plan to enable better supervisory control and higher efficiencies.
- Capacity enhancement through improvements in the filtration process for PVF Enamels.
- Capacity enhancements through various debottlenecking measures
- Upgradation of the quality control facilities at Ankleshwar site
- Recovery of waste heat from flue gases
- Upgradation of the Distributed Control System (DCS) & addition of process automation for ensuring product consistency.
- Installation of level sensors to ensure accurate transfer of material

Various steps have been initiated at both sites to enhance production capacities as well as carry out modernisation activities in order to cater to the market potential for the Company's products. These steps will be completed in the coming months, the results of which will be visible in the coming years. Besides this, the Company undertook technical improvements in plant engineering and manufacturing processes by benchmarking with its overseas affiliates. Technical and Operations related focused groups established under the stewardship of ALTANA and ELANTAS, Germany, devote their efforts exclusively for

ensuring optimization of the production methods & processes towards energy conservation and safety. The Company regularly participates in the deliberations of these focused groups across all sites.

Technical improvements in plant engineering and manufacturing processes aimed at optimizing running costs, reducing energy costs, enhancing plant effectiveness, improving EH&S standards and raising product performance are ongoing. A new plant scheduling software is being installed which is expected to further enhance capacity utilization. The Company is shortly embarking on an integrated Excellence Program to increase customer satisfaction levels by improving key processes & to create a culture for continuous improvement.

Quality, Environment Management and Occupational Health & Safety.

The Company is fully committed to strengthen the process of Quality, Environment, Occupational Health and Safety Management. It implements practicable steps to protect the health and safety of its employees and the community, as well as to ensure that its products and processes do not cause any adverse impact on environment. It believes that sustainable development is possible only through conscious steps taken to reduce energy consumption, adoption of eco-friendly processes and avoiding wasteful use of scarce natural resources. Among note-worthy achievements this year was the successful launch & completion of a Safety Awareness Campaign across both sites. Secondly implementation of the waste heat recovery unit has helped reduce natural gas consumption.

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

Research & Development

The process of innovation is very important to the Company's operations. R&D is an important part of the Company's innovation endeavour, which helps to create value through continuous product development and process upgradation. Recent move to set up a new Research group as well as a market oriented MTD team is expected to help the company to focus on long term research objectives as well as concentrate on short term projects and better connection with the customers.

The Company's active participation in ALTANA's global R&D initiatives also allows it to have ready access to recent technological developments in the processing, application and end use of insulation products.

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

The developmental activity in EL compounds business is showing enhanced responsiveness, with a variety of products developed in the last few years.

The R&D team is engaged in a wide range of activities aimed at maintaining technological edge, providing effective solutions to the customers, improving internal productivity through process improvements by using alternative raw materials.

Human Resources/ Industrial Relations

In its attempt to emerge as a strong function playing a 'strategic' role in the Company's functioning, the Human Resources Function is undergoing a kind of 'metamorphosis', with emphasis on development of processes & policies which could be comparable with the best in the Industry.

At the same time, the Company's approach towards development of capable & result oriented workforce has been continual and focused. Realizing the need to enhance the technical skills of its personnel to meet the customer demands and to remain competitive in the market, a special emphasis is being laid on development of skilled manpower by providing them exposure to participate in training programs and their deputation abroad at its Group Company's locations to learn & adapt to developing technologies. As on date, the number of employees is 177.

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
24 February 2015

Suresh Talwar Ravindra Kumar
Director Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

1. ELANTAS Beck's philosophy on Corporate Governance:

The Company, over the years, has strived for continued excellence in practicing best principles of corporate governance. The Company has fostered a culture in which it has developed a legacy of high standards of integrity, ethical behaviour, individual accountability and transparent disclosures.

The Company's actions are governed by its values and principles, which are reinforced at all levels within the Company and shared by its Board of Directors, management and employees.

The Company, being a value-driven organization, aims to safeguard the interests of all the shareholders & other stakeholders, by following the key principles of established governance in the protection of stakeholders' wealth and enhancing it through proper utilization of resources.

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

2. Board of Directors

(a) Composition and functioning:

The Board comprises of eight Directors, complying with the conditions for the composition of the Board, such as, at least one Woman Director and not less than 50% comprising Non-Executive directors. Dr. Matthias Wolfgruber is the Non-Executive Chairman and Mr. Ravindra Kumar is the Managing Director. Dr. Guido Forstbach and Mr. Martin Babilas are Non-Executive Overseas Directors. Mr. Suresh Talwar, Mr. Ravindra Kulkarni, Mr. Ranjal Laxmana Shenoy and Mrs. Kishori Udeshi are Non-Executive Independent Directors.

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

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

Name of Director	Other Directorships	Other Committee Memberships (including Chairmanships) #	Other Committee Chairmanships #
Dr. Matthias Wolfgruber *	-	-	-
Dr. Guido Forstbach *	-	-	-
Mr. Martin Babilas * @	-	-	-
Mr. Suresh Talwar **	34	9	3
Mr. Ravindra Kulkarni **	10	15	2
Mr. Ranjal Laxmana Shenoy **	1	2	1
Mrs. Kishori Udeshi ** @	5	10	1
Mr. Ravindra Kumar *** \$	-	-	-

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

@ Appointed as Additional Director with effect from 06 May 2014

\$ Appointed as Managing Director with effect from 01 January 2014

Memberships of Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Share Transfer Committee of all Public Limited Companies have been considered.

Note:

Mr. Sharadkumar Shetye retired from the position of Executive Director with effect from 27 May 2014.

No director serves as an Independent Director in more than seven listed companies.

Dr. Guido Forstbach offers himself for re-appointment in the forthcoming Annual General Meeting.

(b) Meetings and Attendance:

- (i) During the financial year ended 31 December 2014, five Board meetings were held on 26 February, 6 May, 23 June, 29 July, and 13 November.
- (ii) The Directors attended the meetings as follows:

Name of Director	Meetings held during the tenure of Director	Meetings attended	Last AGM
Dr. Matthias Wolfgruber	5	1	No
Dr. Guido Forstbach	5	1	No
Mr. Martin Babilas *	3	1	N.A.
Mr. Suresh Talwar	5	5	Yes
Mr. Ravindra Kulkarni	5	5	Yes
Mr. Ranjal Laxmana Shenoy	5	5	Yes
Mrs. Kishori Udeshi *	3	3	N.A.
Mr. Ravindra Kumar **	5	4	Yes
Mr. Sharadkumar Shetye ***	2	2	Yes
* Appointed with effect from 06 May 2014			
** Appointed as Managing Director with effect from 01 January 2014			
*** Retired with effect from 27 May 2014			

(c) Information placed before the Board:

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

- annual operating business plans, Capital & Revenue budgets and updates thereto
- business performance and financial results on a quarterly/ yearly basis
- business environment and relevant industry analysis
- investment of operating surpluses in mutual funds & bank deposits and the performance of such investments
- quarterly, year end results of the Company including its segment-wise break-up
- appointment of statutory, internal and cost auditors
- observations of the internal auditor and issues related to internal controls and business process improvement
- minutes of the Audit Committee and of other Committees' Meetings
- position of accounts receivable, inventories and other significant items of working capital
- any materially significant default in discharge of financial obligations by and towards the Company
- status of pending litigations by and against the Company and position of contingent liabilities
- materially important show cause, demand and penalty notices
- significant developments in the area of human resources management and industrial relations, labour problems and their proposed solutions, signing of wage agreement, implementation of VRS etc.
- details of the insurance programme implemented by the Company
- related party transactions for approval
- issue / revocation of Power of Attorney
- significant capital expenditure projects
- business risks with focus on specific risks faced by the Company as laid down in its Risk Management Manual and also risks in general
- information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- sale of material nature of investments, assets, not in the normal course of business
- information on other relevant matters requiring the approval of the Board
- non-compliance of any regulatory, statutory or listing requirements, if any

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

(d) Remuneration Policy:

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

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

Details of remuneration of Executive Directors for the year ended 31 December 2014:

(₹ in lacs)

Name and Designation	Salary	Perquisites (Benefits)	Performance Linked Incentive	Retirement Benefits P.F & Superannuation	Total	Term of Appointment
Mr. Ravindra Kumar (Managing Director)	42.25	60.63*	28.00	11.41	142.29	3 Years from 01 January 2014
Mr. Sharadkumar Shetye (Director-Manufacturing) Retired w.e.f. 27 May 2014	10.17	7.82	6.64	2.65	27.28	1 Year from 28 May 2013
Total:	52.42	68.45	31.64	14.06	169.57	

*Includes ₹ 46.33 lacs towards reimbursement of one time relocation charges.

Notes:

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

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

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

Details of remuneration of Non-Executive Directors for the year ended 31 December 2013:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	230,000	350,000
Mr. Ravindra Kulkarni	230,000	350,000
Mr. Ranjal Laxmana Shenoy	230,000	350,000
Mrs. Kishori Udeshi	90,000	233,333
Total:	780,000	1,283,333

Policy for selection and appointment of Directors and their remuneration.

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

Familiarization Program:

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

3. Board Committees:

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

(a) Audit Committee:

During the financial year ended 31 December 2014, six Audit Committee meetings were held on 26 February, 6 May, 23 June, 29 July, 13 November and 23 December.

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

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

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

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

- 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. qualifications in the draft audit report
- reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- approval or any subsequent modification of transactions of the company with related parties
- valuation of undertakings or assets of the company, wherever necessary
- evaluation of internal financial controls and risk management systems
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- reviewing the adequacy of internal audit function and frequency of internal audit
- discussion with internal auditors of any significant findings and follow up thereon
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- to look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors
- to review the functioning of the Whistle Blower mechanism
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- recommendation of the appointment of statutory/ internal/ cost auditors and their remuneration
- reports of Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors.
- Internal Audit Programme & procedures and its approval and implementation
- status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management
- compliance with regulatory guidelines

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
- internal audit reports relating to internal control weaknesses

- details, if any, of cheques bounced and consequent action taken
- compliance with respect to Clause 49 of the Listing agreement
- position of overdue / doubtful book debts and action plans for collection
- appointment, removal and terms of remuneration of the Internal auditors subject to review by the Audit Committee.

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	6	6
Dr. Guido Forstbach	6	1
Mr. Suresh Talwar	6	6
Mr. Ranjal Laxmana Shenoy	6	6

(b) Stakeholders Relationship Committee and Share Transfer Committee

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

The Committee is chaired by Mr. Ranjal Laxmana Shenoy. Mr. Shirish Dabir is the Compliance Officer.

In the absence of the Chairman, the members present elect one amongst themselves to chair the meeting of the Committee. During the year ended 31 December 2014, fourteen meetings were held. As of 31 December 2014, there were no unresolved investor complaints pending and no shares pending transfer.

Transfer of shares held in physical mode is processed by Sharepro Services (India) Pvt. Ltd. and approved by the Share Transfer Committee. Transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects. The Share Transfer Committee of the Company normally meets at fortnightly intervals for approval of share transfers, received if any, and other related matters. As on 31 December, 2014, no request for transfer of shares was pending.

Scope of the Stakeholders Relationship Committee

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

(ii) Complaints:

Number of Investor Complaints received during the period 1 January 2014 to 31 December 2014:	4
Number of Investor Complaints not solved to the satisfaction of shareholders during the period 1 January 2014 to 31 December 2014:	0
Number of Investor Complaints pending at the end of the period 1 January 2014 to 31 December 2014:	0

c) Committee for issue of duplicate share certificates

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

Scope:

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

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

d) Nomination & Remuneration Committee

The Board has constituted a separate Nomination & Remuneration Committee comprising Mr. Suresh Talwar (Non-Executive Independent), Dr. Guido Forstbach (Non-Executive) and Mr. Ravindra Kulkarni (Non-Executive Independent), satisfying the conditions for composition of the Committee such as at least three Non-Executive Directors, half of the members being Non-Executive Independent, and Chairman of the Committee being an Independent Director, for reviewing and approving the

compensation payable to the Executive & Non-Executive Directors and Key Managerial Personnel, as considered by the Board within the overall limits approved by the Members.

One meeting of the Committee was held during the year.

The Nomination & Remuneration Committee has the following objectives:

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

e) Risk Management Committee

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

The Company has put in place a comprehensive Enterprise Risk Management Manual which contains an in-depth evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Company has categorized its risks into three major categories viz. Financial, Strategic and Operational risks. The job of the Committee is to review risks like Fire & Explosion, Effluent/Gas leakages, Use of Wrong Materials, Accidents and Liability Suits.

f) Corporate Social Responsibility Committee

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

The Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013, in the current year 2015.

4. Other Information:

(a) Code of Conduct:

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

(b) CEO/CFO Certificate

A certificate from the Managing Director and CFO (General Manager- Finance & Materials) on the integrity of the financial statements and other matters of the Company for the financial year ended 31 December 2014 was placed before the Board at its meeting held on 24 February 2015.

(c) General Body Meetings:

(i) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place
31 December 2011	18 April 2012	3.30 p.m.	Hall No.4, 'A' Wing, 5 th Floor,
31 December 2012	29 April 2013	3.30 p.m.	MCCIA Trade Tower, ICC Complex,
31 December 2013	06 May 2014	3.30 p.m.	Senapati Bapat Road, Pune 411016.

(ii) One Special Resolution regarding payment of remuneration by way of commission to Non-Executive Independent Directors, was passed at the Annual General Meeting held on 29 April 2013.

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

(d) Postal Ballot

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

(e) Disclosures:

- In terms of the requirements of Accounting Standard 18 on Related Party Disclosures issued by the Companies (Accounting Standard) Rules, 2006, transactions with related parties have been adequately disclosed in Note No. 37 in Notes to accounts forming part of the Balance Sheet as at 31 December 2014. There were no transactions of material nature with the Directors or the management or relatives during the year that might have potential conflict with the interests of the Company.
- There have been no instances of any personnel seeking access to the Audit Committee

- None of the Directors hold equity shares or convertible instruments in the Company
- The Company is complying with the mandatory requirements and adoption of the non-mandatory requirements under Clause 49

f) Non mandatory Compliances under Clause 49.

- 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.
- Audit Qualifications: 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 Auditor: The Chairman of the Company and the Managing Director are different persons
- Reporting of the Internal Auditors: The Internal Auditors attend the Audit Committee meetings and submit their Report with details and actions to be taken.

(g) Business Risk Management

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. Company’s Enterprise Risk Management Manual identifies risks, its likelihood, impact and mitigation methods.

(h) Independent Directors’ meeting was held on 24 February 2015.

(i) Means of Communication:

The quarterly and annual financial results of the Company are announced within the stipulated period from the end of the respective quarter and are published in the following newspapers viz. Loksatta (Marathi edition in Pune), Free Press Journal (English edition in Mumbai) & Navashakti (Marathi edition in Mumbai), having requisite circulation. The financial results and other major events/ developments concerning the Company are also posted on the Company’s website <http://www.elantas.com/beck-india>.

5. General Shareholders’ Information:

(a) Company Registration details:

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

(b) 59th Annual General Meeting:

Day, Date & Time	Wednesday, 6 May 2015 at 3.30 p.m.
Place	Hall No. 4, ‘A’ Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016.
Dates of Book Closure	From Wednesday, 29 April 2015 to Wednesday, 6 May 2015 (both days inclusive).
Dividend payment date	On Wednesday 3 June 2015, if declared in the Annual General Meeting on 6 May 2015, within the stipulated statutory period.

(c) Unclaimed dividends:

- Pursuant to Sections 205A and 205C of the Companies Act, 1956, all unclaimed/unpaid dividend/s remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment, has to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- Following table gives information relating to outstanding dividend amount and date when it becomes due for transfer to IEPF in the year 2015.

Financial Year	Dividend payment date	Unclaimed/unpaid dividend (Y2007) as on 31.12.2014	Proposed date for transfer to IEPF
Y 2007	18.06.2008	₹ 2,52,292/- *	18.06.2015 **
* This amount may undergo change in case of any claims received by the Company after 31.12.2014. ** Indicative date and actual date may vary.			

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

(d) Company's financial year:

01 January to 31 December

(e) Listing on Stock Exchanges:

The Company's shares are listed on BSE Ltd. The Company has paid the listing fees for the period 1 April 2014 to 31 March 2015.

(f) Stock Performance:

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

Year 2014	Price of Equity Shares of the Company			Sensex		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close
January	564.80	469.00	488.45	21,409.66	20,343.78	20,513.85
February	549.00	470.00	544.00	21,140.51	19,963.12	21,120.12
March	598.20	513.30	583.30	22,467.21	20,920.98	22,386.27
April	689.00	583.00	604.40	22,939.31	22,197.51	22,417.80
May	650.15	550.10	628.10	25,375.63	22,277.04	24,217.34
June	744.00	621.80	724.05	25,725.12	24,270.20	25,413.78
July	765.00	671.70	673.95	26,300.17	24,892.00	25,894.97
August	870.90	650.00	863.85	26,674.38	25,232.82	26,638.11
September	945.00	819.90	845.60	27,354.99	26,220.49	26,630.51
October	878.50	777.00	868.50	27,894.32	25,910.77	27,865.83
November	904.00	816.00	864.85	28,822.37	27,739.56	28,693.99
December	1,118.00	847.15	988.80	28,809.64	26,469.42	27,499.42

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

(g) Share Transfer System:

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

(h) Registrars and Share Transfer Agents:

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

(i) Dematerialisation:

As of 31 December 2014, 7,785,825 shares i.e. 98.21% of the Company's total issued, subscribed and paid-up capital were held in dematerialised form.

(j) Distribution of Shareholding as of 31 December 2014:

Shareholding	No. of shareholders	No. of shares	% to total
Less than 500	7,671	659,359	8.31
501 to 1000	197	154,923	1.96
1001 to 2000	96	141,966	1.79
2001 to 3000	15	37,648	0.48
3001 to 4000	12	41,531	0.52
4001 to 5000	4	18,448	0.23
5001 to 10000	26	182,966	2.31
10001 and above	22	6,690,841	84.40
Total:	8,043	7,927,682	100.00

(k) Shareholders' Profile as on 31 December 2014:

Class of Shareholder	No. of shares	% to total
Promoters' Group	5,945,761	75.00
Mutual Funds and UTI	306,955	3.87
Banks, Financial Institutions, Insurance Companies	50	0.00
Private corporate bodies (including Foreign Institutional Buyers: 92,206 shares)	418,935	5.29
Individuals (including NRIs: 25,151 shares)	1,255,981	15.84
Total:	7,927,682	100.00

(l) Compliance with the Minimum Public Shareholding Requirement:

In order to be compliant with the SEBI requirement on minimum public shareholding of 25%, the Promoters, ELANTAS GmbH made in March, 2014 an 'Offer for Sale' to the public on BSE Ltd., for 269,109 equity shares of ₹ 10 each, aggregating to 3.39% of the total paid up equity share capital of the Company, through Stock Exchange mechanism, which met with success and the shareholding of the Promoters stood reduced from 78.39% to 75%. Thus the Company is compliant with the minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957 as amended, read with Clause 40 A of the Listing Agreement.

SEBI passed an order dated 27 May, 2014 specifying that the Company had not complied with the minimum public shareholding requirement within the stipulated date i.e., by 03 June 2013 and hence the matter was referred for adjudication proceeding. The Company has filed its consent application on 16 September 2014 with SEBI. SEBI issued a Notice dated 17 October 2014 on the Company appointing Adjudicating Officer for holding enquiry. Further SEBI, vide its letter dated 20 October 2014, directed the Company to correct the deficiencies in the Consent Application, in reply to which the Company filed revised Consent Application on 7 November 2014.

The matter is pending before SEBI for disposal of the Consent Application.

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

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

- 147, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra. [Tel: (020) 30610666]
- Plot No.1 (A, B & C) & 122, GIDC Industrial Area, Ankleshwar 393002
Dist: Bharuch, Gujarat. [Tel: (02646) 304736]

(ii) Registered Office:

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

(iii) Address for correspondence:

In respect of transactions relating to shares:

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex,
Warehouse No 52 & 53, Plot No 13AB, 2nd Floor,
Sakinaka, Andheri (East), Mumbai 400072.
Tel: (022) 67720300/347
Fax: (022) 28591568

In respect of any other matter:

ELANTAS Beck India Ltd.
147, Mumbai-Pune Road, Pimpri, Pune 411018.
Tel: (020) 30610800

For and on behalf of the Board

Mumbai
24 February 2015

Suresh Talwar
Director

Ravindra Kumar
Managing Director

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

To the Members of
ELANTAS Beck India Limited

We have examined the compliance of conditions of corporate governance by ELANTAS Beck India Limited ("the Company") for the year ended 31 December 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248WW-100022

Vijay Mathur
Partner
Membership No.: 046476

Mumbai
24 February 2015

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31 December 2014 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ELANTAS Beck India Ltd.

Mumbai
24 February 2015

Ravindra Kumar
Managing Director/ CEO

Sanjay Kulkarni
General Manager- Finance & Materials/ CFO

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

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 December 2014.

For ELANTAS Beck India Ltd.

Mumbai
24 February 2015

Ravindra Kumar
Managing Director

Independent Auditors' Report

To the Members of
ELANTAS Beck India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ELANTAS Beck India Limited** ("the Company"), which comprise the Balance Sheet as at 31 December 2014, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the Directors of the Company as on 31 December 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 December 2014 from being appointed as a Director in terms of sub-section (2) of Section 164 of the Companies Act 2013.

For BSR & Co. LLP

Chartered Accountants

Firm Registration No: 101248WW-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

24 February 2015

Annexure to the Independent Auditors' Report – 31 December 2014

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of ELANTAS Beck India Limited ('the Company') on the financial statements for the year ended 31 December 2014, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
(b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 / section 189 of the Companies Act, 2013 (as applicable).
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialized requirements and sale of certain goods are for the specialized requirements of the customers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods & services. We have not observed any major weakness in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956 / Section 189 of the Companies Act, 2013 (as applicable).
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 / Section 128 (1) read with Section 148 (1) of the Companies Act, 2013 in respect of Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Wealth Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 December 2014 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs Duty and Excise duty other than the dues listed in Appendix I, which have not been deposited by the Company on account of disputes.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

Annexure to the Independent Auditors' Report – 31 December 2014 (Continued)

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

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai
24 February 2015

Appendix I to the Independent Auditors' Report

Sr. no.	Name of the Statute	Nature of the Dues	Dues Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Demand of duty on copper scrap	0.93	-	2004	Asst Commissioner, Ankleshwar
			8.11	-	1990-1994	Central Excise and Service Tax Appellate Tribunal, Pune
		Denial of Modvat Credit on certified copy of Bill of Entry	0.93	-	1997	Additional Commissioner, Surat
		Education cess on exports	0.21	-	2004	Dy Commissioner, Pune
		Modvat on repacking activity	49.56	-	1994-1997	Dy Commissioner, Pune
		Valuation under CAS - 4	0.86	-	2007	Central Excise and Service Tax Appellate Tribunal, Mumbai
		Duty on notional resins	34.42	-	1982 - 86	Central Excise and Service Tax Appellate Tribunal, Mumbai
2	Sales Tax	Rate of sales tax on Wire Enamels & Varnishes	84.51	1.50	2002-2003	Sales Tax Officer, Delhi
		Non submission of forms at the time of assessment	34.48	6.66	1995-1997, 1998-1999	Commissioner of Sales Tax, Delhi
			185.41	3.25	2003- 2004	Sales Tax Officer, Delhi
			10.77	3.00	2005-06	Dy Commissioner of Sales Tax, Pimpri
			19.06	5.00	2008 - 09	Dy Commissioner of Sales Tax, Pimpri
			152.46	3.00	2006-07	Dy Commissioner of Sales Tax, Pune
			59.57	20.00	2009-10	Dy Commissioner of Sales Tax, Pune
3	Finance Act, 1994	CENVAT credit claimed on the basis of letters	75.05	-	2005-2008	Deputy Commissioner of Excise and Service Tax – Large Taxpayer Units, Mumbai
		Service tax credit on outward freight	42.21	-	2005-2008	Deputy Commissioner of Excise and Service Tax – Large Taxpayer Units, Mumbai
		CENVAT on Service Tax paid on Commission on Exports	11.79	-	2004-2013	CIT (Appeals), Mumbai

Balance Sheet as at 31 December 2014

(Currency : ₹ in lacs)

	Note	2014	2013
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	792.77	792.77
Reserves and surplus	3	12,770.11	10,037.56
		13,562.88	10,830.33
Non-current liabilities			
Deferred tax liability (net)	4	134.36	189.65
Other long term liabilities	5	112.46	107.11
Long term provisions	6	321.59	349.56
		568.41	646.32
Current liabilities			
Trade payables	7	3,350.70	2,396.23
Other current liabilities	8	1,095.64	1,029.71
Short term provisions	9	661.20	5,203.32
		5,107.54	8,629.26
		19,238.83	20,105.91
ASSETS			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		4,475.68	4,690.33
(ii) Intangible assets		9.57	102.72
(iii) Capital work-in-progress		101.78	4.42
		4,587.03	4,797.47
Non-current investments	11	14.69	14.69
Long term loans and advances	12	332.96	260.82
Other non current assets	13	49.52	59.13
		4,984.20	5,132.11
Current assets			
Current investments	14	3,016.06	4,533.00
Inventories	15	5,153.64	4,377.50
Trade receivables	16	4,949.45	4,671.29
Cash and bank balances	17	743.51	1,099.63
Short term loans and advances	18	344.15	243.28
Other current assets	19	47.82	49.10
		14,254.63	14,973.80
		19,238.83	20,105.91
Significant accounting policies	1		
Notes to the accounts	2-42		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No : 101248W/W-100022

Vijay Mathur
Partner
Membership No.: 046476
Mumbai, 24 February 2015

Shirish Dabir
Company Secretary

Sanjay Kulkarni
Chief Financial Officer

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

Ravindra Kulkarni
Director

Ravindra Kumar
Managing Director

Mumbai, 24 February 2015

Statement of Profit and Loss for the year ended 31 December 2014

(Currency : ₹ in lacs)

	Notes	2014	2013
Revenue from operations	20		
Sale of products (gross)		38,114.39	33,964.28
Less : Excise duty		4,106.24	3,652.76
Sale of products (net)		34,008.15	30,311.52
Other operating revenues		136.37	120.86
		34,144.52	30,432.38
Other income	21	847.92	1,090.30
Total revenue		34,992.44	31,522.68
Expenses			
Cost of materials consumed	22	23,667.87	21,324.79
Purchases of stock-in-trade		34.46	46.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	112.80	(333.33)
Employee benefit expenses	24	1,897.91	1,696.34
Finance costs		23.98	17.79
Depreciation and amortisation expenses	10	542.17	538.04
Other expenses	25	4,216.53	3,771.83
Total expenses		30,495.72	27,062.26
Profit before tax		4,496.72	4,460.42
Tax expenses			
Current tax (net)	26	1,391.38	1,245.55
Deferred tax charge / (release)		(55.29)	39.76
		1,336.09	1,285.31
Profit for the year		3,160.63	3,175.11
Earning per share - Basic (₹)	38	39.87	40.05
Earning per share - Diluted (₹)	38	39.87	40.05
Significant accounting policies	1		
Notes to the accounts	2-42		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No : 101248W/W-100022

Vijay Mathur
Partner
Membership No.: 046476
Mumbai, 24 February 2015

Shirish Dabir
Company Secretary

Sanjay Kulkarni
Chief Financial Officer

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

Ravindra Kulkarni
Director

Ravindra Kumar
Managing Director

Mumbai, 24 February 2015

Cash Flow Statement for the year ended 31 December 2014

(Currency : ₹ in lacs)

Particulars	2014	2013
A. Cash flow from operating activities :		
Profits before tax	4,496.72	4,460.42
Adjustments for:		
Depreciation / Amortisation	542.17	538.04
Interest income	(75.04)	(85.86)
Loss / (profit) on assets sold / scrapped (net)	1.24	15.69
Unrealised loss / (gain) on current investments	(1.03)	0.46
Loss / (profit) on sale of investments	(290.35)	(496.05)
Finance cost	23.98	17.79
Dividend income	(129.36)	(143.23)
	71.61	(153.16)
Operating profits before working capital changes	4,568.33	4,307.26
Changes in working capital		
(Increase) / decrease in trade receivables	(278.16)	(822.17)
(Increase) / decrease in inventories	(776.14)	93.97
(Increase) / decrease in long term loans and advances	(4.98)	(3.65)
(Increase) / decrease in short term loans and advances	(100.89)	51.25
(Increase) / decrease in current assets	5.34	(13.15)
(Increase) / decrease in other non current assets	9.81	4.28
Increase / (decrease) in current liabilities (other than unclaimed dividends)	10.99	47.73
Increase / (decrease) in non current liabilities	5.34	(42.45)
Increase / (decrease) in trade payables	954.47	(150.27)
Increase / (decrease) in short term provisions (other than taxation and dividends)	131.92	70.97
Increase / (decrease) in long term provisions	(27.96)	(7.84)
Net changes in working capital	(70.26)	(771.33)
Cash generated from operations	4,498.07	3,535.93
Taxes paid (net of refunds)	(1,436.15)	(1,214.16)
Net cash flow from / (used in) operating activities	3,061.92	2,321.77
B. Cash flow from investing activities :		
Purchase of fixed assets	(331.99)	(417.19)
Sale of fixed assets	2.76	14.85
Purchase of investments	(9,573.23)	(13,217.05)
Sale of investments	11,381.56	19,178.76
Fixed deposits placed	(518.24)	(700.00)
Fixed deposits matured	700.00	1,061.31
Interest received	73.00	103.61
Dividend received	129.36	143.23
Net cash generated from / (used in) investing activities	1,863.22	6,167.52
C. Cash flow from financing activities :		
Interest paid	(21.36)	(18.48)
Dividend paid (including tax on dividend)	(5,075.90)	(8,490.78)
Net cash generated from / (used in) financing activities	(5,097.26)	(8,509.26)
D. Net increase / (decrease) in cash and cash equivalents	(172.12)	(19.97)
Cash and cash equivalents		
At the beginning of the year	599.63	619.60
At the end of the year	427.51	599.63

Fixed deposits with banks having original maturity of more than three months aggregating to ₹ 316.00 (Previous year ₹ 500.00) are not readily liquid and have been excluded from Cash and cash equivalents. (Refer note 17 & note 42)

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

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No : 101248W/W-100022

Vijay Mathur
Partner
Membership No.: 046476
Mumbai, 24 February 2015

Shirish Dabir
Company Secretary

Sanjay Kulkarni
Chief Financial Officer

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

Ravindra Kulkarni
Director

Ravindra Kumar
Managing Director

Mumbai, 24 February 2015

Notes to the financial statements for the year ended 31 December 2014

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.

1.2 Accounting estimates

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

1.3 Current–non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

1.4 Fixed assets and depreciation

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

Notes to the financial statements for the year ended 31 December 2014 (Continued)

Block of Asset	Rate of depreciation
Building and roads	1.63 – 3.34%
Plant and Machinery	4.75 – 10.34%
Computers	16.21%
Furniture and Fixtures	6.33%
Motor vehicles	9.50%

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

1.5 Intangible assets and amortization

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

Block of Asset	Rate of depreciation
Computer Softwares	33.33%
Other Intangible assets	20%

1.6 Impairment of assets

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

1.7 Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as current investments. All other investments are classified as long term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of revised Schedule VI.

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

1.8 Inventories

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

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

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

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

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

Notes to the financial statements for the year ended 31 December 2013 (Continued)

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

1.9 Revenue recognition

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

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

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

1.10 Employee benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

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

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

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

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

(c) Long term employee benefits

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

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

1.11 Foreign exchange transactions

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

1.12 Taxes on Income

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

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

1.13 Earnings per Share ('EPS')

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

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

1.14 Provisions and Contingencies

Provisions

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

Contingencies

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

1.15 Contingent Liabilities and Contingent Assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 Leases

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

Notes to the financial statements for the year ended 31 December 2014 (Continued)

2. Share capital

(Currency : ₹ in lacs)

	2014	2013
Authorised :		
15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each	1,500.00	1,500.00
Issued, subscribed and fully paid-up :		
7,927,682 (previous year: 7,927,682) equity shares of ₹ 10 each	792.77	792.77
Rights, preferences and restrictions attached to equity shares:		
The Company has a single class of equity shares. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time.		
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.		
Equity shares held by Holding / Ultimate holding company and / or their subsidiaries:		
5,945,761 (Previous year 6,214,870) equity shares of ₹ 10 each held by ELANTAS GmbH (Holding Company)		
Particulars of shareholders holding more than 5% of equity shares:		
5,945,761 (Previous year 6,214,870) equity shares of ₹ 10 each held by ELANTAS GmbH. (percentage of holding 75.00% (previous year 78.39%))		

3. Reserves and surplus

(Currency : ₹ in lacs)

	2014	2013
Capital reserve (At the commencement and at the end of the year)	40.00	40.00
Share premium (At the commencement and at the end of the year)	695.18	695.18
General reserve		
At the commencement of the year	4,991.46	4,673.95
Add : Amount transferred from surplus	316.06	317.51
	5,307.52	4,991.46
Surplus (Profit and loss balance)		
At the commencement of the year	4,310.92	6,610.91
Profit for the current year	3,160.63	3,175.11
Amount available for appropriations	7,471.55	9,786.02
Less :Appropriations		
Proposed dividend (final) (₹ 4.50 per equity share (Previous year ₹ 55 per equity share))	356.75	4,360.23
Dividend distribution tax	71.33	797.36
Transfer to general reserve	316.06	317.51
Net surplus in the statement of profit and loss	6,727.41	4,310.92
	12,770.11	10,037.56

Notes to the financial statements for the year ended 31 December 2014 (Continued)

4. Deferred tax liability (net)

(Currency : ₹ in lacs)

	2014	2013
Deferred tax liability :		
Difference between book and tax depreciation/ amortisation	317.69	317.59
Accrual for lease rental income (straightlining effect)	13.40	15.23
	331.09	332.82
Deferred tax asset :		
Provision for doubtful trade receivables	9.62	4.66
Provision for compensated absences and other employee benefits	132.73	138.51
Others	54.38	-
	196.73	143.17
	134.36	189.65

5. Other long term liabilities

(Currency : ₹ in lacs)

	2014	2013
Security deposits received	112.46	107.11
	112.46	107.11

6. Long term provisions

(Currency : ₹ in lacs)

	2014	2013
Provision for employee benefits		
Compensated absences	248.93	276.30
Service awards	52.10	51.68
Cash rewards (Refer note no. 35)	20.56	21.58
	321.59	349.56

7. Trade payables

(Currency : ₹ in lacs)

	2014	2013
Dues to micro and small enterprises #	128.15	12.96
Dues to creditors other than micro and small enterprises	3,222.55	2,383.27
	3,350.70	2,396.23
# The Company has made above disclosure on the basis of available information received from the vendors and has computed the interest liability as per Micro, Small and Medium Enterprises Development Act, 2006. However in the view of the management, the impact of interest that may be payable in accordance with the provisions of the Act is not material.		

8. Other current liabilities

(Currency : ₹ in lacs)

	2014	2013
Unpaid dividends	89.75	64.41
TDS payable	15.80	13.42
PF / ESI payable	13.91	13.14
Sales tax payable	57.46	51.61
Octroi payable	26.87	12.28
Payable on account of purchase of fixed assets	43.98	17.00
Excise duty payable	197.36	238.55
Security deposit from customers	152.50	127.00
Payable to employees	347.46	444.13
Advance from customers	87.05	32.44
Other liabilities	63.50	15.73
	1,095.64	1,029.71

Notes to the financial statements for the year ended 31 December 2014 (Continued)

9. Short term provisions

(Currency : ₹ in lacs)

	2014	2013
Provision for employee benefits		
Compensated absences	58.59	46.85
Service awards	3.58	3.42
Cash rewards (Refer note no. 35)	6.70	7.65
Provision for sales tax liability	160.82	40.00
Provision for income tax (net of advance tax)	2.53	3.40
Proposed dividend	356.75	4,360.23
Dividend distribution tax	71.33	741.02
Provision for wealth tax	0.90	0.75
	661.20	5,203.32
Provision for sales tax liability: The Company has made a provision on account of additional sales tax liability (including interest) on account of sales tax assessments currently in process under the Central Sales Tax Act, 1956.		
At the commencement of the year	40.00	-
Provisions made during the year	120.82	40.00
Provisions utilised during the year	-	-
Provisions reversed during the year	-	-
At the end of the year	160.82	40.00

10. Fixed assets

10.1 Tangible fixed assets

(Currency : ₹ in lacs)

	Freehold land	Leasehold land	Building and roads	Plant and equipment	Computers	Furniture and fixtures	Motor vehicles	Total
Balance as at 1 January 2013	354.83	11.27	2,401.25	3,852.68	478.37	425.61	197.61	7,721.62
Additions	-	-	8.03	294.91	21.38	-	101.11	425.43
Disposals	-	-	-	11.32	0.45	32.27	63.39	107.43
Balance as at 31 December 2013	354.83	11.27	2,409.28	4,136.27	499.30	393.34	235.33	8,039.62
Balance as at 1 January 2014	354.83	11.27	2,409.28	4,136.27	499.30	393.34	235.33	8,039.62
Additions	-	-	38.29	106.91	-	16.60	73.70	235.50
Disposals	-	-	-	2.07	-	0.83	11.55	14.45
Balance as at 31 December 2014	354.83	11.27	2,447.57	4,241.11	499.30	409.11	297.48	8,260.67
Depreciation :								
Balance as at 1 January 2013	-	2.53	340.54	2,347.94	169.77	90.17	69.21	3,020.16
Depreciation for the year	-	0.14	68.32	245.73	29.66	22.77	39.40	406.02
Accumulated depreciation on disposals	-	-	-	8.04	0.32	31.02	37.51	76.89
Balance as at 31 December 2013	-	2.67	408.86	2,585.63	199.11	81.92	71.10	3,349.29
Balance as at 1 January 2014	-	2.67	408.86	2,585.63	199.11	81.92	71.10	3,349.29
Depreciation for the year	-	0.14	68.93	283.52	-	22.63	70.94	446.16
Accumulated depreciation on disposals	-	-	-	1.02	-	0.58	8.86	10.46
Balance as at 31 December 2014	-	2.81	477.79	2,868.13	199.11	103.97	133.18	3,784.99
Net Block as on 31 December 2013	354.83	8.60	2,000.42	1,550.64	300.19	311.42	164.23	4,690.33
Net Block as on 31 December 2014	354.83	8.46	1,969.78	1,372.98	300.19	305.14	164.30	4,475.68
Capital work in progress:								
Balance as at 1 January 2013	-	-	8.03	19.86	-	-	-	27.89
Additions	-	-	4.42	240.47	-	-	-	244.89
Assets capitalised during the year	-	-	8.03	260.33	-	-	-	268.36
Balance as at 31 December 2013	-	-	4.42	-	-	-	-	4.42
Balance as at 1 January 2014	-	-	4.42	-	-	-	-	4.42
Additions	-	-	-	208.69	-	-	-	208.69
Assets capitalised during the year	-	-	4.42	106.91	-	-	-	111.33
Balance as at 31 December 2014	-	-	-	101.78	-	-	-	101.78

Notes to the financial statements for the year ended 31 December 2014 (Continued)

10.2 Intangible fixed assets

(Currency : ₹ in lacs)

	Goodwill	Technical Know-How	Trademarks	Computer Software	Total
Balance as at 1 January 2013	105.36	743.71	222.32	39.43	1,110.82
Additions	-	-	-	15.23	15.23
Disposals	-	-	-	-	-
Balance as at 31 December 2013	105.36	743.71	222.32	54.66	1,126.05
Balance as at 1 January 2014	105.36	743.71	222.32	54.66	1,126.05
Additions	-	-	-	2.86	2.86
Disposals	-	-	-	-	-
Balance as at 31 December 2014	105.36	743.71	222.32	57.52	1,128.91
Amortisation:					
Balance as at 1 January 2013	95.14	577.22	182.36	36.59	891.31
Amortisation for the year	6.00	97.69	23.45	4.88	132.02
Amortisation on disposals	-	-	-	-	-
Balance as at 31 December 2013	101.14	674.91	205.81	41.47	1,023.33
Balance as at 1 January 2014	101.14	674.91	205.81	41.47	1,023.33
Amortisation for the year	4.22	68.79	16.51	6.49	96.01
Amortisation on disposals	-	-	-	-	-
Balance as at 31 December 2014	105.36	743.70	222.32	47.96	1,119.34
Net Block as on 31 December 2013	4.22	68.80	16.51	13.19	102.72
Net Block as on 31 December 2014	-	0.01	-	9.56	9.57

11. Non-current investments

Non trade investments

(Currency : ₹ in lacs)

	2014	2013
Unquoted: (at cost)		
146,365 (previous year : 146,365) equity shares of ₹ 10 each fully paid up in Narmada Clean Tech Ltd	14.64	14.64
33,604 (previous year : 33,604) equity shares of ₹10 each fully paid-up in Roplas (India) Limited.	2.35	2.35
Less : Provision for diminution in value of investment	(2.35)	(2.35)
Quoted: (valued at lower of cost and market value)		
50 (previous year 50) equity shares of State Bank of India of ₹ 10 each fully paid-up at a premium of ₹ 90 per equity share (Market value ₹ 0.16 - previous year ₹ 0.88)	0.05	0.05
	14.69	14.69
Quoted non current investments		
Aggregate book value	0.05	0.05
Aggregate market value	0.16	0.88
Unquoted non current investments		
Aggregate book value	16.99	16.99
Aggregate provision for diminution in value of investments	(2.35)	(2.35)
Aggregate carrying amount	14.64	14.64

Notes to the financial statements for the year ended 31 December 2014 (Continued)

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

(Currency : ₹ in lacs)

	2014	2013
To parties other than related parties		
Capital advances	40.64	17.38
Security deposits	164.00	154.15
Advance tax (net of provisions)	76.82	32.92
Housing loan given to employees	31.32	36.19
Other deposits	20.18	20.18
	332.96	260.82

13. Other non current assets

(Currency : ₹ in lacs)

	2014	2013
Bank deposits (due to mature after 12 months from the reporting date) (refer note 17)	19.87	17.65
Interest accrued but not due	0.84	2.87
Other receivables	28.81	38.61
	49.52	59.13
Out of the Bank deposits mentioned above ₹ 0.65 (previous year ₹ 0.65) are given as Bank Guarantee for a period more than one year.		

14. Current investments

(Currency : ₹ in lacs)

	2014	2013
Non trade investments		
Investments in mutual funds (Quoted) : valued at lower of cost and market value		
NIL units (previous year 2,857,159.90) of HDFC Short Term Plan - Growth of face value NIL (previous year ₹ 10 per unit)	-	622.85
NIL units (previous year 3,188,813.302) of DWS Premier Bond Fund Growth of face value NIL (previous year ₹ 10 per unit).	-	600.00
NIL units (previous year 1,959,105.651) of Reliance Regular Saving Fund - Debt - Quarterly Div Reinvestment of face value NIL (previous year ₹ 10 per unit)	-	245.38
NIL units (previous year 31,335.102 units) of 'Tata Liquid Fund-Plan A-DDR of face value NIL (previous year ₹ 1000 per unit)	-	349.24
NIL units (previous year 67,159,781.737) of ICICI Prudential Saving Fund Growth of face value NIL (previous year ₹ 10 per unit)	-	780.70
26,653.020 units (previous year 15,491.751) of 'Reliance Liquid Fund-TP-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	407.46	236.83
NIL units (previous year 467,180.374 units) of 'Birla Sun Life Cash Plus-Weekly Dividend of face value NIL (previous year ₹ 100 per unit)	-	468.71
45,515.16 units (previous year 55,908.642) of 'IDFC Cash Fund - Regular Plan-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	455.36	559.23
NIL units (previous year 47,988.128) of 'UTI-Liquid Cash Plan- Inst - DDR of face value NIL (previous year ₹ 1000 per unit)	-	489.21
NIL units (previous year 143,678.371 units) of DSP Black Rock Short Term Fund - Growth of face value NIL (previous year ₹ 10 per unit)	-	26.84
NIL units (previous year 850,870.331) units of DSP Income Opportunity fund - RP - Growth of face value NIL (previous year ₹ 1000 per unit)	-	154.01
406,140.65 units (Previous year NIL) of Birla Sun life cash plus -Daily dividend of face value ₹ 100 per unit (Previous year NIL)	406.93	-
3,499,338.68 units (Previous year NIL) of HDFC liquid fund - DDR - 2 of face value ₹ 10 per unit (Previous year NIL)	356.87	-

Notes to the financial statements for the year ended 31 December 2014 (Continued)

14. Non trade Investments (continued)

(Currency : ₹ in lacs)

	2014	2013
443,545.90 units (Previous year NIL) of ICICI Prudential liquid RP DDR of face value ₹ 100 per unit (Previous year NIL)	443.83	-
53,149.84 units (Previous year NIL) of DSP liquid fund - Inst - DDR of face value ₹ 1000 per unit (Previous year NIL)	531.67	-
39,981.99 units (Previous year NIL) of SBI Premier Liquid Fund - Regular Plan - WDR of face value ₹ 1000 per unit (Previous year NIL)	413.94	-
	3,016.06	4,533.00
Quoted current investments		
Aggregate book value	3,016.06	4,533.00
Aggregate market value	3,016.13	4,734.46
Current and Non current investments		
Quoted		
Aggregate book value	3,016.11	4,533.05
Aggregate market value	3,016.29	4,735.34

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

(Currency : ₹ in lacs)

	2014	2013
Raw materials (including Goods in transit ₹ 498.23 (Previous year ₹ 308.37))	2,953.55	2,123.62
Intermediates and work-in-progress	436.87	386.63
Packing materials	128.33	91.91
Stores	126.24	103.65
Stock in trade	4.52	3.67
Finished goods	1,504.13	1,668.02
	5,153.64	4,377.50

16. Trade receivables

(Currency : ₹ in lacs)

	2014	2013
<i>(unsecured)</i>		
Over six months : from the date they became due for payment		
Considered good	21.26	8.05
Considered doubtful	28.30	13.72
Less : Provision for doubtful receivables	(28.30)	(13.72)
	21.26	8.05
Other debts :		
Considered good	4,928.19	4,663.24
	4,949.45	4,671.29

17. Cash and bank balances

(Currency : ₹ in lacs)

	2014	2013
Cash & cash equivalents		
Cash in hand	0.65	1.80
Balances with banks		
Unpaid dividend	89.75	64.41
Balance on current accounts	337.11	533.42
	427.51	599.63
Other bank balances		
Balance on deposit accounts	316.00	500.00
(With original maturity of more than 3 months and due to mature within 12 months of reporting date)		
	743.51	1,099.63

Notes to the financial statements for the year ended 31 December 2014 (Continued)

17. Cash and bank balances (continued)

(Currency : ₹ in lacs)

	2014	2013
Details of Bank balances / deposits		
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'.	337.11	533.42
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	316.00	500.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'. (refer note 13)	19.87	17.65
Earmarked funds (unpaid dividend) included in 'Balances with banks'	89.75	64.41
	762.73	1,115.48

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

(Currency : ₹ in lacs)

	2014	2013
To parties other than related parties		
Advance for supply of goods and services	52.34	54.17
Prepaid expenses	115.55	93.01
Current maturities of housing loans to employees	4.85	4.68
Other employee advances	2.84	2.45
Cenvat credit receivable	59.77	-
Balance with customs authorities	47.20	37.67
Unutilised DEPB licenses	17.44	39.77
Balance with gratuity trust	44.16	8.46
To related parties		
Current maturities of long term housing loans to employees		
Mr. Rajeev Bhide - Managing Director (Upto 31 Dec 2013)	-	3.07
	344.15	243.28

19. Other current assets

(Currency : ₹ in lacs)

	2014	2013
Interest accrued but not due	12.66	8.60
Other receivables	35.16	40.50
	47.82	49.10

20. Revenue from operations

(Currency : ₹ in lacs)

	2014	2013
Sale of products		
Finished goods	38,064.38	33,889.17
Traded goods	50.01	75.11
Sale of products (gross)	38,114.39	33,964.28
Less : Excise duty	4,106.24	3,652.76
Sale of products (net)	34,008.15	30,311.52
Other operating revenues		
Sale of raw materials	18.97	23.49
Sale of scrap	117.40	97.37
	136.37	120.86
	34,144.52	30,432.38

Notes to the financial statements for the year ended 31 December 2014 (Continued)

21. Other Income

(Currency : ₹ in lacs)

	2014	2013
Interest Income	75.04	85.86
Dividend Income on current investments	129.36	143.23
Gain (net) on sale of current investments	290.35	496.05
Rental income from letting out of property	180.19	181.13
Hire charges	2.69	2.47
Export benefits (including Deemed Exports)	48.31	69.64
Gain on DEPB license	25.88	28.20
Royalty and commission	10.27	17.43
Miscellaneous income	85.83	66.29
	847.92	1,090.30

22. Cost of materials consumed

(Currency : ₹ in lacs)

	2014	2013
Consumption of raw materials:		
Inventory at the beginning of the year	2,123.62	2,548.64
Purchases	23,062.05	19,630.69
Inventory at the end of the year	2,953.55	2,123.62
	22,232.12	20,055.71
Consumption of packing materials		
Inventory at the beginning of the year	91.91	95.06
Purchases	1,472.17	1,265.93
Inventory at the end of the year	128.33	91.91
	1,435.75	1,269.08
	23,667.87	21,324.79
Break up of cost of raw materials consumed		
Consumption value		
Synthetic Resins	3,571.11	3,134.04
Solvents	7,634.44	6,944.34
Organic Chemicals	10,035.58	9,196.21
Others	990.99	781.12
	22,232.12	20,055.71
Break-up of inventory-raw materials		
Synthetic Resins	319.10	335.12
Solvents	997.08	442.29
Organic Chemicals	1,495.54	1,132.69
Others	141.83	213.52
	2,953.55	2,123.62

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

(Currency : ₹ in lacs)

	2014	2013
Opening stock :		
Intermediates and work-in-progress	386.63	456.90
Stock in trade	3.67	4.20
Finished goods *	1,668.02	1,263.89
	2,058.32	1,724.99

Notes to the financial statements for the year ended 31 December 2013 (Continued)

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

(Currency : ₹ in lacs)

	2014	2013
Closing stock :		
Intermediates and work-in-progress	436.87	386.63
Stock in trade	4.52	3.67
Finished goods *	1,504.13	1,668.02
	1945.52	2,058.32
	112.80	(333.33)
* Includes provision for excise duty ₹ 197.36 (Previous year : ₹ 215.52)		
Break-up of Changes in inventory of finished goods, work-in-progress and stock in trade		
Finished goods		
Opening stocks		
Wire enamels and Impregnating varnishes	1,264.31	904.82
Synthetic resins	403.71	359.07
Total	1,668.02	1,263.89
Closing stocks		
Wire enamels and Impregnating varnishes	983.65	1,264.31
Synthetic resins	520.48	403.71
Total	1,504.13	1,668.02
Intermediates and Work-in-progress		
Opening stocks		
Wire enamels and Impregnating varnishes	242.12	298.82
Synthetic resins	144.51	158.08
Total	386.63	456.90
Closing stocks		
Wire enamels and Impregnating varnishes	238.69	242.12
Synthetic resins	198.18	144.51
Total	436.87	386.63
Stock in trade		
Opening stocks		
Wire enamels and Impregnating varnishes	-	-
Synthetic resins	3.67	4.20
Total	3.67	4.20
Closing stocks		
Wire enamels and Impregnating varnishes	-	-
Synthetic resins	4.52	3.67
Total	4.52	3.67

24. Employee benefit expenses

(Currency : ₹ in lacs)

	2014	2013
Salaries, wages and bonus	1,580.56	1,399.54
Contribution to provident and other funds	163.63	154.68
Staff welfare expenses	153.72	104.47
Compensated absences	-	4.41
Other employee benefits	-	33.24
	1,897.91	1,696.34

Notes to the financial statements for the year ended 31 December 2013 (Continued)

25. Other expenses

(Currency : ₹ in lacs)

	2014	2013
Consumption of stores and spare parts	117.14	127.42
Power and fuel	722.97	662.36
Delivery charges	926.34	753.05
Rent	32.73	35.45
Rates and taxes	317.39	245.01
Insurance	52.40	48.78
Repairs to Bulding	26.07	13.89
Repairs to Machinery	221.80	175.79
Repairs others	18.94	23.79
Repacking charges	112.50	108.39
Royalty	114.34	124.04
Travelling	155.62	107.61
IT allocation charges	116.88	120.92
Global R & D expenses	103.65	87.02
Sitting fees	7.80	3.20
Bad debts and advances written off	3.87	0.43
Provision for doubtful debts	14.58	-
Commission on sales	13.30	2.63
Legal and professional charges *	281.54	149.70
Net loss on account of foreign exchange fluctuations	35.84	182.72
Loss on sale of fixed assets (net)	1.24	15.69
Miscellaneous expenses	819.59	783.94
	4,216.53	3,771.83
* include Payment to auditors		
As auditors		
Statutory audit	10.75	9.00
Tax audit	3.75	3.25
Limited review of quarterly results	7.20	6.00
Corporate governance certification	1.00	1.00
Other certification	-	2.00
In other capacity		
Other audit services	3.50	3.00
Transfer pricing	3.50	3.25
Reimbursement of expenses		
As auditors	1.85	1.60
In other capacity	0.24	0.21
	31.79	29.31

26. Current tax (net)

(Currency : ₹ in lacs)

	2014	2013
Tax provision for the current year	1,410.00	1,280.00
Additional/(reversal of) provision on assessment of earlier years (net)	(18.62)	(34.45)
	1,391.38	1,245.55

Notes to the financial statements for the year ended 31 December 2014 (Continued)

27. Contingent liabilities not provided for

(Currency : ₹ in lacs)

	2014	2013
a) Claims against the Company not acknowledged as debts	182.63	185.74
b) Excise duty matters	233.14	226.96
c) Income tax matters	23.93	23.93
d) Sales tax matters	448.56	334.23
e) Guarantee in favour of Gujarat Industrial Development Corporation	12.24	12.24

(Currency : ₹ in lacs)

	2014	2013
28. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	159.75	33.22

29. Value of imports on CIF basis :

(Currency : ₹ in lacs)

	2014	2013
a) Raw material	6,261.65	5,657.05
b) Capital goods	6.86	7.64
c) Purchase for resale	1.80	6.22
	6,270.31	5,670.91

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

(Currency : ₹ in lacs)

	2014	2013
Sourcewise breakup of raw materials, stores and spare parts consumed		
a) Raw Materials (value)		
Imported at landed cost (including High Seas purchases)	8,998.03	8,713.99
Indigenously procured	13,234.09	11,341.72
	22,232.12	20,055.71
Raw Materials (%)		
Imported at landed cost	40%	43%
Indigenously procured	60%	57%
	100%	100%
b) Stores and spare parts (value)		
Indigenously procured	117.14	127.42
	117.14	127.42
Stores and spare parts (%)		
Indigenously procured	100%	100%
	100%	100%

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

(Currency : ₹ in lacs)

	2014	2013
a) Royalty (gross)	102.26	124.04
b) Commission on exports	13.30	1.41
c) Global IT expenses	116.88	120.92
d) Global R&D expenses	103.65	87.02
e) Others	51.46	92.12
	387.55	425.51

Notes to the financial statements for the year ended 31 December 2014 (Continued)

32. Dividend remittances in foreign currency

(Currency : ₹ in lacs)

	2014	2013
a) Number of non-resident shareholders to whom remittance was made	1	1
b) Number of shares on which remittance was made	5,945,761	7,020,316
c) Net amount remitted		
Dividend for 2012	-	6,458.68
Dividend for 2013	3,270.16	-

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

(Currency : ₹ in lacs)

	2014	2013
On account of exports at FOB value	1,065.43	1,027.00
Royalty	4.41	17.43
Commission	5.86	-
	1,075.70	1,044.43

34. Research and development expenses

(Currency : ₹ in lacs)

	2014	2013
a) Expenses of revenue nature (debited to Statement of profit and loss)	376.73	361.21
b) Expenses of capital nature (shown as addition to fixed assets)	11.76	24.51
	388.49	385.72

35. Employee benefits :

a) Defined contribution plans

Amount of ₹ 163.63 (previous year : ₹154.68) is recognised as an expense towards superannuation & provident fund and included in the 'Contributions to provident and other funds' under note no 24.

b) Defined benefit plan (Gratuity)

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

c) Defined benefit plan (Cash rewards at retirement)

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

(Currency : ₹ in lacs)

	Gratuity		Cash rewards	
	2014	2013	2014	2013
I) Reconciliation of opening and closing balance of obligations				
Liability at the beginning of the year	574.46	576.80	29.23	13.11
Current service cost	16.34	18.06	1.08	1.14
Past service cost	-	-	-	18.59
Interest cost	46.10	44.13	2.29	2.31
Benefits paid	(110.75)	(45.53)	(5.63)	(5.10)
Actuarial (gain) / loss on obligations	(40.34)	(19.00)	0.29	(0.82)
Liability at the end of the year	485.81	574.46	27.26	29.23
II) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	582.93	564.85	-	-
Expected return on plan assets	47.68	44.38	-	-
Contributions by the employer (refer note no 5)	6.48	18.01	-	-
Benefits paid	(110.75)	(45.53)	-	-
Actuarial gain / (loss) on plan assets	3.64	1.22	-	-
Fair value of plan assets at the end of the year	529.98	582.93	-	-

Notes to the financial statements for the year ended 31 December 2014 (Continued)

35. Employee benefits

(Currency : ₹ in lacs)

	Gratuity		Cash rewards		
	2014	2013	2014	2013	
III) Net actuarial (gain) / loss					
Actuarial (gain) / loss on Obligations	(40.34)	(19.00)	0.29	(0.82)	
Actuarial gain / (loss) on Plan Assets	3.64	1.22	-	-	
Net actuarial (gain) / loss	(43.98)	(20.22)	0.29	(0.82)	
IV) Amount recognised in the Balance sheet					
Defined benefit obligation as at end of the year	485.81	574.46	27.26	29.23	
Fair Value of plan assets at the end of the year	529.98	582.93	-	-	
Net Liability / (Asset)	(44.16)	(8.47)	27.26	29.23	
V) Expense recognised in Statement of Profit and loss					
Current service cost	16.34	18.06	1.08	1.14	
Past service cost	-	-	-	18.59	
Interest cost	46.10	44.13	2.29	2.31	
Expected return on plan assets	(47.68)	(44.38)	-	-	
Net Actuarial (gain) / loss	(43.98)	(20.22)	0.29	(0.82)	
Total expenses/ (income) included in "Employee benefit expense" under Note 24/ (Other income) under Note 21	(29.22)	(2.41)	3.66	21.22	
VI) Actual return on plan assets					
Expected return on plan assets	47.68	44.38	-	-	
Actuarial gain on plan assets	3.64	1.22	-	-	
Actual return on plan assets	51.32	45.60	-	-	
VII) Principal actuarial assumptions					
Discount rate	9.00%	9.00%	9.00%	9.00%	
Expected return on plan assets	8.25%	8.25%	NA	NA	
Salary escalation rate	10.50%	12.00%	NA	NA	
* Refer note no 6					
VIII) Other disclosures - Gratuity	2014	2013	2012	2011	2010
Liability at the end of the year	485.81	574.46	576.80	549.18	518.91
Fair value of plan assets at the end of the year.	529.98	582.92	564.85	568.46	504.44
Amount recognised in Balance Sheet	(44.16)	(8.47)	11.95	(19.28)	14.46
Experience adjustments on liability	(59.02)	9.00	28.35	4.94	33.89
Experience adjustments on plan assets	(3.64)	(1.22)	(13.88)	(9.54)	(9.95)
IX) Other disclosures - Cash rewards at retirement	2014	2013	2012	2011	2010
Liability at the end of the year	27.26	29.23	13.10	13.04	13.55
Experience adjustments on liability	(0.63)	0.09	0.50	0.21	(0.72)
d) Notes :					
1) The plan assets comprises entirely of "Insurer Managed Funds".					
2) The expected return on plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of related obligations.					
3) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on a long term basis.					
4) Changes enacted before the Balance Sheet date are considered while determining the obligation.					
5) Expected Employer's contribution in next year ₹ 6.50 (Previous year ₹ 18.00).					
6) Salary escalation rate is 10.50%.					

Notes to the financial statements for the year ended 31 December 2014 (Continued)

36. Segment reporting

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

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

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

36.1 Primary Business Segments

(Currency : ₹ in lacs)

	2014	2013
1. Segmentwise revenue		
a) Electrical Insulations	27,986.51	25,709.55
b) Engineering and Electronic Resins and Materials	6,328.29	4,904.39
Total	34,314.80	30,613.94
2. Other unallocable income	677.64	908.74
Net sales / Income from operations (1 + 2)	34,992.44	31,522.68
3. Segment results Profit (+) / Loss (-) before tax and interest		
a) Electrical Insulations	3,036.59	3,206.97
b) Engineering and Electronic Resins and Materials	1,001.40	558.67
Total	4,037.99	3,765.64
4. Interest	23.98	17.79
5. Other unallocable expenditure	194.93	196.17
6. Profit before tax	4,496.72	4,460.42
Provision for tax (net)	1,391.38	1,245.55
Provision for deferred tax (release)/ charge	(55.29)	39.76
7. Profit after tax	3,160.63	3,175.11
Other information		
8. Segment assets		
a) Electrical Insulations	11,854.27	11,498.49
b) Engineering and Electronic Resins and Materials	2,833.80	2,295.44
c) Other unallocable	4,550.76	6,311.98
Total	19,238.83	20,105.91
9. Segment liabilities		
a) Electrical Insulations	3,499.74	3,171.50
b) Engineering and Electronic Resins and Materials	706.42	561.65
c) Other unallocable	1,469.79	5,542.43
Total	5,675.95	9,275.58
10. Capital expenditure		
a) Electrical Insulations	239.52	326.14
b) Engineering and Electronic Resins and Materials	73.30	74.73
c) Other unallocable	22.86	16.32
Total	335.68	417.19
11. Depreciation / Amortisation		
a) Electrical Insulations	340.90	316.65
b) Engineering and Electronic Resins and Materials	170.47	196.69
c) Other unallocable	30.80	24.70
Total	542.17	538.04

Notes to the financial statements for the year ended 31 December 2014 (Continued)

36.2 Secondary Business Segments

(Currency : ₹ in lacs)

	2014	2013
1. Revenue		
India	33,143.78	29,507.80
Outside India	1,171.04	1,106.14
Total	34,314.82	30,613.94
2. Segment assets (only trade receivables)		
India	4,728.06	4,548.74
Outside India	221.39	122.55
Total	4,949.45	4,671.29

37. Related party disclosures

37.1 A. List of related parties and relationship

Where control exists

SKion GmbH

ALTANA AG

ALTANA Chemie GmbH

ELANTAS GmbH

Others

BYK-Chemie GmbH

ELANTAS PDG Inc.

ELANTAS Italia

ELANTAS Tongling Co. Ltd.

ELANTAS Zhuhai Co. Ltd.

ELANTAS Isolantes Electricos Do Brasil LTDA

BYK Chemie Asia Pacific PTE Ltd

ELANTAS Beck GmbH

ELANTAS Malaysia

BYK Asia Pacific Singapore

ECKART GmbH

Holding company of Altana AG

Holding company of Altana Chemie GmbH

Holding company of ELANTAS GmbH

Holding company (75.00%)

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

Fellow Subsidiary

B. Transactions with related parties

(Currency : ₹ in lacs)

	2014	2013
1. Summary of transactions		
a) Sales	400.07	389.29
b) Commission	5.86	-
c) Recoveries	91.22	59.88
d) Purchases	68.05	319.18
e) Other services	170.81	164.01
f) License fee (Income)	50.29	53.85
g) Royalty paid (gross)	102.26	124.04
h) Royalty income	4.41	17.43
i) IT allocation charges	116.88	120.92
j) Dividend	267.56	3,417.98
2. Related party- wise transactions		
a) ALTANA AG		
Recoveries	0.22	-
Other services	-	1.59

Notes to the financial statements for the year ended 31 December 2014 (Continued)

37. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2014	2013
b) ELANTAS GmbH		
Recoveries	20.36	25.08
Other services	146.45	155.21
Dividend	267.56	3,417.98
Royalty paid (gross)	42.44	39.88
c) ELANTAS Italia		
Commission	5.86	-
Recoveries	-	1.32
Purchases	58.01	247.79
Other services	1.47	0.78
Royalty paid (gross)	49.01	72.66
d) ELANTAS PDG Inc.		
Recoveries	0.25	0.99
Purchases	-	57.88
Other services	6.74	5.90
Royalty paid (gross)	10.81	11.50
e) BYK-Chemie GmbH		
Sales	-	3.90
Recoveries	-	1.12
IT allocation charges	116.88	120.92
f) BYK Chemie Asia Pacific PTE Ltd		
Sales	-	0.15
Recoveries	5.70	4.89
License fee (Income)	50.29	53.85
g) ELANTAS Tongling Co. Ltd.		
Sales	378.11	303.61
Purchases	3.63	-
h) ELANTAS Zhuhai Co. Ltd.		
Sales	21.37	37.91
Royalty income	4.41	17.43
Purchases	3.92	13.51
i) ELANTAS Isolantes Electricos Do Brasil LTDA		
Sales	0.59	43.72
j) ECKART GmbH		
Recoveries	53.29	26.48
k) ELANTAS Beck GmbH		
Purchases	2.49	-
Other services	3.32	0.53
l) ELANTAS Malaysia		
Other services	12.83	-
m) BYK Asia Pacific Singapore		
Recoveries	11.40	-

Notes to the financial statements for the year ended 31 December 2014 (Continued)

37. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2014	2013
3. Outstanding balances		
i) Trade Receivables		
ELANTAS GmbH	41.37	37.84
ELANTAS Italia	-	0.58
BYK-Chemie GmbH	0.52	1.13
ECKART GmbH	5.32	6.79
ELANTAS Isolantes Electricos Do Brasil LTDA	0.60	25.26
BYK Asia Pacific Singapore	3.56	-
ALTANA AG	0.21	-
ELANTAS PDG Inc.	-	0.58
ELANTAS Zhuhai Co. Ltd.	2.37	6.81
ELANTAS Tongling Co. Ltd.	91.32	29.85
Total	145.27	108.84
ii) Trade Payables		
ELANTAS Tongling Co. Ltd.	2.27	-
ELANTAS Italia	18.18	43.10
ELANTAS GmbH	171.43	163.96
ELANTAS Beck GmbH	2.52	-
ELANTAS Malaysia	10.12	-
Total	204.52	207.06
iii) Other current liabilities		
BYK Chemie Asia Pacific PTE Ltd	41.29	35.67
Total	41.29	35.67

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

Key management personnel :

Mr Ravindra Kumar (with effect from 1 January 2014)

Mr. Rajeev Bhide (upto 31 December 2013)

Mr. Sharadkumar Shetye (Upto 27 May 2014)

Relatives of key management personnel :

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

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

	2014	2013
a) Managerial remuneration		
Mr. Ravindra Kumar	142.29	-
Mr. Rajeev Bhide	-	97.04
Mr. Sharadkumar Shetye #	27.29	63.20
Total	169.58	160.24
# ₹ 16.04 paid to Mr. Sharadkumar Shetye as encashment of accumulated leave which is not included in above.		
b) Rent		
Mrs. M. R. Shetye	0.98	1.68
c) Increase / (decrease) in loan balance		
Mr. Rajeev Bhide	(3.07)	(1.64)
Total	(3.07)	(1.64)

Notes to the financial statements for the year ended 31 December 2013 (Continued)

37. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2014	2013
d) Interest received on loans given		
Mr. Rajeev Bhide	0.03	0.14
Total	0.03	0.14
e) Outstanding balances		
Loans and advances		
Mr. Rajeev Bhide	-	3.07
Total	-	3.07
Other current liabilities		
Mr. Ravindra Kumar	28.00	-
Mr. Rajeev Bhide	-	28.70
Mr. Sharadkumar Shetye	-	17.33
Total	28.00	46.03
f) Maximum amount outstanding during the year		
Loans and advances		
Mr. Rajeev Bhide	3.07	4.71

38. Earnings per share - Basic and Diluted

(Currency : ₹ in lacs)

	2014	2013
a) Net profit for the year after tax	3,160.63	3,175.11
Calculation of weighted average number of equity shares		
Number of shares at the beginning and end of the year	7,927,682	7,927,682
b) Weighted average number of equity shares	7,927,682	7,927,682
c) Earnings per share (a)/(b)	39.87	40.05
Nominal value per share ₹ 10 each (Previous year - ₹ 10 each)		

39. Foreign currency exposures

(Currency : ₹ in lacs)

	2014	2013
a) Foreign currency receivables representing debtors		
Indian Rupees	35.97	46.91
Foreign currency ('in lacs) : Euro	0.47	0.59
Indian Rupees	173.97	75.65
Foreign currency ('in lacs) : US\$	2.76	1.22
b) Foreign currency payables representing creditors and other payables		
Indian Rupees	223.70	163.96
Foreign currency ('in lacs) : Euro	2.91	1.96
Indian Rupees	777.23	513.33
Foreign currency ('in lacs) : US\$	12.25	8.35
c) Foreign currency bank balance		
Indian Rupees	0.26	-
Foreign currency ('in lacs) : US\$	-	-
d) Foreign currency receivables representing advances to suppliers		
Indian Rupees	-	6.83
Foreign currency ('in lacs) : Euro	-	0.08
Indian Rupees	2.15	9.16
Foreign currency ('in lacs) : US\$	0.04	0.15

Notes to the financial statements for the year ended 31 December 2014 (Continued)

39. Foreign currency exposures (continued)

(Currency : ₹ in lacs)

	2014	2013
e) Foreign currency payables representing advances from customers		
Indian Rupees	-	7.24
Foreign currency ('in lacs) : US\$	-	0.12

40. Management believes that the Company's international transactions with related parties post 31 March 2014 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

41. Operating Lease as lessor

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

(Currency : ₹ in lacs)

	2014	2013
Gross carrying amount	170.31	170.31
Accumulated depreciation	51.34	48.58
Net carrying amount	118.97	121.73
Depreciation for the year	2.76	2.76
The future minimum lease payments under non cancellable operating lease are as follows:		
Receivable within one year	137.81	132.59
Receivable between one and five years	209.00	346.81
Total	346.81	479.40
During the year, an amount of ₹127.20 was recognised as rental income from above mentioned property in the Statement of Profit and Loss (Previous year: ₹130.60)		

42. Prior period figures have been regrouped/reclassified where necessary to conform to the current year's presentation as follows:

(Currency : ₹ in lacs)

Particulars	Amount as per audited financial statements as on 31 December 2013	Amount regrouped in the current year	Regrouping details
Note no 8: Other current liabilities			
Excise duty payable	49.09		Grouped in "Cenvat credit receivable" under Note no 18 Short term loans and advances
		49.09	Grouped in "Excise duty payable" under Note no 8 Other current liabilities
Note no 25: Other Expenses:			
Power and fuel	32.46		Grouped in "stores consumed" under Note no 25: Other Expenses
		32.46	Grouped in "Power & Fuel" under Note no 25: Other Expenses
Note no 9: Short term provisions:			
Provision for sales tax liability	40.00		Grouped in "Trade payables" under Note no 7 : Trade payables
		40.00	Grouped in "Short term provisions" under Note no 9: Short term provisions

For B S R & Co. LLP

Chartered Accountants
Firm Registration No : 101248W/W-100022

Vijay Mathur
Partner
Membership No.: 046476
Mumbai, 24 February 2015

Shirish Dabir
Company Secretary

Sanjay Kulkarni
Chief Financial Officer

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

Ravindra Kulkarni
Director

Ravindra Kumar
Managing Director

Mumbai, 24 February 2015

NOTICE

Notice is hereby given that the Fifty-ninth Annual General Meeting of the members of ELANTAS Beck India Ltd. (CIN: L24222PN1956PLC134746) will be held on Wednesday, 6 May 2015 at 3.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 December 2014 and the Statement of Profit & Loss for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year 2014.
3. To appoint a Director in place of Dr. Guido Forstbach (DIN 00427508) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of BSR & Co. LLP, (who were appointed by the Members upto the conclusion of the Annual General Meeting to be held in the year 2017 as Statutory Auditors of the Company) having Firm Registration No. 101248W/W-100022, be and is hereby ratified until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company".

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution".

SPECIAL BUSINESS:

5. **Appointment of Mr. Suresh Talwar (DIN: 00001456) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Suresh Talwar (DIN: 00001456), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company."

6. **Appointment of Mrs. Kishori Udeshi (DIN: 01344073) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mrs. Kishori Udeshi (DIN: 01344073), who was appointed as an Additional Director of the Company with effect from 06 May 2014 by the Board of Directors to hold office upto the date of this Annual General Meeting, under Section 161 of the Companies Act, 2013, but who is eligible for appointment and in respect of whom, the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company."

7. **Appointment of Mr. Martin Babilas (DIN: 00428631) as a Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force) Mr. Martin Babilas (DIN: 00428631) who was appointed as an Additional Director of the Company with effect from 06 May 2014 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act"), but who is eligible for appointment and in respect of whom, the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. Payment of remuneration to the Cost Auditors of the Company for Y 2015

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or amendments or re-enactments thereof for the time being in force), Dhananjay V Joshi & Associates, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31 December 2015, be paid a remuneration not exceeding ₹ 1.00 Lac (Rupees One Lac only) per annum plus applicable service tax and reimbursement of out of pocket expenses that may be incurred by them during the course of audit.

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

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

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

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

Particulars	Maximum amount per annum.	
	Present	Proposed
Salary & Special Allowance	₹ 50 Lacs	₹ 65 Lacs
Performance Bonus	₹ 40 Lacs	₹ 50 Lacs
Perquisites	₹ 20 Lacs	₹ 30 Lacs

10. Holding and continuing to hold the office of profit by Mr. Sanjay Kulkarni.

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

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board) Rules 2014, consent be and is hereby accorded to Mr. Sanjay Kulkarni, a Key Managerial Person, to hold and continue to hold an office or place of profit under the Company with the designation as Chief Financial Officer or with such other designation as Directors may from time to time decide, on the terms and conditions contained in the Appointment Contract dated 18.08.2008 entered into by the Company with Mr. Kulkarni, an extract of which is incorporated in the explanatory statement attached hereto”.

NOTES:

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

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

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

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as a proxy and such a proxy shall not act as a proxy for any other person or Member.
2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

5. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialized form or to Sharepro Services (India) Pvt. Ltd. in case of holdings in physical form, mentioning their correct reference folio number.
6. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the share certificates so as to enable the Company to consolidate their holdings into one folio.
7. Director retiring by rotation:
Dr. Guido Forstbach is a graduate in chemistry with a doctorate. He started his professional career in the year 1987. Before taking over as President of ELANTAS GmbH, the Electrical Insulation Business Division of ALTANA, with effect from 01 November 2012, Dr. Forstbach was the President of ACTEGA GmbH, the Coatings & Sealants Business Division of ALTANA.
He does not hold Directorships/Committee Memberships of any other companies in India.
8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business at item Nos. 5 to 10 of the Notice is annexed.
9. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 29 April 2015 to Wednesday, 6 May 2015 (both days inclusive), for the purpose of Annual General Meeting.
10. Pursuant to Section 205A and 205C of the Companies Act, 1956, the Company will be transferring in June 2015, the unclaimed dividend for the financial year ended 31 December 2007 to the Investor's Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the financial year ended 31 December 2007 or any subsequent financial years are requested to make their claims addressed to: The Company Secretary, ELANTAS Beck India Ltd., 147, Mumbai-Pune Road, Pimpri, Pune 411018.

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

11. Request to the Members:
 - a. Request for additional information, if required: Members desiring any relevant information on the accounts at the Annual General Meeting are requested to ensure that their requests reach the Company at least seven days before the date of the meeting, so as to enable the Company to keep the information ready. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
 - b. Green Initiative: The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Keeping in view the underlying theme and the circulars issued by MCA, the Company has been sending all documents like General Meeting Notices (including Annual General Meeting), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its Members in electronic form, to the e-mail address provided by them and made available to the Company by the Depositories.
If Members would like to support this Green Initiative and receive the above mentioned documents in electronic form, they are requested to send an email from their email ID to Sharepro@shareproservices.com with the subject titled "Green Initiative – EBIL", requesting for receiving these documents in electronic form and mentioning therein their Folio No./ DP ID & Client ID as the case may be. Members are further requested to mark a copy of their e-mail to Shirish.Dabir@altana.com. The Company shall then send such documents in electronic form (in lieu of the physical form) to the submitted e-mail id. The Members may also subsequently update their email ID by a similar e-mail to the Company/ Sharepro Services (India) Pvt. Ltd., giving the requisite details.
 - c. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrar & Transfer Agents, Sharepro Services (India) Pvt. Ltd. to provide efficient and better services.

Members holding shares in physical form are requested to intimate such changes to Sharepro Services (India) Pvt. Ltd. at the following address:

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex,
Warehouse No 52 & 53, Plot No 13AB, 2nd Floor,
Sakinaka, Andheri (East), Mumbai 400072.
Tel: (022) 67720300/347
Fax: (022) 28591568

- d. Members holding shares in physical form are requested to get the same dematerialized to eliminate all risks associated with physical shares. Members can contact the Company or Sharepro Services (India) Pvt. Ltd. for any assistance in this regard.
- e. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

12. Voting Options:

(1) **E-voting:** In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

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

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

- (i) Open e-mail and open the attached PDF file "elantasbeck.e-voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- (ii) Open internet browser by typing the URL: <http://www.evoting.nsd.com>.
- (iii) Click on "Shareholder - Login".
- (iv) Insert your User ID and password as initial password as mentioned in step (i) above and Login. In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.
- (v) "Password Change" menu appears. Change the password with the new password of your choice with minimum 8 digits / characters or combination thereof. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vi) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (vii) Select "EVEN" (E-Voting Event Number) of ELANTAS Beck India Ltd. for casting your votes in favour of or against the resolutions from Sunday, 03 May 2015 (9.00 a.m.) to Tuesday, 05 May 2015 (5.00.p.m.). For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolutions or till the end of voting period i.e. upto close of working hours on Tuesday, 05 May 2015 (5.00.p.m.). E-voting shall not be allowed beyond this time.
- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at prajot@prajottungarecs.com with a copy marked to evoting@nsdl.co.in

Please note that:

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

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

B. In case of Members receiving physical copy of Notice

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

- (i) E-Voting Event Number (EVEN), User ID and Password is provided in the Ballot Form.
- (ii) Please follow all steps from Sr. Nos. (ii) to (x) above, to cast your vote by electronic means.

2. In case of voting by using Ballot Forms:

- (i) In terms of Clause 35B of the Listing Agreement, the Company, in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, has enclosed a Ballot Form along with this Notice.
- (ii) A Member desiring to exercise voting by using Ballot Form, shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it at the Registered Office of the Company, in the postage pre-paid self addressed envelope, addressed to the Scrutinizer, CS Prajot Tungare, Partner of Prajot Tungare and Associates, Pune, duly appointed by the Board of Directors of the Company. Ballot Forms deposited in person or sent by post/courier at the expense of the Member will also be accepted.
- (iii) Please convey your assent in Column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent/ dissent received in any other form/ manner will not be considered.
- (iv) Duly completed and signed Ballot Forms shall reach the Scrutinizer before the AGM date. Alternatively, the Ballot form can also be deposited in the box to be made available at the venue during the AGM. The Ballot Forms received after the AGM date shall be strictly treated as if the reply from the Member has not been received.
- (v) Unsigned/ incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
- (vi) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on Shirish.Dabir@altana.com by mentioning their Folio No./ DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than the AGM date.
- (vii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

3. Voting at AGM: The Members who have not casted their vote either electronically or through Ballot Form, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

Other Instructions:

- (i) The e-voting period commences from Sunday, 03 May 2015 at 9.00 a.m. and ends on Tuesday, 05 May 2015 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Thursday, 30 April 2015.
- (iii) Mr. Prajot Tungare, (Membership No. FCS 5484), Partner of Prajot Tungare and Associates, Pune, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him shall declare the results of the voting forthwith.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.elantas.com/beck-india> and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared by the Chairman. The results will be communicated to BSE Limited, where the shares of the Company are listed.

By order of the Board of Directors

Shirish Dabir
Company Secretary

Pune
Date: 10 April 2015

Annexure to the Notice

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

Item Nos. 5 & 6

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of Listing Agreement entered into with the Stock Exchange ("Clause 49"), every listed company shall have at least 1/3rd of its total number of directors as Independent Directors whereas Section 149(6) of the Act and Clause 49 II B (1) of Listing Agreement, lays down the criteria for independence.

Mr. Suresh Talwar and Mrs. Kishori Udeshi, Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Act as well as Clause 49.

In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the Act and the Rules framed thereunder and Clause 49 and are independent of the management of the Company.

In terms of Section 149(11) of the Act, an Independent Director can hold office for two terms upto 5 consecutive years each on the Board of the Company. Whereas, explanation to Section 149(10) and (11) further provides that any tenure of an Independent Director before commencement of the Act shall not be counted as a term while calculating maximum term of office of Independent Directors under those sub-sections of the Act. Accordingly, it is proposed to appoint Mr. Suresh Talwar and Mrs. Kishori Udeshi, as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from the date of this Annual General Meeting, as set out at Item Nos. 5 & 6 of this Notice. Notice, along with the necessary deposit, as required under Section 160 of the Act, has been received from a Member proposing the candidature of Mrs. Kishori Udeshi as the Independent Director of the Company.

Upon the approval of the Members of the Company on the said resolutions, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to the said Independent Directors.

Mr. Suresh Talwar and Mrs. Kishori Udeshi are concerned and interested in the respective resolutions as it relates to their appointment.

The Board accordingly recommends the resolutions at Item Nos. 5 & 6 of this Notice for the approval of the Members.

None of the said Directors are related to any of the Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at Item Nos. 5 & 6 of this Notice.

Brief profiles of the said Directors, in terms of Clause 49 of the Listing Agreement are as follows:

- (i) Mr. Suresh Talwar, age 76 years, is a Commerce & Law graduate from University of Bombay. He is also an advocate & solicitor. He was a partner of Crawford Bayley & Co. till 31 March 2006 and was a partner of Talwar, Thakore & Associates. Mr. Suresh Talwar specializes in Corporate Law, Corporate Tax, Foreign Exchange Laws etc.

The Directorships/Committee Memberships of other companies held by Mr. Suresh Talwar are as follows:

Name of the Company	Board Position held	Committee Membership
PZ Cussons India Private Ltd.	Chairman & Alternate Director	
Armstrong World Industries (India) Pvt. Ltd.	Chairman	
Sidham Finance & Investments Pvt. Ltd.	Chairman	
Chowgule & Company Pvt. Ltd.	Director	
Decagon Investments Pvt. Ltd.	Director	
Epitome Global Services Pvt. Ltd.	Director	
India Value Fund Trustee Company Pvt. Limited	Director	
IVF Trustee Company Pvt. Limited	Director	
IVF (Mauritius) PCC	Director	
IVF (Mauritius) Limited	Director	
Indium III (Mauritius) Holding Limited	Director	
Indium IV (Mauritius) Limited	Director	
Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd.	Director	
Sandvik Asia Pvt. Ltd.	Director	Audit Committee
Snowcem Paints Pvt. Ltd.	Director	

Name of the Company	Board Position held	Committee Membership
Swiss Re Shared Services (India) Pvt. Ltd.	Director	
Vidal Health TPA Pvt. Ltd.	Director	
Warner Bros Pictures (India) Pvt. Ltd.	Director	
Uhde India Pvt. Ltd.	Alternate Director	
Sunshield Chemicals Ltd.	Chairman	
Chowgule Ports & Infrastructure Private Ltd.	Director	
Indium III (Mauritius) Limited	Director	
Indium IV (Mauritius) Holding Limited	Director	
Phillips Capital India Pvt. Limited	Director	
Rhodia Speciality Chemicals India Ltd.	Chairman	Remuneration Committee
Biocon Limited	Director	Audit Committee
Blue Star Infotech Limited	Director	Audit Committee Remuneration Committee Compensation Committee
FCI OEN Connectors Ltd.	Chairman & Alternate Director	Audit Committee
Johnson & Johnson Ltd.	Alternate Director	
Merck Ltd.	Chairman	Audit Committee
Samson Maritime Ltd.	Chairman	Remuneration Committee
Shrenuj & Co. Ltd.	Director	
Sonata Software Limited	Director	Remuneration Committee
Philip Finance & Investment Services India Pvt. Ltd.	Director	Audit Committee
Birla Sun Life Trustee Co. Pvt. Ltd.	Director	Audit Committee

- (ii) Mrs. Kishori Udeshi holds a M.A. Degree in Economics from Bombay University. She became the first woman to be appointed as Deputy Governor of the Reserve Bank of India. She was the first Executive Director of the RBI to be nominated on the Board of State Bank of India. As Deputy Governor she was on the Board of SEBI, NABARD, Exim Bank and was the Chairperson of Bharatiya Reserve Bank Note Mudran (Pvt.) Ltd., Bangalore, as also Chairperson of the Deposit Insurance and Credit Guarantee Corporation.

The other Directorships/ Committee Memberships of limited companies of Mrs. Kishori Udeshi are as follows:

Name of the Company	Board Position held	Committee Membership
HSBC Asset Management Company (India) Pvt. Ltd.	Director	
Thomas Cook (India) Ltd.	Director	Corporate Social Responsibility Committee Nomination & Remuneration Committee Audit Committee
Ion Exchange (India) Ltd.	Director	Corporate Social Responsibility Committee Stakeholder Relationship Committee
Shriram Transport Finance Co. Ltd.	Director	Corporate Social Responsibility Committee Audit Committee
Haldyn Glass Ltd.	Director	Corporate Social Responsibility Committee Nomination & Remuneration Committee Audit Committee
Thomas Cook Insurance Services Ltd.	Director	
Shriram Automall Ltd.	Director	Audit Committee

Item No. 7

The Board of Directors appointed Mr. Martin Babilas (DIN: 00428631) as an Additional Director of the Company with effect from 06 May 2014. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Martin Babilas holds office of Director upto the date of this Annual General Meeting, but is eligible for appointment as a Director. Notice, along with the necessary deposit, as required under Section 160 of the Act, has been received from a Member proposing the candidature of Mr. Martin Babilas as a Director of the Company.

Mr. Martin Babilas has an accounting expertise (Diplom – Kaufmann). He is the Chief Financial Officer of the parent Company viz. ALTANA AG, and is responsible for areas of Controlling, Accounting, Corporate Finance/ Treasury, Tax, Legal, Compliance, Procurement & Information Technology, for the entire ALTANA group. He does not hold Directorships/Committee Memberships of any other companies in India.

Mr. Martin Babilas is concerned and interested in this resolution as it relates to his appointment. None of the other Directors and other key managerial personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

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

Item No. 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of Dhananjay V Joshi & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31 December 2015.

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

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

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

Item No. 9

The Members in the Annual General Meeting held on 6 May 2014 have appointed Mr. Ravindra Kumar as the Managing Director of the Company, with the authority to the Board to alter and revise the remuneration within the overall maximum ceiling fixed by the members. It is proposed that the overall maximum ceiling for Salary & Special Allowance, Performance Bonus and Perquisites of the Managing Director of the Company be revised as mentioned in the resolution with effect from the date of this resolution to provide for increase in his annual salary and performance bonus on the basis of his own performance & that of the Company and increase in perquisites.

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

Item No. 10

Mr. Sanjay Kulkarni is currently working as Chief Financial Officer of the Company. He is a Key Managerial Person within the meaning of Section 2 (51) of the Companies Act, 2013. Section 188 (1) (f) read with the explanation and the Rule 15 (3) (ii) (b) of the Companies (Meetings of Board) Rules 2014 provides inter alia that where the office or place of profit is held by an individual other than a Director and such person receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation or otherwise, beyond the threshold limit provided in the rules, consent of the shareholders by way of special resolution is required for continuation of office of profit by such individual. Under Rule 15 (3) (ii) (b) of the Companies (Meetings of Board) Rules 2014, the threshold limit provided for seeking the shareholders' consent is monthly remuneration of ₹ 2,50,000/- per month received by a related person other than the Director of the Company.

Mr. Kulkarni currently draws a gross remuneration of ₹ 41.56 Lacs p.a. which is in excess of the limit provided in the Rules, referred to herein. Hence consent of the shareholders is required as indicated in item no. 10 of the AGM Notice.

The main terms and conditions of contract entered into with Mr. Kulkarni are as under:

- Period of employment : Terminable by giving 3 months' notice on either side;
- Salary : ₹ 25 lacs p.a.
- Performance Linked Incentive : ₹ 20 lacs p.a.
- Other perquisites : ₹ 20 lacs p.a.
- Retirement Benefits : Provident Fund 12%, Superannuation 15%, Gratuity as applicable.

Vide this contract, Mr. Sanjay Kulkarni is also bound by the non-disclosure of confidential information pertaining to the Company.

Though Mr. Kulkarni has been in the employment of the Company at the time of the notification of Section 188, and also of the Rules stated above, as a matter of abundant caution, the Directors have proposed the Resolution for the consideration of the Members seeking their consent to enable Mr. Kulkarni to hold and continue to hold the office of profit.

Except Mr. Kulkarni, none of the Directors or Key Managerial Persons or their relatives is concerned or interested in the resolution.

Copy of his aforesaid Contract with the Company is available for inspection by Members of the Company between 9.00 a.m. and 5.00 p.m. on all days except Saturdays and Sundays and public holidays upto the date of the Annual General Meeting of the Company.

ATTENDANCE SLIP

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

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

I/We, hereby record my presence at the Fifty-ninth Annual General Meeting of the Company, held at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Wednesday, 6 May 2015 at 3.30 p.m.

Member's / Proxy's Signature : _____

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

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

No. of Shares : _____



PROXY FORM

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

I / We _____

of _____

being a member of ELANTAS Beck India Ltd. hereby

appoint _____

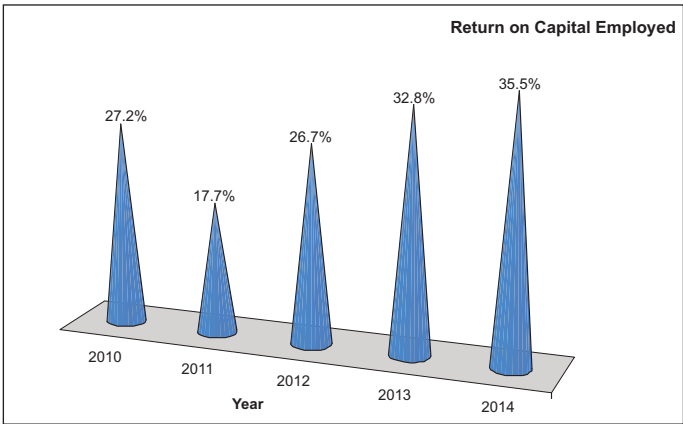
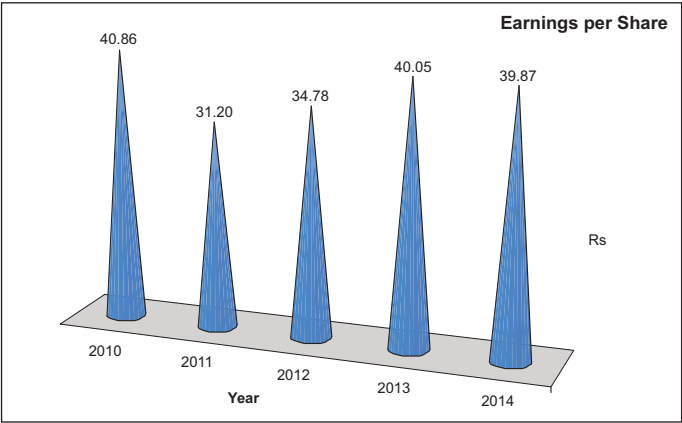
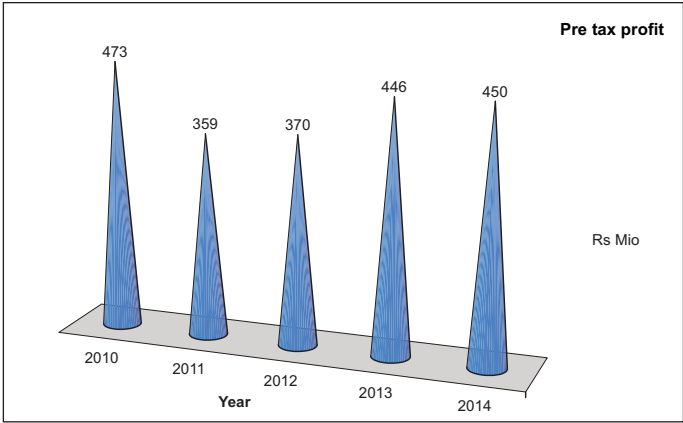
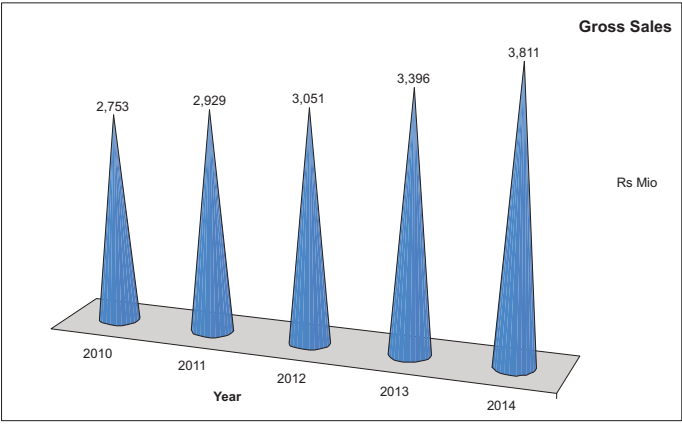
of _____ or failing him / her _____

_____ of _____

as my / our proxy to vote for me / us on my / our behalf at the Fifty-ninth Annual General Meeting of the Company to be held on Wednesday, 6 May 2015 at 3.30 p.m.

Signed this..... day of 2015 Signature

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



ELANTAS Beck India Ltd.

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

A member of  **ALTANA**