

ELANTAS Beck India Ltd.

ELANTAS
Electrical Insulation



Annual Report 2016

Magnet wires coated with Company's Wire Enamels exhibited at Elecrama 2016.



Ravindra Kumar, MD with Company Sales Team at Elecrama 2016, in conversation with a customer.

Tree Plantation activity in Company's plant at Pimpri, Pune, in the presence of Independent Directors viz. Mr. Suresh Talwar, Mr. Ravindra Kulkarni, Mr. R.L. Shenoy, Mrs. Kishori Udeshi and Company officials.



Moments captured during the visit of Mr. Martin Babilas, Chairman, Dr. Guido Forstbach, Director, Mr. Ravindra Kumar, MD & CSR Co-ordinators to Chinchwad Badhir Mook Vidyalaya supported through Suhrud Mandal, Pune

Board of Directors

Mr. Martin Babilas
Chairman

Dr. Guido Forstbach

Mr. Stefan Genten

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Ranjal Laxmana Shenoy

Mrs. Kishori Udeshi

Mr. Ravindra Kumar
Managing Director

Mr. Milind Talathi
Whole Time Director
(Alternate to Dr. Guido Forstbach)

Executive Management

Mr. Ravindra Kumar
Managing Director

Mr. Milind Talathi
Director-Manufacturing

Mr. Sanjay Kulkarni
CFO & VP-IT & Procurement

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

Mr. Joy Ghosh
VP-Market & Technology Development

Mr. P. Srinivasan
VP-Sales

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

Chief Financial Officer

Mr. Sanjay Kulkarni

Company Secretary

Mr. Shirish Dabir

Registered Office & Corporate Office

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

Works

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

Regional Offices

Bengaluru, Kolkata, New Delhi

Website

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

CIN

L24222PN1956PLC134746

Auditors

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

Internal Auditors

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

Cost Auditors

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

Solicitors

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

Bankers

The Bank of Nova Scotia
HDFC Bank Ltd.

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
Block No. 202, 2nd Floor, Akshay Complex,
Off Dhole Patil Road,
Pune 411001.
Tel.: (020) 26160084/1629
Telefax: (020) 26163503
E-mail: rnt.helpdesk@linkintime.co.in

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Directors' Report

To the Members,
of ELANTAS Beck India Limited

The Directors have pleasure in presenting the Sixty First Annual Report and the Audited Accounts for the financial year ended 31 December 2016.

Financial Highlights

(₹ in lakhs)

Particulars	Year ended 31.12.2016	Year ended 31.12.2015
Total Revenue	37,288.88	34,976.89
Profit before Interest, Depreciation & Tax	8,628.36	6,786.53
Depreciation	518.65	594.43
Interest	20.54	18.79
Profit Before Tax	8,089.17	6,173.31
Provision for tax	2,640.35	1,997.75
Net Profit	5,448.82	4,175.56
Profit & Loss Account brought forward	10,008.34	6,727.43
Profit available for appropriation	15,457.16	10,902.99
Appropriations:		
Proposed dividend	356.75	396.39
Tax on Dividend distributed	74.16	80.69
Transfer to General Reserve	544.88	417.56
Carried to Profit & Loss Account	14,481.37	10,008.34
	15,457.16	10,902.98

Performance

The sales at ₹ 36525.15 Lakhs for the year ended 31 December 2016 registered a 6 % growth over the sales of ₹ 34,416.06 Lakhs achieved in the previous year ended 31 December 2015. In terms of sales quantity, the tonnage sold during the year ended 31 December 2016 increased by 9 % over the previous year. The profit before tax showed an increase of ₹ 1,915.86 Lakhs over the profit before tax posted last year.

The Profit before Tax and Profit after Tax were ₹ 8,089.17 Lakhs and ₹ 5448.82 Lakhs respectively.

Share Capital

Share Capital Audit as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations 2015) 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 2016, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2016 was ₹ 792.77 Lakhs comprising of 79.28 Lakhs 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 2016.

Company has kept entire surplus in Profit & Loss Account for the purpose of payment of Dividend and has not transferred any amount to Reserves for the purpose of payment of Dividend.

Directors and Key Managerial Personnel

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

All Independent Directors have given Declaration that they meet criteria for Independence as laid down under Section 149 (6) of the Companies Act, 2013.

None of the Directors is disqualified from being appointed as or holding office as Director, as stipulated under Section 164 of the Companies Act, 2013.

No Key Managerial Personnel resigned during the year under review.

Separate meeting of Independent Directors:

The Independent Directors were fully kept informed of the Company's activities in all its spheres. During the year under review, a separate meeting of Independent Directors was held on 25 October 2016 and the Independent Directors reviewed the performance of (i) non- Independent Directors and (ii) the board as a whole.

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

Constitution of Audit Committee

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 the Chairman of the Audit committee is an independent director thus satisfying the conditions for composition of Audit Committee stipulated under Listing Regulations 2015.

Other information relating to Company's Audit Committee is given separately in Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Policy

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

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

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

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, the Board during the Year 2016 has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee for the Year 2015. The evaluation has been carried out on the basis of criteria defined by the Nomination and Remuneration Committee in its meeting 29 July 2014. Independent Directors in their separate meeting held on 25 October 2016 reviewed and evaluated performance of the Board for the Year 2016.

Number of Meetings held

During the year 2016, four Board Meetings and four Audit Committee Meetings were convened and held. Details of the same are given in the Corporate Governance Report.

Secretarial Audit Report:

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

Related Party Transactions

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

All RPT are placed before the Audit Committee for its review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. Pursuant to the provisions of the Listing Regulations 2015 as well as the Rule 6 A of the Companies (Meetings of Board and its Powers) Rules 2014, Audit Committee in its meeting held on 28 October 2015 had granted omnibus approval for the proposed Related Party Transactions to be entered into during the year 2016. Since there are no material Related Party Transactions and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions need to be reported in AOC – 2.

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

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

Details of Loans, Guarantees and Investments

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

Corporate Governance

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

Vigil Mechanism/Whistle Blower Policy

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

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

Corporate Social Responsibility (CSR)

'Inclusive growth is not the sole responsibility of the Government – Private Sector to come forward'.

'Business should supplement Government's efforts in addressing social challenges faced today'.

The Company is trying to put its best foot forward to live upto this philosophy of 'Giving back to the Society' in spirit and intent, by making a positive statement in this direction. As a vigilant and a socially responsible corporate citizen, it has been getting updated itself on the happenings and developments in the changed environment.

Here's a look at the Projects which the Company undertook with the help of its partnering NGO's

Projects in Year 2016:

- Partnered with a NGO, Shelter Associates, Pune for construction of 100 toilets under 'One house-one toilet' project in the nearby slum area in Kate Vasti & Balajinagar locality-Project completed
- An initiative in cooperation with Surhud Mandal, for helping over 20 schools run in Pune District for 'Hearing Impaired Children' by providing support in printing text books for their competitive learning from bringing them into the social mainstream – Project will be complete early next year
- A dual initiative of supporting education and health and hygiene with the help of a NGO named Vanarai, Pune for Assisting in Village Development in 2 villages viz. Bhivari & Patharwadi in Pune District by ways of providing better educational infrastructure to the Primary School and construction of 125 toilets to make the tenements self-sufficient – 3 year development program

The Company officials are very strictly monitoring the projects implementation through frequent site visits, meeting officials, checking records etc.

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

Risk Management Policy

The Board has established a Risk Management Committee which formalizes the Company's approach to overview and manage material business risks. The Company has its own Risk Management Manual and Risk Management Policy to identify, assess, monitor and manage key risks across the Company's business units. Risks and effectiveness of their management are internally reviewed and reported regularly to the Board. The management has reported to the board that the Company's risk

management and internal compliance and control systems are operating efficiently and effectively in all material respects. The board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

Internal Financial Controls and its adequacy

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

Subsidiary, Associates and Joint Venture

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

Extract of Annual Return

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

Listing on Bombay Stock Exchange

The Company's shares are listed on BSE Ltd.

Directors' Responsibility Statement

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

- a) in the preparation of Annual Accounts for the Year ended 31 December 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31 December 2016 and of the profit of the Company for the year ended 31 December, 2016.
- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Company has proper Internal Financial Controls in place and they are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules 2014, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the financial year 2016 on a remuneration to be fixed by the Members, in the forthcoming Annual General Meeting. Accordingly, a resolution for payment of remuneration to Dhananjay V Joshi & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year ended 31 December 2015 was filed with the Ministry of Corporate Affairs on 7 June 2016 within the stipulated time mandated in the Companies Cost Records Rules.

Auditors

The Members in its meeting held on 03.06.2016, have appointed Price Waterhouse, Chartered Accountants LLP as the Statutory Auditors of the Company till the conclusion of the Annual General Meeting (AGM) to be held in Y 2017.

On the basis of recommendations of Audit Committee, the Board has appointed Price Waterhouse, Chartered Accountants LLP as the Statutory Auditors of the Company for the remaining period of four years forming part of the first term of five years i.e. up to the conclusion of the Annual General Meeting for the financial year ended 2020, to be held in the year 2021, subject to ratification of the appointment at every intervening Annual General Meeting held after this Annual General Meeting, pursuant to the provisions of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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

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

Green Initiative

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

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

The Company has in place Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. The internal committee is set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2016.

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

Particulars of Employees

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

Compliance Certificate

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

Deposits

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

Industrial Relations

During the year under review, industrial relations continued to remain cordial. During the year, Company entered into wage settlement agreement with its workmen at Pimpri and Ankleshwar which concluded amicably after due discussions and negotiations. These wage settlement are for a three year period from 1 January 2016 to 31 December 2018 concluded separately for the two sites on the basis of 'Region cum Industry' principle.

General

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

1. No material changes or commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 December 2016 and the date of this report.
2. No Company has become or ceased to be Subsidiary, Associate, Joint Venture of the Company during the year under review.
3. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. There were no frauds reported by auditors as per Sections 134 (3) (c) and 143 (12) of the Act

Acknowledgements

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

For and on behalf of the Board

Mumbai
21 February 2017

Suresh Talwar
Director

Ravindra Kumar
Managing Director

Annexure A

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2016

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

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

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby make our report on the basis of our opinion during the audit conducted covering the financial year ended on 31st December, 2016, on various secretarial compliances with statutory provisions listed hereunder and on Board processes and compliance mechanism to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2016, according to the provisions of:

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

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

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

- (a) Inflammable Substances Act, 1952;
- (b) Petroleum Act, 1934 read with Petroleum Rules, 2002;
- (c) The Hazardous and other waste (Management Handling & Transboundry Movement) Rules, 2015; and
- (d) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.

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

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

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

We further report that:

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

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

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

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CPNo: 4449

Date: 20 February 2017
Place: Pune

Annexure B

REPORT ON CSR ACTIVITIES

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

CSR Policy Statement

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

Web link:

http://www.elantas.com/fileadmin/elantas/companies/beck-india/financials/compliance_with_corporate_governance/Corporate_Social_Responsibility_Policy.pdf

2. Composition of CSR Committee:
 - Mr. Ranjal Laxmana Shenoy – Non Executive Independent Director
 - Mrs. Kishori Udeshi – Non Executive Independent Director
 - Mr. Ravindra Kumar – Managing Director
3. Average net profit of the Company for last three financial years : ₹ 4689.53 Lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): ₹ 93.79 Lakhs
5. Details of CSR spent for the financial year: ₹ 91.30 Lakhs
 - a. Total amount to be spent during the financial year: ₹ 93.79 Lakhs
 - b. Amount unspent, if any: ₹ 2.49 Lakhs

The Board has been updated with the entire activities and is satisfied about the overall progress about Company's CSR activities and spending. The Company focused on expending the CSR funds on the projects only after assessing their overall viability and sustainability to stick to the very spirit of the legislation promoting CSR. This led to invest substantial time for identifying and assessing the projects and the organizations involved to implement the activities. This eventually left a minor shortfall in the required expenditure during the year. However, the Company has long term projects in hand in education and sanitation sector.

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

No.	CSR Project or Activity Identified	Sector in which project is covered	Location of Project	Amount outlay (Budget) project or program wise (₹ In Lakhs).	Amount Spent on Project or Programme (₹ In Lakhs). Sub-Heads: 1.Direct Expenditure on Projects or Programs 2. Overheads	Cumulative expenditure up to the reporting period (₹ In Lakhs)	Amount spent directly or through implementing Agency
1	Village Development - Bhivari and Patharwadi near Saswad-	Education, Health & Hygiene	Pune District	103.00	49.45	49.45	Through Vanarai-NGO
2	Construction of 100 toilets under the campaign 'One house-one toilet' in the nearby slum area in Kate Vasti, Bopodi, Pune	Swachh Bharat Mission	Pune	20.18	20.18	20.18	Through Shelter Associates, Pune
3	Distribution, Printing of educational text books in 15 hearing impaired schools in Pune district	Educational	Pune	19.12	19.12	19.12	Directly-Suhrud Mandal, Pune
	Overheads				02.55	02.55	
	Total				91.30	91.30	

Ravindra Kumar
Managing Director

Ranjal Laxmana Shenoy
Member – CSR Committee

Annexure C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.12.2016 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24222PN1956PLC134746
ii	Registration Date	15th March, 1956
iii	Name of the Company	ELANTAS Beck India Limited
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	147, Mumbai-Pune Road, Pimpri, Pune, Maharashtra - 411018 E-mail: shirish.dabir@altana.com, Tel. +91 (020) 30610800
vi	Whether listed company	Yes. Listed on BSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune 411001 Tel. (020) 26160084/1629 Telefax (020) 26163503 Email: rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Electrical Insulations	24222	82.00%
2	Engineering and Electronic Resins and Materials	24222	18.00%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	ELANTAS GmbH, Wesel	HRB -11575	Holding Company	75	2(46)

IV SHAREHOLDING PATTERN

i) Equity Share capital Break up as % to total Equity

Category of Shareholders	No. of Shares held at the beginning of the year (01.01.2016)				No. of Shares held at the end of the year (31.12.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a. NRIs- individuals	-	-	-	-	-	-	-	-	-
b. other individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75.00	-
d. Bank & FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A2)	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75.00	-
Total shareholding of Promoter (A)= (A1+A2)	59,45,761	-	59,45,761	75.00	59,45,761	-	59,45,761	75.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,37,436	600	2,38,036	3.00	2,85,212	600	2,85,812	3.61	0.61
b) Banks / FI	50	-	50	-	50	-	50	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	211	-	211	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Forein Portfolio Corporation	2,29,980	-	2,29,980	2.90	2,84,459	-	2,84,459	3.59	0.69
Sub-total (B)(1):-	4,67,677	600	4,68,277	5.90	5,69,721	600	5,70,321	7	1.10
									-
2. Non-Institutions									
a) Bodies Corp.									-
i) Indian	1,151	3,04,449	3,05,600	3.85	2,88,227	-	,88,227	3.64	0.21
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,14,918	1,32,915	3,47,833	4.39	7,74,771	1,30,743	9,05,514	11.42	7.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,25,606	-	8,25,606	10.41	1,12,956	-	1,12,956	1.42	8.99
c) Others (specify) : NRI	34,505	100	34,605	0.44	37,749	100	37,849	0.48	0.04
Sub-total (B)(2):-	10,75,029	1,33,015	15,13,644	19.09	12,13,703	1,30,843	13,44,546	17	2.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15,42,706	1,33,615	19,81,921	25.00	17,83,424	1,31,443	19,14,867	24	0.85
C. Shares held by Custodian for GDRs & ADRs =(C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	74,88,467	1,33,615	79,27,682	100.00	77,29,185	1,31,443	78,60,628	99.15	0.85

(ii) Share Holding of Promoters

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

(iii) Change in Promoters' Shareholding (Specify if there is change) - N.A.

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

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Pinebridge Investments GF Mauritius Limited	1,99,230	2.51	2,20,681	2.78
2	Reliance Capital Trustee Co. Ltd-A/c	1,20,548	1.52	1,76,031	2.22
3	Globe Commodities Limited	1,00,000	1.26	-	-
4	Globe Capital Market Ltd	-	-	85,556	1.07
5	Anmol Sekhri Consultants Private Limited	61,676	0.78	61,676	0.78
6	Nozer Jasi Shroff	40,000	0.50	40,000	0.50
7	Bajaj Allianz Life Insurance Company Ltd	31,695	0.40	63,250	0.80
8	IDBIMF - Diversified Equity Fund Operative A/C	26,000	0.33	26,000	0.33
9	Sundaram Mutual Fund A/C Sundaram Select Micro	25,700	0.32	21,784	0.27
10	Sundaram Mutual Fund A/C Sundaram Equity	23,407	0.30	26,000	0.33
11	Anmol Sekhri Consultants Pvt Ltd	23,181	0.29	23,267	0.29
12	Pinebridge India Equity Fund	-	-	28,194	0.35

(v) Shareholding of Directors & KMP

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

V INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

Sr.No	Particulars of Remuneration	Mr. Ravindra Kumar	Mr. Milind Talathi	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,09,85,687	59,92,952	1,69,78,639
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6,91,410	3,33,480	10,24,890
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others (specify)			
	Others - Employers contribution to PF	6,41,448	2,88,190	9,29,638
	Total (A)	1,23,18,545	66,14,622	1,89,33,167
	Ceiling as per the Act	10% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Sitting Fees payable to Directors.		

B. Remuneration to other directors:

(Amt. in ₹)

Sr.No	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Others	Total
1	Independent Directors				
	Mr. Suresh Talwar	4,20,000	4,25,000*	-	8,45,000
	Mr. Ravindra Kulkarni	4,20,000	4,25,000*	-	8,45,000
	Mr. R. L. Shenoy	4,46,000	4,25,000*	-	8,71,000
	Mrs. Kishori Udeshi	1,60,000	4,25,000*	-	5,85,000
	Total (1)	14,46,000	17,00,000	-	31,46,000
2	Other Non Executive Directors				
	Mr. Martin Babilas	-	-	-	-
	Dr. Guido Forstbach	-	-	-	-
	Mr. Stefan Genten	-	-	-	-
	Total (2)	-	-	-	-
	Total (1+2)	14,46,000	17,00,000	-	31,46,000
	Overall Ceiling as per the Act.	1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Siting Fees payable to Directors.			

* The proposed figures of Commission mentioned above include arrears of in ₹ 25,000 per Director for the Year 2015.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer (CEO)	Company Secretary (CS)	Chief Financial Officer (CFO)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	29,73,145	47,79,057	77,52,202
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	2,02,820	3,49,674	5,52,494
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others - Employers contribution to PF	-	1,54,926	2,26,836	3,81,763
	Total	-	33,30,891	53,55,568	86,86,459

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure D

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

- Automation of balance critical mixers for E & EM products by installation of PLC & individual HMI stations which has given benefits of energy reduction, more efficient operations & an improvement in the product quality.
- Replacement of CFL bulbs with LED lamps, at both sites
- Reorganization of shift working timings leading to reduced power consumption, at Pimpri
- Inter-site Product transfers for more efficient operations & lower power consumptions
- Projects for reducing product manufacturing cycle times, using lean six sigma techniques, at both sites

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

- Revamping of Solvent Recovery section at Ankleshwar to reduce energy levels & increase efficiency
- Incorporate learnings from affiliate sites to increase plant efficiencies leading to lower energy consumptions
- Change in certain equipments which would help in reducing product cycle times and hence energy levels
- Commissioning of a new multipurpose plant in the 1st quarter, wherein several technological changes have been incorporated thereby ensuring lower energy consumptions.
- Replacing old inefficient diffusers in the effluent treatment plants at both sites to get advantage of better effluent treatment & lower energy consumption
- Replacement of water jet Vacuum pumps by Oil / Dry Vacuum pumps
- Installation of an energy efficient compressor for the nitrogen plant
- Further projects, using lean six sigma techniques, across the two sites

Total amount spent on energy conservation equipments – ₹ 27.3 Lakhs

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

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

B. TECHNOLOGY ABSORPTION

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

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

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

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

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

- Development of a new poly ester imide enamel and polyester wire enamels with specific colors for cured wires like golden, purple etc.
- Introduction of a new faster curing (energy saving) solvent based insulating varnish
- Stand-alone Polyamide hardeners as a new type of products for epoxy based systems
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents
- Continuing adaptation of new products from group companies under 'Technology Transfer' in the Company's business segments to cater to the local market, a new epoxy compound and a new UP resin based insulating varnish have been developed

3. Future plan of action.

- Continue efforts on efficient customer service and improved speed of product development with the newly formed team
- Continue adaptation of new products from group companies under 'Technology Transfer' in the Company's business segments to cater to the local market
- Initiate and continue participation in new global R&D projects for the benefit of local and global customers
- Improvisation of existing products for cost reduction based on substitution of raw materials and improvement in process efficiency
- Undertake new projects under the 'Responsible Care' Initiative to avoid Rosh/REACH restricted raw materials and to design intermediates and products that generate comparatively less amount of effluent waste
- 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

(Currency : ₹ in lakh)

	Year ended 31.12.2016	Year ended 31.12.2015
(a) Capital	26.32	48.17
(b) Recurring	337.91	303.22
(c) Total	364.23	351.39
(d) Total R & D expenditure as a percentage of total turnover	0.89%	0.91%

5. Technology absorption, adaptation & innovation:

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

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

Technology imported	Year of import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of PAI Wire Enamel insulating technology from affiliate company in Italy.	2014	Yes	-
Absorption of UP resin technology from affiliate company in Italy.	2015	Yes	-
Absorption of high density epoxy resin technology from affiliate company, in Italy.	2015	Yes	-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Annexure E

Information as per Section 134 of the Companies Act, 2013

Name	Designation	Gross Remuneration Subject to tax (₹ in Lakhs)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	123.18	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	44/20	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
Mr. Milind Talathi *	Whole Time Director	66.14	B. Tech (Chemical) DBM	55/31	16.07.2013	Gujarat Fluorochemicals Ltd.
Mr. Joy Krishna Ghosh	VP - Market & Technology Development	66.96	B.Com (Hons), MBA IIM (Calcutta)	37/14	13.01.2015	Accenture Strategy Consulting – Engagement Manager
Mr. Sanjay Kulkarni	CFO & VP-IT & Procurement	53.55	B.Com, ACA, ICWA	50/27	18/08/2008	Gabriel India Ltd.
Mr. Shirish Dabir	AVP-Legal, HR & Company Secretary	33.30	B.Com, L.L.B., ACS, PGDHRM	53/29	03.04.2006	Emcure Pharmaceuticals Ltd., Company Secretary
Mr. Nitin Kembhavi	Head – Accounts & Finance	31.44	B.Com, AICA	56/31	17.08.1987	Drillco Metal Carbides
Mr. D. W. Thombre	Plant Head- Ankleshwar	33.20	B.Tech. PGDIM (Chemical Engineer)	60/36	04.08.2000	Roofit Industries Ltd. – Factory Manager
Mr. V. A. Bhanu	AVP-Research, MTD (PI & SI)	42.64	PHD (Polymer Chemistry)	56/29	12.07.2005	Pidilite Industries
Mr. Srinivasan P.	VP - Sales	44.46	BE (Mech), MBA - Marketing	49/25	03.04.2015	Thermax Chemicals Ltd.
Mr. R. S. Salunkhe (Retired on 1.04.2016)	Head Sales – E & EM	32.15	B. Tech (Plastics)	61/36	26.02.1980	–
Mr. Joseph Mathew (Resigned on 1.04.2016)	Sr. Manager – Procurement	20.75	B.Sc., DBM, MBA, MCM, DCS	50/26	17.10.1985	-
Mr. Ravikiran K. V. (Resigned on 15.04.2016)	Head Sales – North & East India	20.91	BE (Mech)	53/29	27.03.2002	-

* Alternate Director to Dr. Guido Forstbach

Note:

1. None of the above employees is a relative of any Director of the Company.

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

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

Sr. No.	Name of Director / KMP	Designation	Remuneration (₹ in Lakhs)		Change (%)	Ratio of Remuneration of each Director & KMP to Median Remuneration of Employee
			2016	2015		
1	Mr. Martin Babilas	Chairman, Non Executive Non Independent Director	0	0	0	0
2	Dr. Guido Forstbach	Non Executive Non Independent Director	0	0	0	0
3	Mr. Suresh Talwar	Non Executive Independent Director	8.45*	7.80	8.33	1.37
4	Mr. Ravindra Kulkarni	Non Executive Independent Director	8.45*	6.70	26.12	1.37
5	Mr. Ranjal Laxmana Shenoy	Non Executive Independent Director	8.71*	8.01	8.74	1.41
6	Mrs. Kishori Udeshi	Non Executive Independent Director	5.85*	5.70	2.63	0.95
7	Mr. Stefan Genten	Non Executive Non Independent Director	0	0	0	0
8	Mr. Ravindra Kumar	Managing Director	123.18	131.28	-6.17 **	19.97
9	Mr. Milind Talathi	Whole Time Director	66.14	33.28***	98.77	10.72
10	Mr. Sanjay Kulkarni	Chief Financial Officer	53.55	55.99	-4.35**	8.68
11	Mr. Shirish Dabir	Company Secretary	33.30	32.08	3.83	5.40

* The amounts of remuneration include arrears of ₹ 25000 per Director w.r.t. Commission for Y 2015.

** The figures appear negative due to payment of special Performance Linked Incentive for Y 2015 which was not there in Y 2016.

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

2. No. of permanent employees on the rolls of the Company as on 31 December 2016 – 177

3. Median Remuneration of the employees has decreased by 16.18% in Y 2016 as compared to Y 2015.

4. We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.

The Company has not made any public issue of shares.

Annexure F

COMPLIANCE CERTIFICATE

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

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

For ELANTAS Beck India Limited

sd/-

Ravindra Kumar
Managing Director

sd/-

Sanjay Kulkarni
Chief Financial Officer

Management Discussion & Analysis Report

Macro-economic scenario in India improved in the last couple of years supported by stable political environment, business focused policies of the government, low commodity prices, low inflation and good monsoon after two back to back draughts. These among other factors helped India GDP growth over 7% in the first three quarters of the year and India retained its position of fastest growing major economy in the world amidst gloomy global economic situation. Low oil prices throughout the year have helped India improve its fiscal deficit situation. Low inflation and demonetization scheme announced by Government towards later part of the year has increased hope to much needed further cut in interest rates to boost the demand in Indian economy.

Business of the company is directly linked to the industrial activities in electrical machineries e.g. motors, generators and transformers, house hold appliances and automotive industry. Industrial Production growth during 2016 has stayed either negative or very low during the whole year reflecting the realities of manufacturing sector in India. Low domestic demand and continued imports of electrical equipments especially from China are leading to sub optimal capacity utilization of the industry. Much awaited Goods and Services Tax (GST) is expected to provide competitive advantages to organized businesses however GST roll out has been delayed further with the hope of its implementation in 2017.

Despite adverse market scenario in India and gloomy global economic situation, your company has delivered another year of profitable growth which clearly reflects the strength of the company in its area of operations. Company delivered record profits in 2016 beating it's all previous financial performances of the past. Raw material prices during the whole year remained relatively low and stable which favorably influenced generation of profits however, company's record financial performance is also a result of successful execution of several growth and cost reduction projects. During 2016, your company took several measures to create sustainable and profitable growth such as:

- Identification and execution of growth projects in traditional and new market segments such as motor repair segment
- Enhanced customer focus across the organisation
- Further strengthening of organizational capabilities across functions e.g. manufacturing, technology, sales, marketing, IT and procurement areas.
- Introduced several internal processes and further developed human resource capabilities
- Leveraged ELANTAS global capabilities enabling growth of company's business
- Enhanced efficiencies in procurement area

Many such measures led to a record financial performance of the company and strengthened company's position in electrical insulation market in India.

Segment wise Performance

Electrical Insulation Business

- The Electrical Insulation Business comprising of Wire Enamels and Secondary Insulation products account for over 82% of the Company's Sales Revenue and constitutes the core business of your company.
- Wire Enamel business primarily caters to Magnet Wire manufacturers and Secondary Insulation products like Varnishes find application in Motors, Alternators, Fans, Transformers apart from the Repair and refurbishment industry.
- Your Company was able to further consolidate its position in the Electrical Insulation Business through focused efforts on addition of new products, customers and growing its share with existing customers resulting in growth of 6.7% in value terms in this segment.
- The Electrical Machinery Industry and indigenous OEMs continued to be adversely impacted by imports of Electrical Equipment especially from China.
- In the last six weeks of 2016, your company partially experienced the impact of slow down experienced by the White Goods industry, Retail and Repair segments.
- The year under review also saw a significant softening of Raw Materials and commodities which lead to demands for price reduction from customers. Your company went in for a price correction wherever feasible, while maintaining its overall value and margins.

Your Company is confident of future growth in this segment on account of the following factors:

- The positive strides made by the Government in the Power Sector and anticipated increase in the Generation capacity to 400 GW by 2022.
- Growth in demand for Electrical & Industrial Machinery and allied Instrumentation
- Replacement of dated electrical equipment with energy efficient ones
- Initiatives taken by the Government to make the Smart City concept a reality
- New Economic Opportunities of Renewable and sustainable energy solutions

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

Electronic & Engineering Materials

Electronic & Engineering Materials business comprises of Electronic & Electrical (EL) Compounds, Construction Chemicals and Polyamide Hardeners.

The Electronic & Engineering Materials business accounts for 18% of the Company's Sales Revenue and has registered a growth of 3.9 % by value in the year under review.

The EL Business has specialty product offerings in Electronics, Auto Electricals, Capacitors, Filters & High Voltage applications. Your Company continues to maintain a strong focus on developing new products in this field. Headwinds faced by the Two Wheeler industry post demonetization, partly resonated in this business.

Your Company's specialty products in the Construction Chemicals domain & Polyamide Hardeners have niche applications in Industrial Flooring, Structural Repairs and Exterior Coatings in variety of areas including Pharmaceutical, Automotive, Commercial, Residential, Logistics and Warehousing. Your Company has been selective in focusing on projects with profitability and secure cash flows.

Your Company sees a significant growth Opportunity in these niches, given the continued thrust on Infrastructure creation across the country.

Overall, your Company continues its strong focus on research, development & technical support mechanism to ensure complete customer satisfaction in terms of quality, product solution expertise, innovation and service. Active engagement with our European & US affiliates is aiding the development process and offering better products.

Current Future & Outlook

Market scenario in the early part of 2017 is expected to remain sub optimal till market liquidity improves post demonetization. While company optimistic on its future outlook however, there is a need to watch following factors carefully:

- Effect of production cut announced by OPEC on crude oil prices
- Price movements in commodity prices based on the global demand situation
- Execution of planned tax reforms by Indian government e.g. GST
- Revival of industrial production in Indian market
- Ability of the company to develop new business in existing and new market segments
- Growth in electrical equipment industry, electronics, home appliance and automotive markets

Your company is growing from strength to strength and building its capabilities in all important areas which give the needed confidence that company will maintain its dominant position in Indian electrical insulation market in the years to come.

Risks, Opportunities and Threats

Over the last 60 years, your company has proven to be strong enough to deal with challenges posed by external environment. It has reinvented itself whenever there has been any threat to its business. Company has a proven track record of developing new technologies, ensuring effective distribution of its products, adopting modern manufacturing techniques and keeping the costs under control. Management of the company ensures that all risks are addressed and reviewed on periodic basis by management and its auditor and status is presented to the audit committee. Management of the company has a very high commitment towards exercising needed controls across company's operations to avoid any exposure to unknown potential risks.

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

Risks

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

Opportunities

- Improving outlook of the economy and industrial growth leading to higher demand from end consumers
- Structural economy reforms e.g. GST
- Opportunities in existing and adjacent lines of business

Threats

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

Company Performance

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

- As explained earlier, despite the challenging extraneous factors, the company achieved a volume level of 21662 mts, a 9% increase as compared to previous year. This was possible due to focus on new business from new products & new customers. However in terms of value the company was able to show a growth of 6% as compared to previous year mainly due to drop in the realizations per unit, the results of passing on the effects of raw material softening to our customers. The company sales stood at ₹ 36,525 Lakhs for this year.
- The profit before tax at ₹ 8,089 Lakhs representing an improvement of 31 % over Y2015
- Net cash flows from operating activities during the year at ₹ 5,585 Lakhs were higher as compared to ₹ 4,638 Lakhs during the previous year.

The Net Working Capital, a key performance indicator, stood at almost same levels of previous year (75 days)

Internal Control Systems

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

Technical Management and Infrastructure Development

During the year under review, there was an improvement in the Company's operational performance, registering 8.8% rise in the production over 2015.

Improvements in the plant are ongoing and continuous importance is given to the following:

- Improving EHS standards as reflected by lower number of incidents.
- Enhancing productivity with sustained quality levels
- Reducing customer complaints
- Savings in operational costs

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

- Close coordination with R & D Dept. to bring in several quality & cost saving measures along with launch of several new products
- Implementation of ALTANA X – an excellence program driven by Management for problem solving in selected areas, using lean six sigma techniques
- Further automation of Mixers in the E & EM section for productivity, quality & energy improvements
- Capacity expansion with latest technology equipments
- Inter-site shifting of products for higher efficiencies
- Upgradation of the fire hydrant systems at both sites for increased safety of plants & equipments.
- Various Process improvements measures & de-bottlenecking measures
- Launch of 5S program

The ongoing operation improvement campaign has ensured greater participation of employees & has instilled generation of ideas along with ownership / implementation of the same.

Besides this, the Company undertook technical improvements in plant engineering and manufacturing processes by benchmarking with its overseas affiliates. Technical and Operations related focused groups established under the stewardship of ALTANA and ELANTAS, Germany, devote their efforts for ensuring optimization of the production methods & processes. The Company regularly participates in the deliberations of these focused groups across all sites at a global level. All above measures have facilitated the way for more efficient production and to meet market demands for new and existing products.

Going forward, to meet the growing demand, a new multipurpose plant is being set up which will ramp up the installed capacity.

Quality, Environment Management and Occupational Health & Safety.

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

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

Your Company continues with its zero accident record for several years. The launch of a Safety Awareness Campaign across both sites by ensuring employee participation in safety has brought about greater awareness amongst all employees & has ensured lower unsafe incidents. A special initiative this year was Safety trainings conducted by Worker Trainers.

In a first of its kind initiative, your Company took the lead in inviting employees of our neighboring companies at Pimpri for a "Swach Bharat" initiative on 5th June 2016, the occasion being the "World Environment Day". Overall about 200 employees from three companies participated & jointly cleaned the common approach road, followed by a plantation drive on this common road.

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 9001, 14001 and BS OHSAS 18001, 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 certification audit by TÜV NORD during the year and the certification was successfully renewed for the next three years.

Research & Development

The process of innovation is very important to the Company's operations. R&D is an important part of the Company's innovation endeavor and we have further strengthened the department by recruiting few more experts with experience in different areas to support the continuous product development and process upgradation. We have been also successful to develop two teams namely Research and Market-Technology

Development (MTD) out of the R&D department to address relatively long and short term product development of the market, respectively.

The Company's active participation in ALTANA's global R&D initiatives also allows it to have ready access to recent technological developments in the processing, application and end use of insulation products. The local team has successfully developed new wire enamel for the global R&D group on the lab scale.

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

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

Human Resources/ Industrial Relations

During the year under review the Company's HR function focused on strengthening its Performance Management System, implementing the new Leave & Attendance Management System with improved features, imparting various training and development programs for the development of its employees. Certain old policies were revamped and new policies were introduced for the benefit of employees. At the same time there were number of engagement initiatives taken by the Company for its employees.

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

These intensive initiatives are helping the organization pursue its people development strategy and in turn helping HR to emerge as a strong strategic function. As on date, the number of employees on roll is 178.

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
21 February 2017

Suresh Talwar
Director

Ravindra Kumar
Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

1. ELANTAS Beck's philosophy on Corporate Governance:

ELANTAS Beck India Ltd. views Corporate Governance principles as a culture intended to maximize wealth of shareholders, establish productive and lasting relationship with all its stakeholders with emphasis on fulfilling the responsibility towards entire community and society. Being a value driven organization, the Company envisages attainment of the highest level of transparency, accountability, co-ordination and equity in all facets of its operations involving all its stakeholders, the social community it services and the environment in which it operates. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to maximization of long term shareholders value. It's initiatives towards adhering to highest standards of Governance include, ethical dealings, fair and transparent processes, self-governance and reporting systems. The Corporate Governance principles implemented by the Company seek to protect & recognize shareholders' rights and ensure timely and accurate disclosure to them as well as protection of all stakeholders it deals with.

ELANTAS Beck India Ltd. believes that having a strong Corporate Governance commands a commitment of the Company to run the business in a transparent, ethical & lawful manner, which emanates from the top and percolates down to the rest of the organization. It encompasses a set of relationships between a Company's Board, its Management, Shareholders and Stakeholders. Credibility generated by sound Corporate Governance enables the organization in enhancing the confidence of the investors – both domestic and foreign, and in establishing productive and lasting business relationship with all stakeholders. It thus enhances the economic value of the business.

Besides complying with the prescribed Corporate Governance Practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') the Company has voluntarily adopted various practices of Governance conforming to highest ethical and responsible standards of business.

This chapter on Corporate Governance, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports, inter-alia, ELANTAS Beck India Ltd.'s compliance with the Listing Regulations and other governance requirements.

The Company's initiatives towards maintaining the highest standards of governance are detailed below.

2. Board of Directors (Board)

(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% of the Board comprising of Non-Executive Directors. Mr. Ravindra Kumar is Managing Director of the Company. Mr. Milind Talathi is whole time Director of the Company acting as alternate to Dr. Guido Forstbach. Mr. Martin Babilas, Dr. Guido Forstbach and Mr. Stefan Genten are Non-Executive Overseas Directors. Mr. Suresh Talwar, Mr. Ravindra Kulkarni, Mr. Ranjal Laxmana Shenoy and Mrs. Kishori Udeshi are Non-Executive Independent Directors.

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

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

Name of Director	Other Directorships	Other Committee Memberships (including Chairmanships) #	Other Committee Chairmanships #
Dr. Guido Forstbach *	-	-	-
Mr. Martin Babilas *	-	-	-
Mr. Suresh Talwar **	5	5	2
Mr. Ravindra Kulkarni **	6	6	2
Mr. Ranjal Laxmana Shenoy **	2	3	2
Mrs. Kishori Udeshi **	5	5	1
Mr. Ravindra Kumar ***	-	-	-
Mr. Stefan Genten*	-	-	-
Mr. Milind Talathi *** @	-	-	-

* Non-Executive Director ** Non-Executive Director –Independent *** Executive Director
 @ Alternate Director to Dr. Guido Forstbach
 # Directorships, and Memberships of Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies have been considered.

Note:

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 2016, four Board meetings were held on 23 February, 10 May, 27 July, and 25 October.
- (ii) The attendance of the Directors at the Board Meeting and during the year and at the last Annual General Meeting is as follows:

Name of Director	Meetings held during the tenure of Director	Meetings attended	Last AGM
Dr. Guido Forstbach	4	1	No
Mr. Martin Babilas	4	1	No
Mr. Suresh Talwar	4	4	Yes
Mr. Ravindra Kulkarni	4	4	Yes
Mr. Ranjal Laxmana Shenoy	4	4	Yes
Mrs. Kishori Udeshi	4	3	Yes
Mr. Ravindra Kumar	4	4	Yes
Mr. Stefan Genten	4	1	No
Mr. Milind Talathi *	4	3	Yes

*Appointed as Alternate Director to Dr. Guido Forstbach w.e.f.28 October 2015

(c) Information placed before the Board:

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results of the Company and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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 objectives agreed upon during the course of the year.

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

Details of remuneration of Executive Directors for the year ended 31 December 2016:

(₹ in lakhs)

Name and Designation	Salary	Perquisites (Benefits)	Performance Linked Incentive	Retirement Benefits P.F & Superannuation	Total	Term of Appointment
Mr. Ravindra Kumar (Managing Director)	53.60	12.58	44.07	12.93	123.18	3 Years from 01 January 2014 (further appointed for 5 years w.e.f. 01 January 2017)
Mr. Milind Talathi (Whole Time Director)	24.02	17.32	19.82	4.98	66.14	3 years from 23 February 2016
Total:	77.62	29.90	63.89	17.91	189.32	

Notes:

- (1) The above excludes accrual for employee benefits viz. Gratuity & leave encashment.
- (2) The Company does not have a Stock Option Scheme.
- (3) Notice period for termination of agreement with the Managing Director is six months. However, no severance compensation is payable.
- (4) Mr. Milind Talathi was appointed as Alternate Director to Dr. Guido Forstbach effective from 28 October 2015 and being in the whole time employment of the Company, was appointed as Whole Time Director effective from 23 February, 2016. Accordingly, the remuneration of Mr. Talathi is considered for the entire Financial Year 2016.

Remuneration of Non-Executive Independent Directors comprises of sitting fees and commission based on their overall engagement and contribution to the Company's business and also based on the net profits of the Company. As approved by the members, commission is limited to 1% of the net profits of the Company.

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

Details of remuneration of Non-Executive Directors for the year ended 31 December 2016:

Name	Sitting fees (₹)	Commission (₹)*
Mr. Suresh Talwar	4,20,000	4,25,000
Mr. Ravindra Kulkarni	4,20,000	4,25,000
Mr. Ranjal Laxmana Shenoy	4,46,000	4,25,000
Mrs. Kishori Udeshi	1,60,000	4,25,000
Total:	14,46,000	17,00,000

*The proposed figures of Commission mentioned above include arrears of ₹ 25,000 per Director for the Year 2015.

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 2016, four Audit Committee meetings were held on 23 February, 10 May, 27 July and 25 October.

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 the four members of the Audit Committee are Non-Executive Directors, two third of the members being independent, Chairman of the Audit committee is an Independent Director thus satisfying the conditions of the composition of the audit committee

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

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

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

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- recommendation for appointment, remuneration and terms of appointment of auditors of the company
- approval of payment to statutory auditors for any other services rendered by the statutory auditors
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
 - b. changes, if any, in accounting policies and practices and reasons for the same
 - c. major accounting entries involving estimates based on the exercise of judgment by management
 - d. significant adjustments made in the financial statements arising out of audit findings
 - e. compliance with listing and other legal requirements relating to financial statements
 - f. disclosure of any related party transactions
 - g. modified opinion in the draft Audit Report
- reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the company, wherever necessary
- evaluation of internal financial controls and risk management systems
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- discussion with internal auditors of any significant findings and follow up thereon
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

- 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 the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
 - to review the functioning of the Whistle Blower mechanism
 - reports of Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors
 - status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management
 - compliance with regulatory guidelines
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
 - carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- In addition to the above, the Audit Committee also mandatorily reviews the following information:
- management discussion and analysis of financial condition and results of operations
 - statement of significant related party transactions (as defined by the Audit Committee), submitted by management
 - Management letters /letters of internal weaknesses issued by the statutory auditors
 - Internal auditors report concerning internal control weaknesses

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

The Members attended the meetings as follows:

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

(b) Stakeholders Relationship Committee and Share Transfer Committee

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

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

During the year ended 31 December 2016, eight meetings of Share Transfer Committee and 1 Meeting of Stakeholders Relationship Committee was held. As of 31 December 2016, there were no unresolved investor complaints pending.

Transfer of shares held in physical mode was processed by Link Intime India Pvt. Ltd. and approved by the Share Transfer Committee. Transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects. The Share Transfer Committee of the Company normally meets at fortnightly intervals for approval of share transfers, received if any, and other related matters. As on 31 December, 2016, no request for transfer of shares was pending.

Scope of the Stakeholders Relationship Committee and Share Transfer Committee:

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

(ii) Complaints:

Number of Investor Complaints received during the period 1 January 2016 to 31 December 2016:	1
Number of Investor Complaints not resolved to the satisfaction of shareholders during the period 1 January 2016 to 31 December 2016:	0
Number of Investor Complaints pending at the end of the period 1 January 2016 to 31 December 2016:	0

c) Committee for issue of duplicate share certificates

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

Scope:

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

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

d) Nomination & Remuneration Committee

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

Two meetings of the Committee were held during the year.

The Nomination & Remuneration Committee has the following objectives:

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

e) Risk Management Committee

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

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

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

f) Corporate Social Responsibility Committee

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

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

4. Other Information:

(a) Code of Conduct:

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

(b) CEO/CFO Certificate

A certificate from the Managing Director and CFO & VP - IT and Procurement, on the integrity of the financial statements and other matters of the Company for the financial year ended 31 December 2016, annexed and forms part of the Annual Report, was placed before the Board at its meeting held on 21 February 2017.

(c) General Body Meetings:

(l) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place
31 December 2013	06 May 2014	3.30 p.m.	Hall No.4, 'A' Wing, 5 th Floor,
31 December 2014	06 May 2015	3.30 p.m.	MCCIA Trade Tower, ICC Complex,
31 December 2015	03 June 2016	2.30 p.m.	Senapati Bapat Road, Pune 411016.

(ii) One Special Resolution regarding holding of Office of Profit by Mr. Sanjay Kulkarni was passed at the Annual General Meeting held on 06 May 2015 and one Special Resolution regarding appointment of new Statutory Auditors in place of earlier Auditors was passed at the Annual General Meeting held on 03 June 2016.

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

(d) Postal Ballot

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

(e) Disclosures:

- In terms of the requirements of Accounting Standard 18 on Related Party Disclosures issued by the Companies (Accounting Standard) Rules, 2006, transactions with related parties have been adequately disclosed in Note No. 38 in Notes to accounts forming part of the Balance Sheet as at 31 December 2016. There were no transactions of material nature with the Directors or the management or relatives during the year that might have potential conflict with the interests of the Company
- No strictures penalties have been imposed on the Company by the Stock exchange or by the Securities Exchange Board of India or any other statutory authority on any matters related to capital markets during the last three years except said payment of ₹ 8,84,000 to SEBI in view of the recommendations of High Powered Advisory Committee followed by SEBI's intimation regarding payment of settlement charges in respect of maintaining minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957 as amended
- No personnel has been denied the access to the Audit Committee.
- None of the Directors holds equity shares or convertible instruments in the Company.
- No Director is related to any other Director of the Company.
- The Company has been complying with the mandatory and discretionary requirements under part E of Schedule II of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).
- The company complies with the requirements of corporate governance as specified in Regulations 17 to 27 and Clauses(b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.
- Web link of related party transactions policy :
<http://www.elantas.com/beck-india/financials/compliance-with-corporate-governance.html>
- There are no shares of any shareholder of the Company laying at De-mat Suspense Account.

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

Status relating to following specific requirements:

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

(g) Independent Directors' meeting was held on 25 October 2016.

(h) Means of Communication:

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

5. General Shareholders' Information:

(a) Company Registration details:

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

(b) 61st Annual General Meeting:

Day, Date & Time	Wednesday, 10 May 2017 at 2.30 p.m.
Place	Hall No. 4, 'A' Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016.
Dates of Book Closure	From Tuesday, 2 May 2017 to Wednesday, 10 May 2017 (both days inclusive).
Dividend payment date	On Wednesday 7 June 2017, if declared in the Annual General Meeting on 10 May 2017, within the stipulated statutory period.

(c) Unclaimed dividends:

- Pursuant to Sections 124 and 125 of the Companies Act, 2013, all unclaimed/unpaid dividend/s remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment, has to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- Following table gives information relating to outstanding dividend amount and date when it becomes due for transfer to IEPF in the year 2016.

Financial Year	Dividend payment date	Unclaimed/unpaid dividend (Y2009) as on 31.12.2016	Proposed date for transfer to IEPF
Y 2009	28.05.2010	₹ 3,47,256/- *	26.05.2017 **

* This amount may undergo change in case of any claims received / processed by the Company after 31.12.2016.
** 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 2016 to 31 March 2017.

(f) Stock Performance:

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

Year 2016	Price of Equity Shares of the Company			Sensex		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close
January	1605	1180	1253.75	26197.27	23839.76	24870.69
February	1320	1165	1178.25	25002.32	22494.61	23002
March	1320	1160	1299	25479.62	23133.18	25341.86
April	1390	1262.5	1342.25	26100.54	24523.2	25606.62
May	1564.75	1301.5	1500.4	26837.2	25057.93	26667.96
June	1670	1421	1650.95	27105.41	25911.33	26999.72
July	1849.95	1567	1704.7	28240.2	27034.14	28051.86
August	1703.85	1570	1639.95	28532.25	27627.97	28452.17
September	1700	1561.2	1653.35	29077.28	27716.78	27865.96
October	1800	1620	1785.85	28477.65	27488.3	27930.21
November	1849	1580.25	1680.25	28029.8	25717.93	26652.81
December	1847.75	1551.1	1818.05	26803.76	25753.74	26626.46

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 depending upon the volume of transfers. The share certificates are returned to the member/s within the stipulated period, subject to the documents being valid and complete in all respects. The details of transfer/ transmission of shares of the Company so approved are placed at every Board Meeting.

(h) Registrars and Share Transfer Agents:

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

(i) Dematerialisation:

As of 31 December 2016, 77,94,466 shares i.e. 98.31% of the Company's total issued, subscribed and paid-up capital were held in dematerialised form.

(j) Distribution of Shareholding as of 31 December 2016:

Shareholding	No. of shareholders	No. of shares	% to total
1 to 500	7895	598582	7.55
501 to 1000	166	128341	1.62
1001 to 2000	69	103350	1.30
2001 to 3000	21	52408	0.66
3001 to 4000	14	49751	0.63
4001 to 5000	5	22805	0.29
5001 to 10000	17	116841	1.47
10001 and above	22	6855604	86.48
Total:	8209	7927682	100.00

(k) Shareholders' Profile as on 31 December 2016:

Class of Shareholder	No. of shares	% to total
Clearing Members	3312	0.04
Foreign Portfolio Investors (Corporate)	284459	3.59
Foreign Promoter Company	5945761	75.00
Hindu Undivided Family	59412	0.75
Mutual Funds	285812	3.60
Nationalized Banks	50	0
Non Resident (Non Repatriable)	17281	0.22
Non Resident Indians	20380	0.26
Other Bodies Corporate	293034	3.70
Public	1018181	12.84
Total:	7927682	100.00

(l) Compliance with the Minimum Public Shareholding Requirement:

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

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

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

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

(ii) Registered Office:

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

(iii) Address for correspondence:

In respect of transactions relating to shares:

Link Intime India Pvt. Ltd.

Pune Office:

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road,

Pune - 411001

Tel. (020) 26160084/1629

Telefax (020) 26163503

In respect of any other matter:

ELANTAS Beck India Ltd.

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

Tel: (020) 30610800

For and on behalf of the Board

Mumbai
21 February 2017

Suresh Talwar
Director

Ravindra Kumar
Managing Director

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

To the Members of
ELANTAS Beck India Limited

We have examined the compliance of conditions of corporate governance by ELANTAS Beck India Limited ("the Company") for the year ended 31 December 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

Mumbai
21 February 2017

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31 December 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ELANTAS Beck India Ltd.

Pune
21 February 2017

Ravindra Kumar
Managing Director/CEO

Sanjay Kulkarni
CFO & VP- IT & Procurement

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

In accordance with the provisions of Schedule V (D) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 December 2016.

For ELANTAS Beck India Ltd.

Pune
21 February 2017

Ravindra Kumar
Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **ELANTAS Beck India Limited**

We have examined the compliance of conditions of Corporate Governance by **ELANTAS Beck India Limited**, for the year ended December 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

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

For and on behalf of
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No: 109846

Mumbai
February 21, 2017

Independent Auditors' Report

TO THE MEMBERS OF ELANTAS Beck India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ELANTAS Beck India Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended December 31, 2015, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated February 23, 2016, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Annexure to the Independent Auditors' Report – 31 December 2016

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on December 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at December 31, 2016 on its financial position in its financial statements – Refer Note 27 to the financial statements for the year ended December 31, 2016;
 - ii. The Company has long-term contracts as at December 31, 2016 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at December 31, 2016;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2016.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754NN500016

Amit Borkar
Partner

Membership Number: 109846

Mumbai
February 21, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of ELANTAS Beck India Limited on the financial statements for the year ended December 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of ELANTAS Beck India Limited ("the Company") as of December 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Annexure to the Independent Auditors' Report – 31 December 2016 (Continued)

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Mumbai
February 21, 2017

Amit Borkar
Partner
Membership Number: 109846

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ELANTAS Beck India Limited on the financial statements as of and for the year ended December 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
(c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clauses 3 (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its applicable products. We have broadly reviewed the same, and

Annexure to the Independent Auditors' Report – 31 December 2016 (Continued)

are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax and duty of customs, which have not been deposited on account of any dispute. The particulars of dues of service tax, sales tax, value added tax and duty of excise as at December 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Dues (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
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
	Disallowance of modvat credit	0.93	-	1997	Additional Commissioner, Surat
	Education cess on exports	0.21	-	2004	Dy Commissioner, Pune
	Modvat on repacking activity	49.56	-	1994-1997	Dy Commissioner, Pune
	Valuation under CAS-4	0.86	-	2007	Central Excise and Service Tax Appellate Tribunal, Mumbai
	Disallowance of cenvat credit	0.13	-	2013-2015	Commissioner (Appeals), Mumbai
Sales Tax and Value added tax	Demand for non-production of forms	152.46	10.00	2006-07	Dy Commissioner of Sales Tax, Pune
		20.87	6.00	2007-08	Dy Commissioner of Sales Tax, Pune
		59.57	20.00	2009-10	Dy Commissioner of Sales Tax, Pune
		7.08	2.50	2010-11	Dy Commissioner of Sales Tax, Pune
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
	Disallowance of service tax credit on outward freight	42.21	-	2005-2008	Deputy Commissioner of Excise and Service Tax - Large Taxpayer Units, Mumbai

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Annexure to the Independent Auditors' Report – 31 December 2016 (Continued)

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Mumbai
February 21, 2017

Amit Borkar
Partner
Membership Number: 109846

Balance Sheet as at 31 December 2016

(Currency : ₹ in lakhs)

	Note	2016	2015
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	792.77	792.77
Reserves and surplus	3	21,396.13	16,378.22
		22,188.90	17,170.99
Non-current liabilities			
Deferred tax liability (net)	4	-	66.66
Other long term liabilities	5	47.24	50.71
Long term provisions	6	467.85	346.51
		515.09	463.88
Current liabilities			
Trade payables	7		
(i) Dues to micro and small enterprises (refer note 37)		150.71	204.70
(ii) Dues to creditors other than micro and small enterprises		3,975.88	3,609.83
		4,126.59	3,814.53
Other current liabilities	8	1,554.22	1,354.44
Short term provisions	9	754.33	755.07
		6,435.14	5,924.04
		29,139.13	23,558.91
ASSETS			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		3,604.27	4,426.91
(ii) Intangible assets		34.61	52.59
(iii) Capital work-in-progress		542.44	23.23
		4,181.32	4,502.73
Deferred tax asset (net)	4	86.13	-
Non-current investments	11	14.69	14.69
Long term loans and advances	12	254.61	356.94
Other non current assets	13	24.05	22.38
		4,560.80	4,896.74
Current assets			
Current investments	14	10,929.31	6,400.08
Inventories	15	5,620.73	5,064.55
Trade receivables	16	5,313.79	5,562.43
Cash and bank balances	17	1,720.57	1,167.98
Short term loans and advances	18	366.48	339.15
Other current assets	19	627.45	127.98
		24,578.33	18,662.17
		29,139.13	23,558.91
Significant accounting policies	1		
The accompanying notes are an integral part of these financial statements.			

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 21 February 2017

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

For and on behalf of the Board of Directors

of ELANTAS Beck India Limited

CIN: L24222PN1956PLC134746

Ranjal Laxmana Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Mumbai, 21 February 2017

Statement of Profit and Loss for the year ended 31 December 2016

(Currency : ₹ in lakhs)

	Notes	2016	2015
Revenue from operations (gross)	20	40,974.27	38,644.86
Less : Excise duty		4,449.12	4,228.80
Revenue from operations (net)		36,525.15	34,416.06
Other income	21	763.73	560.83
Total revenue		37,288.88	34,976.89
Expenses			
Cost of materials consumed	22	21,940.24	22,503.14
Purchases of stock-in-trade		38.50	39.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(0.81)	(857.27)
Employee benefits expense	24	2,224.65	2,137.20
Finance costs	26	20.54	18.79
Depreciation and amortisation expense	10	518.65	594.43
Other expenses	25	4,457.94	4,367.74
Total expenses		29,199.71	28,803.58
Profit before tax		8,089.17	6,173.31
Tax expense			
Current tax		2,704.30	2,018.91
Short provision for current tax in respect of earlier years		88.84	-
Deferred tax		(152.79)	(21.16)
		2,640.35	1,997.75
Profit for the year		5,448.82	4,175.56
Earning per share - Basic and Diluted (₹)	39	68.73	52.67
(Nominal value per share ₹10)			
Significant accounting policies	1		
The accompanying notes are an integral part of these financial statements.			

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 21 February 2017

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

For and on behalf of the Board of Directors

of ELANTAS Beck India Limited

CIN: L24222PN1956PLC134746

Ranjal Laxmana Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Mumbai, 21 February 2017

Cash Flow Statement for the year ended 31 December 2016

(Currency : ₹ in lakhs)

Particulars	2016	2015
A. Cash flow from operating activities :		
Profits before tax	8,089.17	6,173.31
Adjustments for:		
Depreciation and Amortisation	518.65	594.43
Interest income	(87.24)	(62.59)
(Profit) / Loss on assets sold / scrapped (net)	(2.94)	(6.81)
Unrealised loss on current investments	6.17	1.25
(Profit) / Loss on sale of investments	0.09	(0.01)
Bad debts and advances written off	5.69	3.87
Provision for doubtful debts	(5.08)	1.81
Finance costs	20.54	18.79
Dividend income	(449.43)	(220.27)
	6.45	330.47
Operating profit before working capital changes	8,095.62	6,503.78
Changes in working capital		
(increase) / decrease in trade receivables	248.03	(618.66)
(increase) / decrease in inventories	(556.18)	89.09
(increase) / decrease in long term loans and advances	30.50	26.14
(increase) / decrease in short term loans and advances	(27.33)	5.02
(increase) / decrease in current assets	24.27	(77.79)
(increase) / decrease in other non current assets	-	28.81
Increase / (decrease) in current liabilities	(11.26)	253.59
Increase / (decrease) in non current liabilities	(3.47)	(61.75)
Increase / (decrease) in trade payables	312.06	463.84
Increase / (decrease) in short term provisions	(24.14)	44.88
Increase / (decrease) in long term provisions	121.34	24.92
Net changes in working capital	113.82	178.09
Cash generated from operations	8,209.44	6,681.87
Taxes paid (net of refunds)	(2,623.63)	(2,043.55)
Net cash flow generated from / (used in) operating activities	5,585.81	4,638.32
B. Cash flow from investing activities :		
Purchase of fixed assets	(532.23)	(671.94)
Sale of fixed assets	3.70	10.79
Purchase of investments	(14,769.60)	(9,207.68)
Sale of investments	10,234.11	5,822.42
Fixed deposits placed	(1,658.39)	(937.20)
Fixed deposits matured	1,136.00	518.20
Interest received	82.91	58.56
Dividend received	449.43	220.27
Net cash flow generated from / (used in) investing activities	(5,054.07)	(4,186.58)
C. Cash flow from financing activities :		
Interest paid	(22.08)	(17.32)
Dividend paid (including tax on dividend)	(478.62)	(428.07)
Net cash used in financing activities	(500.70)	(445.39)
D. Net increase / (decrease) in cash and cash equivalents	31.04	6.35
Cash and cash equivalents :		
At the beginning of the year	344.11	337.76
At the end of the year	375.15	344.11

Cash Flow Statement for the year ended 31 December 2016

Particulars	2016	2015
Notes:		
1. Cash and Cash equivalents comprise of:		
Cash in hand	0.95	1.54
Balances with banks		
Balance on current accounts	374.20	342.57
	375.15	344.11
2. The figures in brackets represent outflows of Cash and cash equivalents.		
3. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.		
4. The above cash flow statement is prepared based on Indirect Method set out in Accounting Standard - 3 on "Cash Flow Statements".		

The accompanying notes are an integral part of these financial statements.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 21 February 2017

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

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

CIN: L24222PN1956PLC134746

Ranjal Laxmana Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Mumbai, 21 February 2017

Notes to the financial statements for the year ended 31 December 2016

1. Significant accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendations of the National Financial Reporting Authority, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended (the 'Rules'), continue to be applicable. Accordingly, these financial statements have been prepared to comply in all material aspects with accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

1.2 Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

1.3 Current and non-current classification

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

1.4 Tangible assets and Depreciation

Tangible assets are stated at cost of acquisition or construction less accumulated depreciation. All significant costs relating to the acquisition and installation of Tangible assets are capitalised. Subsequent expenditures related to an item of Fixed Asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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

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

Leasehold land is amortised on the straight line method over period of the lease.

Notes to the financial statements for the year ended 31 December 2016 (Continued)

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are classified under other current assets in financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

1.5 Intangible assets and amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The useful lives are as follows:

Assets	Useful life (Years)
Computer Softwares	3
Other Intangible assets	5

1.6 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

1.7 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments (excluding current portion of long-term investments) are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

1.8 Inventories

Inventories are stated at lower of cost and net realisable value after providing for obsolescence. The material costs are determined on weighted average basis and the valuation of finished goods and work in progress represents the combined cost of material, labour and all manufacturing overheads. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. Material in transit is valued at cost incurred till date.

1.9 Revenue recognition

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of sales tax/value added tax, excise duty and trade discounts.

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

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

Rental income is recognised on a straight-line basis over the lease term.

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.

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 Company has defined benefit plan for post-employment benefits in the form of gratuity administered through Life Insurance Corporation (LIC) and cash rewards at the time of retirement which is unfunded.

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

The Company's liability under each defined benefit plan is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Other Long-term employee benefits

The Company has long term employee benefits in the form of compensated absences and long service awards for which the liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year.

Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(d) Termination benefits:

Termination benefits are recognized in the Statement of Profit and Loss as an expense as and when incurred.

1.11 Foreign exchange transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on such restatement of monetary items are recognised in the Statement of Profit and Loss.

1.12 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

1.13 Earnings per Share ('EPS')

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.14 Provisions and Contingent Liabilities

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities:

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

1.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

Lease income under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

1.16 Cash and cash equivalents

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

1.17 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated expenses/income.

Notes to the financial statements for the year ended 31 December 2016 (Continued)

2. Share capital

(Currency : ₹ in lakhs)

	2016	2015
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 one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
Reconciliation of the number of shares outstanding at the beginning and at the end of the year :		
Equity Shares outstanding at the beginning and at the end of the year		
Number of shares	79,27,682	79,27,682
Value of shares	792.77	792.77
Equity shares held by Holding Company - Elantas GmbH		
Number of shares	59,45,761	59,45,761
Value of shares	594.58	594.58
Particulars of shareholders holding more than 5% of equity shares:		
Elantas GmbH:		
Number of shares	59,45,761	59,45,761
% holding	75%	75%

3. Reserves and surplus

(Currency : ₹ in lakhs)

	2016	2015
Capital reserve (At the commencement and at the end of the year)	40.00	40.00
Share premium (At the commencement and at the end of the year)	695.18	695.18
General reserve		
At the commencement of the year	5,634.70	5,307.52
Less: Adjustment towards change in useful lives of fixed assets	-	(90.38)
Add : Amount transferred from surplus	544.88	417.56
	6,179.58	5,634.70
Surplus in the statement of Profit and Loss		
At the commencement of the year	10,008.34	6,727.43
Profit for the current year	5,448.82	4,175.55
Amount available for appropriations	15,457.16	10,902.98
Less : Appropriations		
Proposed dividend (final) [₹ 4.50 per equity share (Previous year ₹ 5.00 per equity share)]	356.75	396.39
Dividend distribution tax	74.16	80.69
Transfer to general reserve	544.88	417.56
Net surplus in the statement of profit and loss	14,481.37	10,008.34
	21,396.13	16,378.22

Notes to the financial statements for the year ended 31 December 2016 (Continued)

4. Deferred tax (asset) / liability (net)

(Currency : ₹ in lakhs)

	2016	2015
Deferred tax liability :		
Depreciation	290.68	290.78
	290.68	290.78
Deferred tax asset :		
Provision for doubtful trade receivables	8.66	10.42
Provision for compensated absences and other employee benefits	197.70	136.23
Other timing differences	170.45	77.47
	376.81	224.12
	(86.13)	66.66

5. Other long term liabilities

(Currency : ₹ in lakhs)

	2016	2015
Security deposits received	47.24	50.71
	47.24	50.71

6. Long term provisions

(Currency : ₹ in lakhs)

	2016	2015
Provision for employee benefits		
Compensated absences	357.46	287.51
Service awards	54.99	44.34
Gratuity (Refer note no 35)	39.43	-
Cash rewards (Refer note no 35)	15.97	14.66
	467.85	346.51

7. Trade payables

(Currency : ₹ in lakhs)

	2016	2015
Dues to micro and small enterprises (refer note 37)	150.71	204.70
Dues to creditors other than micro and small enterprises	3,975.88	3,609.83
	4,126.59	3,814.53

8. Other current liabilities

(Currency : ₹ in lakhs)

	2016	2015
Unpaid dividends	88.03	88.87
Statutory dues	479.08	469.74
Capital creditors	252.83	39.39
Security deposits from customers	263.42	201.50
Payable to employees	359.75	419.05
Advance from customers	27.08	53.85
Other liabilities	84.03	82.04
	1,554.22	1,354.44

Notes to the financial statements for the year ended 31 December 2016 (Continued)

9. Short term provisions

(Currency : ₹ in lakhs)

	2016	2015
Provision for employee benefits		
Compensated absences	42.40	45.38
Service awards	2.66	3.47
Cash rewards (Refer note no 35)	5.85	5.80
Provision for sales tax liability	200.43	220.82
Provision for income tax (net of advance tax)	73.62	2.53
Proposed dividend	356.75	396.38
Dividend distribution tax	72.62	80.69
	754.33	755.07
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 matters in process under the Central Sales Tax Act, 1956.		
At the commencement of the year	220.82	160.82
Provisions made during the year	-	148.00
Provisions utilised during the year	(20.39)	(25.00)
Provisions reversed during the year	-	(63.00)
At the end of the year	200.43	220.82

10. Fixed assets

(Currency : ₹ in lakhs)

Particulars	Gross block (at cost)					Depreciation and amortisation					Net block	
	As at 1 Jan 2016	Additions	Deductions/write off	Transfer to assets held for sale (refer note no.43)	As at 31 Dec 2016	As at 1 Jan 2016	For the year	Deductions/write off	Transfer to assets held for sale (refer note no.43)	As at 31 Dec 2016	As at 31 Dec 2016	
Tangible assets												
Freehold land	354.83	-	-	351.20	3.63	-	-	-	-	-	3.63	
Leasehold land	11.27	-	-	-	11.27	3.01	0.20	-	-	3.21	8.06	
Buildings & roads	2,507.93	3.58	-	255.46	2,256.05	548.29	65.36	-	85.58	528.07	1,727.98	
Plant and equipment	4,272.39	91.21	0.34	-	4,363.26	2,993.44	246.66	0.69	-	3,239.41	1,123.85	
Office equipment	393.74	37.52	2.12	-	429.14	259.23	69.71	1.46	-	327.48	101.66	
Computers	554.68	14.39	0.45	-	568.62	329.44	12.25	0.00*	-	341.69	226.93	
Furniture and fixtures	435.33	7.47	-	-	442.80	146.11	42.10	-	-	188.21	254.59	
Motor vehicles	328.26	38.72	16.79	-	350.19	152.00	57.41	16.79	-	192.62	157.57	
	8,858.43	192.89	19.70	606.66	8,424.96	4,431.52	493.69	18.94	85.58	4,820.69	3,604.27	
Intangible assets												
Goodwill	105.36	-	-	-	105.36	105.36	-	-	-	105.36	-	
Technical Know-How	743.71	-	-	-	743.71	743.71	-	-	-	743.71	-	
Trademarks	222.32	-	-	-	222.32	222.32	-	-	-	222.32	-	
Computer Software	116.63	6.98	-	-	123.61	64.04	24.96	-	-	89.00	34.61	
	1,188.02	6.98	-	-	1,195.00	1,135.43	24.96	-	-	1,160.39	34.61	

Notes to the financial statements for the year ended 31 December 2016 (Continued)

10. Fixed assets (Continued)

* Amount is below rounding off norm adopted by the Company.

(Currency : ₹ in lakhs)

Particulars	Gross block (at cost)					Depreciation and amortisation					Net block	
	As at 1 Jan 2015	Additions	Deductions/ write off	Transfer to assets held for sale	As at 31 Dec 2015	As at 1 Jan 2015	For the year	Deductions/ write off	Charge against opening reserves*	As at 31 Dec 2015	As at 31 Dec 2015	
Tangible assets												
Freehold land	354.83	-	-	-	354.83	-	-	-	-	-	354.83	
Leasehold land	11.27	-	-	-	11.27	2.81	0.20	-	-	3.01	8.26	
Buildings & roads	2,447.57	60.36	-	-	2,507.93	477.79	63.21	-	7.29	548.29	1,959.64	
Plant and equipment	3,863.74	413.26	4.61	-	4,272.39	2,675.38	283.09	4.58	39.55	2,993.44	1,278.95	
Office equipment	368.79	49.70	24.75	-	393.74	161.62	67.71	24.39	54.29	259.23	134.51	
Computers	507.88	48.13	1.33	-	554.68	230.24	66.26	1.16	34.10	329.44	225.24	
Furniture and fixtures	409.11	28.09	1.87	-	435.33	103.97	42.15	1.70	1.69	146.11	289.22	
Motor vehicles	297.48	70.93	40.15	-	328.26	133.18	55.72	36.90	-	152.00	176.26	
	8,260.67	670.47	72.71	-	8,858.43	3,784.99	578.34	68.73	136.92	4,431.52	4,426.91	
Intangible assets												
Goodwill	105.36	-	-	-	105.36	105.36	-	-	-	105.36	-	
Technical Know-How	743.71	-	-	-	743.71	743.70	0.01	-	-	743.71	-	
Trademarks	222.32	-	-	-	222.32	222.32	-	-	-	222.32	-	
Computer Software	57.52	59.11	-	-	116.63	47.96	16.08	-	-	64.04	52.59	
	1,128.91	59.11	-	-	1,188.02	1,119.34	16.09	-	-	1,135.43	52.59	

* Pursuant to change in useful lives as per schedule II of the Companies Act, 2013

11. Non-current investments

Non trade investments

(Currency : ₹ in lakhs)

	2016	2015
Unquoted: (at cost)		
146,365 (previous year : 146,365) equity shares of ₹ 10 each fully paid up in Narmada Clean Tech Ltd	14.64	14.64
33,604 (previous year : 33,604) equity shares of ₹10 each fully paid-up in Roplas (India) Limited.	2.35	2.35
Less : Provision for diminution in value of investment	(2.35)	(2.35)
Quoted (at cost)		
50 (previous year 50) equity shares of State Bank of India of ₹ 10 each fully paid-up at a premium of ₹ 90 per equity share	0.05	0.05
	14.69	14.69
Quoted non current investments		
Aggregate book value	0.05	0.05
Aggregate market value	0.12	0.11
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 2016 (Continued)

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

(Currency : ₹ in lakhs)

	2016	2015
To parties other than related parties		
Capital advances	41.74	15.15
Security deposits	168.49	193.82
Advance tax (net of provisions)	3.03	101.45
Housing loans given to employees	0.67	1.76
Other deposits	20.18	20.18
To related parties		
Housing loan given to employees		
Mr Sanjay Kulkarni	16.69	19.62
Mr Shirish Dabir	3.81	4.96
	254.61	356.94

13. Other non current assets

(Currency : ₹ in lakhs)

	2016	2015
Bank deposits (due to mature after 12 months from the reporting date)	19.87	19.87
Interest accrued but not due	4.18	2.51
	24.05	22.38
Out of the Bank deposits mentioned above ₹ 0.65 lakhs (previous year ₹ 0.65 lakhs) are given as Bank Guarantee for a period more than one year.		

14. Current investments

(Currency : ₹ in lakhs)

	2016	2015
Non trade investments		
Investments in mutual funds (Unquoted) : valued at lower of cost and market value		
Nil units (previous year 683,758.99) of Birla Sun Life Cash Plus-RP-Daily Dividend of face value ₹ 100 per unit (previous year ₹ 100 per unit)	-	685.09
1,182,292.32 units (previous year Nil) of Birla Sun Life Saving Fund-Daily Dividend of face value ₹ 100 per unit (previous year ₹ Nil per unit)	1,190.51	-
83,075.7 units (previous year 62,615.85) of HDFC Liquid Fund-DDR_2 of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	847.22	638.57
8,042.45 units (previous year 78,468.92) of IDFC Cash Fund - Regular Plan-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	80.46	785.05
10,500,554.4 units (previous year Nil) of IDFC UST Fund - Regular Plan-DDR of face value ₹ 10 per unit (previous year ₹ Nil per unit)	1,054.02	-
9,896.17 units (previous year 6,189.86) of Reliance Liquid Fund-TP-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	151.29	94.63
8,732,314.07 units (previous year 5,583,921.36) of Reliance Short Term Fund-MDR of face value ₹ 10 per unit (previous year ₹ 10 per unit)	960.24	612.49
15,975.06 units (previous year 164,747.19) of ICICI Prudential Liquid RP DDR of face value ₹ 100 per unit (previous year ₹ 100 per unit)	15.99	164.85
8,883,884.73 units (previous year 5,542,606.53) of ICICI Prudential Short Term RP MDR of face value ₹ 10 per unit (previous year ₹ 10 per unit)	1,078.05	669.69
81,808.58 units (previous year 60,500.02) of DSP Liquid Fund-Inst-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	818.75	605.36
10,781,034.76 units (previous year 2,582,627.43) of KOTAK Bond-ST-MDR of face value ₹ 10 per unit (previous year ₹ 10 per unit)	1,090.15	261.96
2,736.1 units (previous year 30,850.48) of KOTAK Liq. Scheme Plan A-DDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	33.46	377.24

Notes to the financial statements for the year ended 31 December 2016 (Continued)

14. Non trade Investments (Continued)

(Currency : ₹ in lakhs)

	2016	2015
7,650,785.77 units (previous year 6,254,096.35) of TATA Short Term Bond Fund - Plan A of face value ₹ 10 per unit (previous year ₹ 10 per unit)	1,070.04	864.19
132,110.69 units (previous year Nil) of UTI Treasury Adv. Fund-IP-DDR of face value ₹ 1000 per unit (previous year ₹ Nil per unit)	1,324.60	-
120,617.93 units (previous year Nil) of SBI Short Term Debt Fund-Regular Plan-DDR of face value ₹ 1000 per unit (previous year ₹ Nil per unit)	1,214.53	-
Nil units (previous year 60,372.52) of SBI Premier Liquid Fund-Regular Plan-WDR of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	-	640.96
	10,929.31	6,400.08

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

(Currency : ₹ in lakhs)

	2016	2015
Raw materials (including Goods in transit ₹ 437.71 lakhs (previous year ₹ 173.20 lakhs)	2,568.02	2,021.00
Intermediates and work-in-progress	390.28	449.16
Packing materials	127.31	116.54
Stores	121.80	124.22
Stock in trade	2.98	6.87
Finished goods	2,410.34	2,346.76
	5,620.73	5,064.55

16. Trade receivables

(Currency : ₹ in lakhs)

	2016	2015
<i>(unsecured)</i>		
Over six months : from the date they became due for payment		
Considered good	82.37	13.83
Considered doubtful	24.04	29.86
Less : Provision for doubtful receivables	(24.04)	(29.86)
	82.37	13.83
Other debts :		
Considered good	5,231.42	5,548.60
Considered doubtful	1.00	0.25
Less : Provision for doubtful receivables	(1.00)	(0.25)
	5,231.42	5,548.60
	5,313.79	5,562.43

17. Cash and bank balances

(Currency : ₹ in lakhs)

	2016	2015
Cash and cash equivalents		
Cash in hand	0.95	1.54
Balances with banks		
Balance on current accounts	374.20	342.57
	375.15	344.11
Other bank balances		
Unpaid dividend (restricted)	88.03	88.87
Balance on deposit accounts	1,257.39	735.00
(With original maturity of more than 3 months and due to mature within 12 months of reporting date)		
	1,720.57	1,167.98

Notes to the financial statements for the year ended 31 December 2016 (Continued)

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

(Currency : ₹ in lakhs)

	2016	2015
To parties other than related parties		
Advance for supply of goods and services	66.37	79.88
Prepaid expenses	125.20	113.44
Current maturities of housing loans to employees	1.09	1.07
Other employee advances	4.98	3.68
Unutilised DEPB licenses	17.59	16.03
Balances with government authorities	147.22	98.37
Balance with gratuity fund (refer note no. 35)	-	22.76
To related parties		
Current maturities of long term housing loans to employees		
Mr Sanjay Kulkarni	2.88	2.81
Mr Shirish Dabir	1.15	1.11
	366.48	339.15

19. Other current assets

(Currency : ₹ in lakhs)

	2016	2015
Assets held for sale (refer note no. 43)	521.08	-
Interest accrued but not due	17.69	15.03
Other receivables	88.68	112.95
	627.45	127.98

20. Revenue from operations

(Currency : ₹ in lakhs)

	2016	2015
Sale of products		
Finished goods	40,796.20	38,467.84
Traded goods	74.82	60.56
Sale of products (gross)	40,871.02	38,528.40
Less : Excise duty	4,449.12	4,228.80
Sale of products (net)	36,421.90	34,299.60
Other operating revenue		
Sale of raw materials	17.99	24.81
Sale of scrap	85.26	91.65
	103.25	116.46
	36,525.15	34,416.06
Break up of sale of products (net)		
Wire enamels and Impregnating varnishes	26,969.32	25,525.57
Synthetic resins	9,377.76	8,713.47
Trading - Synthetic resins	74.82	60.56
Total	36,421.90	34,299.60

Notes to the financial statements for the year ended 31 December 2016 (Continued)

21. Other Income

(Currency : ₹ in lakhs)

	2016	2015
Interest Income	87.24	62.59
Dividend Income on current investments	449.43	220.27
Rental income from letting out of property	60.12	144.47
Export benefits (including Deemed Exports)	27.83	35.24
Gain on DEPB license	16.52	17.37
Profit on sale of fixed assets (net)	2.94	6.81
Royalty and commission	15.46	4.16
Provisions no longer required written back	5.08	45.00
Miscellaneous income	99.11	24.92
	763.73	560.83

22. Cost of materials consumed

(Currency : ₹ in lakhs)

	2016	2015
Consumption of raw materials:		
Inventory at the beginning of the year	2,021.00	2,953.55
Purchases	20,996.60	20,071.54
Inventory at the end of the year	2,568.02	2,021.00
	20,449.58	21,004.09
Consumption of packing materials		
Inventory at the beginning of the year	116.54	128.33
Purchases	1,501.43	1,487.26
Inventory at the end of the year	127.31	116.54
	1,490.66	1,499.05
	21,940.24	22,503.14
Break up of cost of raw materials consumed		
Consumption value		
Synthetic Resins	3,232.46	3,570.94
Solvents	7,358.71	7,376.24
Organic Chemicals	8,883.79	9,105.93
Others	974.62	950.99
	20,449.58	21,004.09
Break-up of inventory-raw materials		
Synthetic Resins	385.95	282.10
Solvents	718.63	690.73
Organic Chemicals	1,234.72	866.43
Others	228.72	181.74
	2,568.02	2,021.00

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

(Currency : ₹ in lakhs)

	2016	2015
Opening stock :		
Intermediates and work-in-progress	449.16	436.87
Stock in trade	6.87	4.52
Finished goods	2,346.76	1,504.13
	2,802.79	1,945.52

Notes to the financial statements for the year ended 31 December 2016 (Continued)

23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Continued) (Currency : ₹ in lakhs)

	2016	2015
Closing stock :		
Intermediates and work-in-progress	390.28	449.16
Stock in trade	2.98	6.87
Finished goods	2,410.34	2,346.76
	2,803.60	2,802.79
	(0.81)	(857.27)
Changes in inventory of finished goods, work-in-progress and stock in trade		
Finished goods		
Opening stock		
Wire enamels and Impregnating varnishes	1,715.19	983.65
Synthetic resins	631.57	520.48
Total	2,346.76	1,504.13
Closing stock		
Wire enamels and Impregnating varnishes	1,693.09	1,715.19
Synthetic resins	717.25	631.57
Total	2,410.34	2,346.76
Intermediates and work-in-progress		
Opening stock		
Wire enamels and Impregnating varnishes	332.71	238.69
Synthetic resins	116.45	198.18
Total	449.16	436.87
Closing stock		
Wire enamels and Impregnating varnishes	237.44	332.71
Synthetic resins	152.84	116.45
Total	390.28	449.16
Stock in trade		
Opening stock		
Synthetic resins	6.87	4.52
Total	6.87	4.52
Closing stock		
Synthetic resins	2.98	6.87
Total	2.98	6.87

24. Employee benefit expenses

(Currency : ₹ in lakhs)

	2016	2015
Salaries, wages and bonus	1,720.05	1,712.99
Voluntary retirement scheme expense	-	64.88
Contribution to provident and other funds	171.19	165.09
Staff welfare expenses	157.18	125.54
Compensated absences	66.97	25.37
Other employee benefits	109.26	43.33
	2,224.65	2,137.20

Notes to the financial statements for the year ended 31 December 2016 (Continued)

25. Other expenses

(Currency : ₹ in lakhs)

	2016	2015
Consumption of stores and spare parts	168.26	136.77
Power and fuel	628.04	667.65
Delivery charges	1,064.16	991.46
Rent	12.86	23.58
Rates and taxes	162.61	394.22
Insurance	65.63	59.40
Repairs to Building	2.97	23.11
Repairs to Machinery	243.33	273.74
Repairs others	34.75	28.52
Repacking charges	110.44	116.16
Royalty	142.10	126.21
Travelling	149.48	154.19
IT allocation charges	131.76	124.01
Global R & D expenses	64.48	72.76
Sitting fees to Directors	14.46	14.21
Bad debts and advances written off	5.69	3.87
Provision for doubtful debts	-	1.81
Commission on sales	14.80	8.05
Legal and professional charges *	251.67	234.23
Net loss on account of foreign exchange fluctuations	19.77	24.55
Corporate social responsibility expenses (refer note no. 44)	91.31	37.27
Miscellaneous expenses	1,079.37	851.97
	4,457.94	4,367.74
* include Payment to auditors		
As auditors		
Statutory audit	17.00	10.75
Tax audit	-	3.75
Limited review of quarterly results	5.00	7.20
Certifications	-	3.25
In other capacity		
Other audit services	3.50	3.50
Transfer pricing	-	3.50
Reimbursement of expenses		
As auditors	2.00	2.58
In other capacity	0.46	0.82
	27.96	35.35

26. Finance costs

(Currency : ₹ in lakhs)

	2016	2015
Interest to bank on cash credit facilities	0.06	0.49
Other interest	20.48	18.30
	20.54	18.79

Notes to the financial statements for the year ended 31 December 2016 (Continued)

27. Contingent liabilities not provided for

(Currency : ₹ in lakhs)

	2016	2015
a) Claims against the Company not acknowledged as debts	-	182.63
b) Excise duty matters	127.28	239.34
c) Sales tax matters	183.93	172.62

Note: The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for cases where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

28. Capital and Other Commitments

(Currency : ₹ in lakhs)

	2016	2015
Estimated amounts of contracts remaining to be executed on capital account (net of advances)	297.36	51.47

29. Value of imports on CIF basis

(Currency : ₹ in lakhs)

	2016	2015
a) Raw material	5,655.65	6,088.15
b) Capital goods	-	34.61
c) Traded goods	16.20	-
	5,671.85	6,122.76

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

(Currency : ₹ in lakhs)

	2016	2015
Sourcewise breakup of raw materials, stores and spare parts consumed		
a) Raw Materials (value)		
Imported (including High Sea purchases)	7,427.57	8,111.25
Indigenously procured	13,022.01	12,892.84
	20,449.58	21,004.09
Raw Materials (%)		
Imported	36%	39%
Indigenously procured	64%	61%
	100%	100%
b) Packing Materials (value)		
Indigenously procured	1,490.66	1,499.05
	1,490.66	1,499.05
Packing Materials (%)		
Indigenously procured	100%	100%
	100%	100%
c) Stores and spare parts (value)		
Indigenously procured	168.26	136.77
	168.26	136.77
Stores and spare parts (%)		
Indigenously procured	100%	100%
	100%	100%

Notes to the financial statements for the year ended 31 December 2016 (Continued)

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

(Currency : ₹ in lakhs)

	2016	2015
a) Royalty	142.10	126.21
b) Commission on exports	14.80	8.05
c) IT allocation charges	131.76	124.01
d) Global R&D expenses	64.48	72.76
e) Others	125.49	46.01
	478.63	377.04

32. Dividend remittances in foreign currency

(Currency : ₹ in lakhs)

	2016	2015
a) Number of non-resident shareholders to whom remittance was made	1	1
b) Number of shares on which remittance was made	59,45,761	59,45,761
c) Net amount remitted		
Dividend for 2014	-	267.55
Dividend for 2015	297.29	-

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

(Currency : ₹ in lakhs)

	2016	2015
On account of exports at FOB value	1,003.46	828.10
Royalty	6.87	4.16
Commission	8.59	-
	1,018.92	832.26

34. Research and development expenses

(Currency : ₹ in lakhs)

	2016	2015
a) Expenses of revenue nature (debited to Statement of profit and loss)	337.91	303.22
b) Expenses of capital nature (shown as addition to fixed assets)	26.32	48.17
	364.23	351.39

The research and development expenses disclosed herewith refers to the expenses incurred for the R & D unit situated at Pimpri works (recognised by Department of Scientific & Industrial Research "DSIR") and Ankleshwar works (not recognised by DSIR).

35. Employee benefits :

a) Defined contribution plans

Amount of ₹ 81.03 lakhs (previous year : 76.68 lakhs) is recognised as an expense towards provident fund & ₹ 89.95 lakhs (previous year : 88.01 lakhs) is recognised as an expense towards superannuation and included in the 'Contributions to provident and other funds' under note no 24.

b) Defined benefit plan (Gratuity)

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

c) Defined benefit plan (Cash rewards at retirement)

As per the plan, at the time of normal retirement, ₹ 2,500 (previous year ₹ 2,500) is payable to employees for each year of service rendered. The scheme is unfunded.

Notes to the financial statements for the year ended 31 December 2016 (Continued)

35. Employee benefits (Continued)

(Currency : ₹ in lakhs)

	Gratuity		Cash rewards	
	2016	2015	2016	2015
I) Reconciliation of opening and closing balance of obligations				
Liability at the beginning of the year	408.87	485.81	20.46	27.26
Current service cost	27.13	22.63	0.93	1.08
Past service cost	-	-	-	-
Interest cost	29.32	34.86	1.41	1.98
Benefits paid	(62.98)	(165.68)	(1.88)	(13.35)
Actuarial (gain)/ loss on obligations	56.10	31.25	0.90	3.49
Liability at the end of the year	458.44	408.87	21.82	20.46
II) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	431.63	529.98	-	-
Expected return on plan assets	32.07	38.79	-	-
Contributions by the employer (refer note no 5 below)	34.00	23.25	-	-
Benefits paid	(62.98)	(165.68)	-	-
Actuarial gain / (loss) on plan assets	(15.71)	5.29	-	-
Fair value of plan assets at the end of the year	419.01	431.63	-	-
III) Net actuarial (gain) / loss				
Actuarial (gain)/ loss on Obligations	56.10	31.25	0.90	3.49
Actuarial gain / (loss) on Plan Assets	(15.71)	5.29	-	-
Net actuarial (gain) / loss	71.81	25.96	0.90	3.49
IV) Amount recognised in the Balance sheet				
Defined benefit obligation as at end of the year	458.44	408.87	21.82	20.46
Fair Value of plan assets at the end of the year	419.01	431.63	-	-
Net Liability / (Asset)	39.43	(22.76)	21.82	20.46
V) Expense recognised in Statement of Profit and loss				
Current service cost	27.13	22.63	0.93	1.08
Interest cost	29.32	34.86	1.41	1.98
Expected return on plan assets	(32.07)	(38.79)	-	-
Net Actuarial (gain)/loss	71.81	25.96	0.90	3.49
Total expenses/ (income) included in "Employee benefit expense" under Note 24/ (Other income) under Note 21	96.19	44.66	3.24	6.55
VI) Actual return on plan assets				
Expected return on plan assets	32.07	38.79	-	-
Actuarial gain on plan assets	(15.71)	5.29	-	-
Actual return on plan assets	16.36	44.08	-	-
VII) Principal actuarial assumptions				
Discount rate	6.60%	8.00%	6.60%	8.00%
Expected return on plan assets	6.60%	8.00%	NA	NA
Salary escalation rate	10.50%	10.50%	10.50%	10.50%
VIII) Other disclosures - Gratuity	2016	2015	2014	2013
Liability at the end of the year	458.44	408.87	485.81	574.46
Fair value of plan assets at the end of the year.	419.01	431.63	529.98	582.92
Amount recognised in Balance Sheet	39.43	(22.76)	(44.17)	(8.47)
Experience adjustments on liability	15.43	22.52	(59.02)	9.00
Experience adjustments on plan assets	(15.71)	5.29	3.64	1.22

Notes to the financial statements for the year ended 31 December 2016 (Continued)

35. Employee benefits (Continued)

(Currency : ₹ in lakhs)

IX) Other disclosures - Cash rewards at retirement	2016	2015	2014	2013	2012
Liability at the end of the year	21.82	20.46	27.26	29.23	13.10
Experience adjustments on liability	(0.90)	3.14	(0.63)	0.09	0.50

d) Notes :

- 1) The plan assets comprise 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 ₹ 34.00 lakhs (Previous year ₹ 23.25 lakhs).

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 lakhs)

	2016	2015
1. Segmentwise revenue		
a) Electrical Insulations	30,121.06	28,196.95
b) Engineering and Electronic Resins and Materials	6,563.67	6,305.56
Total	36,684.73	34,502.51
2. Other unallocable income	604.15	474.38
Net sales / Income from operations (including other income) (1 + 2)	37,288.88	34,976.89
3. Segment results Profit (+) / Loss (-) before tax and interest		
a) Electrical Insulations	6,390.38	4,899.22
b) Engineering and Electronic Resins and Materials	1,415.18	1,062.86
Total	7,805.56	5,962.08
4. Interest	20.54	18.79
5. Other unallocable expenditure	300.00	244.36
6. Profit before tax	8,089.17	6,173.31
Tax expense	2,640.35	1,997.75
7. Profit after tax	5,448.82	4,175.56
Other information		
8. Segment assets		
a) Electrical Insulations	13,619.79	12,114.23
b) Engineering and Electronic Resins and Materials	2,693.39	2,920.79
c) Other unallocable	12,825.95	8,523.89
Total	29,139.13	23,558.91

Notes to the financial statements for the year ended 31 December 2016 (Continued)

36.1 Primary Business Segments (Continued)

(Currency : ₹ in lakhs)

	2016	2015
9. Segment liabilities		
a) Electrical Insulations	4,797.91	4,224.91
b) Engineering and Electronic Resins and Materials	964.86	944.76
c) Other unallocable	1,187.46	1,218.25
Total	6,950.23	6,387.92
10. Capital expenditure		
a) Electrical Insulations	140.00	478.02
b) Engineering and Electronic Resins and Materials	52.59	150.56
c) Other unallocable	526.47	22.41
Total	719.06	650.99
11. Depreciation / Amortisation		
a) Electrical Insulations	372.52	443.92
b) Engineering and Electronic Resins and Materials	99.50	111.82
c) Other unallocable	46.63	38.69
Total	518.65	594.43

36.2 Secondary Business Segments

(Currency : ₹ in lakhs)

	2016	2015
1. Revenue		
India	35,617.25	33,614.55
Outside India	1,067.48	887.96
Total	36,684.73	34,502.51
2. Segment assets (only trade receivables)		
India	5,132.06	5,398.68
Outside India	181.73	163.75
Total	5,313.79	5,562.43

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

(Currency : ₹ in lakhs)

	2016	2015
1. The principal amount and the interest due thereon remaining unpaid to suppliers as at the end of year.		
a) Principal amount due to micro and small enterprises	150.71	204.70
b) Interest due on above	1.12	2.32
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
a) Payments made to suppliers beyond the appointed date	917.49	1,087.84
b) Interest paid on above	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	3.15	7.77
4. The amount of interest accrued and remaining unpaid at the end of each accounting year		
a) Year 2015	-	7.77
b) Year 2016	3.15	-
5. The amount of further interest remaining due and payable for earlier years.	-	-
The company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/ or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.		

Notes to the financial statements for the year ended 31 December 2016 (Continued)

38. Related party disclosures

38.1 A. List of related parties and relationship

Where control exists

SKion GmbH

Holding company of Altana AG

ALTANA AG

Holding company of Altana Chemie GmbH

ALTANA Chemie GmbH

Holding company of ELANTAS GmbH

ELANTAS GmbH

Holding company (75.00%)

Others

BYK-Chemie GmbH

Fellow Subsidiary

ELANTAS PDG Inc.

Fellow Subsidiary

ELANTAS Europe s.r.l.

Fellow Subsidiary

ELANTAS Tongling Co Ltd

Fellow Subsidiary

ELANTAS Zhuhai Co., Ltd.

Fellow Subsidiary

ELANTAS Isolantes Electricos Do Brasil LTDA

Fellow Subsidiary

BYK Chemie Asia Pacific PTE Ltd

Fellow Subsidiary

ELANTAS Europe GmbH

Fellow Subsidiary

ELANTAS Malaysia Sdn Bhd

Fellow Subsidiary

BYK Asia Pacific Singapore Pte Ltd

Fellow Subsidiary

ECKART Asia Ltd

Fellow Subsidiary

ECKART GmbH

Fellow Subsidiary

B. Transactions with related parties

(Currency : ₹ in lakhs)

	2016	2015
1. Summary of transactions		
a) Sale of goods	299.33	290.78
b) Commission (Income)	8.59	-
c) Commission (Paid)	9.42	-
d) Reimbursements received	313.78	243.28
e) Purchases of raw material	29.16	24.93
f) Services received	225.92	152.12
g) Rental income	54.72	59.13
h) Royalty expense	142.10	126.21
i) Royalty income	6.87	4.16
j) IT allocation charges	131.76	116.79
k) Dividend paid	267.56	297.29
2. Related party- wise transactions		
a) ALTANA AG		
Services received	36.29	-
b) ELANTAS GmbH		
Reimbursements received	46.45	46.22
Services received	152.67	119.62
Dividend paid	267.56	297.29
Royalty expense	55.50	53.17
c) ELANTAS Europe s.r.l.		
Commission (Income)	8.59	-
Reimbursements received	0.44	1.47
Purchases of raw material	17.94	17.66
Services received	16.13	6.39
Royalty expense	64.84	54.74

Notes to the financial statements for the year ended 31 December 2016 (Continued)

38. Related party disclosures (continued)

(Currency : ₹ in lakhs)

	2016	2015
d) ELANTAS PDG Inc.		
Reimbursements received	-	1.47
Purchases of raw material	6.17	-
Services received	15.71	13.63
Royalty expense	21.76	18.30
e) BYK-Chemie GmbH		
Reimbursements received	-	1.47
IT allocation charges	131.76	116.79
f) BYK Chemie Asia Pacific PTE Ltd		
Reimbursements received	6.19	6.35
Rental income	54.72	59.13
g) ELANTAS Tongling Co Ltd		
Sale of goods	194.49	284.03
Purchases of raw material	5.05	7.27
h) ELANTAS Zhuhai Co. Ltd.		
Sale of goods	96.06	-
Royalty income	6.87	4.16
i) ELANTAS Isolantes Electricos Do Brasil LTDA		
Sale of goods	-	6.75
j) ECKART Asia Ltd		
Reimbursements received	212.08	131.21
k) ELANTAS Europe GmbH		
Services received	5.12	9.81
l) ELANTAS Malaysia Sdn Bhd		
Sale of goods	8.78	-
Commission (Paid)	9.42	-
Reimbursements received	-	0.78
Services received	-	2.67
m) BYK Asia Pacific Singapore Pte Ltd		
Reimbursements received	48.62	54.31
3. Outstanding balances		
i) Trade Receivables		
ELANTAS GmbH	47.11	37.10
ELANTAS Europe GmbH	0.78	0.78
ELANTAS Europe s.r.l.	-	0.78
BYK-Chemie GmbH	-	0.78
BYK Asia Pacific Singapore Pte Ltd	4.16	3.13
ELANTAS PDG Inc.	-	0.77
ELANTAS Zhuhai Co., Ltd.	31.56	2.06
ELANTAS Tongling Co Ltd	27.96	83.35
ELANTAS Malaysia Sdn Bhd	-	0.78
Total	111.57	129.53

Notes to the financial statements for the year ended 31 December 2016 (Continued)

38. Related party disclosures (Continued)

(Currency : ₹ in lakhs)

	2016	2015
ii) Trade Payables		
ELANTAS Europe s.r.l.	13.36	0.69
ELANTAS GmbH	134.42	119.07
ELANTAS Europe GmbH	0.70	3.45
BYK-Chemie GmbH	4.48	47.24
ELANTAS Malaysia Sdn Bhd	2.05	-
	155.01	170.45
iii) Other Long Term Liabilities		
BYK Chemie Asia Pacific PTE Ltd	41.29	41.29
Total	41.29	41.29

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

Key management personnel :

Mr Ravindra Kumar
 Mr. Milind Talathi (w.e.f. 28 October 2015)
 Mr Sanjay Kulkarni
 Mr Shirish Dabir

38.2 B. Transactions with key management personnel and relatives of key management personnel

(Currency : ₹ in lakhs)

	2016	2015
a) Managerial remuneration		
Mr. Ravindra Kumar	123.18	131.28
Mr Milind Talathi	66.14	33.28
Mr Sanjay Kulkarni	53.56	55.99
Mr Shirish Dabir	33.31	32.08
Total	276.19	252.63
b) Increase/(decrease) in loan balance		
Mr Sanjay Kulkarni	(2.86)	(2.76)
Mr Shirish Dabir	(1.11)	(1.07)
Total	(3.97)	(3.83)
c) Interest received on loans given		
Mr Sanjay Kulkarni	0.75	0.70
Mr Shirish Dabir	0.19	0.23
Total	0.94	0.93
d) Outstanding balances		
Loans given		
Mr Sanjay Kulkarni	19.57	22.43
Mr Shirish Dabir	4.96	6.07
Total	24.53	28.50
Other current liabilities		
Mr. Ravindra Kumar	44.07	63.00
Mr Milind Talathi	19.82	26.00
Mr Sanjay Kulkarni	15.84	23.00
Mr Shirish Dabir	8.27	11.00
Total	88.00	123.00
f) Maximum amount outstanding during the year		
Loans and advances		
Mr Sanjay Kulkarni	22.43	25.19
Mr Shirish Dabir	6.07	7.14

Notes to the financial statements for the year ended 31 December 2016 (Continued)

39. Earnings per share - Basic and Diluted

(Currency : ₹ in lakhs)

	2016	2015
a) Net profit for the year after tax	5,448.82	4,175.56
Calculation of weighted average number of equity shares:		
Number of shares at the beginning and end of the year	79,27,682	79,27,682
b) Weighted average number of equity shares	79,27,682	79,27,682
c) Earnings per share (a)/(b)	68.73	52.67
Nominal value per share ₹ 10 each (Previous year - ₹ 10 each)		

40. Unhedged Foreign currency exposures

(Currency : ₹ in lakhs)

	2016	2015
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below. There are no hedged foreign currency exposures at the year end.		
a) Foreign currency receivables representing debtors		
Indian Rupees	42.30	40.22
Foreign currency ('in lakhs) : Euro	0.59	0.56
Indian Rupees	139.43	123.52
Foreign currency ('in lakhs) : US\$	2.06	1.87
b) Foreign currency payables representing creditors and other payables		
Indian Rupees	155.25	243.27
Foreign currency ('in lakhs) : Euro	2.17	3.38
Indian Rupees	509.44	387.72
Foreign currency ('in lakhs) : US\$	7.51	5.85
Indian Rupees	0.47	2.07
Foreign currency ('in lakhs) : GBP	0.01	0.02
c) Foreign currency bank balance		
Indian Rupees	55.47	-
Foreign currency ('in lakhs) : US\$	0.82	-

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

42. 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 lakhs)

	2016	2015
Gross carrying amount	-	170.31
Accumulated depreciation	-	54.19
Net carrying amount	-	116.12
Depreciation for the year / period	2.86	2.85
The future minimum lease payments under non cancellable operating lease are as follows		
Receivable within one year	-	145.85
Receivable between one and five years	-	63.15
Total	-	209.00
During the year, an amount of ₹ NIL (previous year ₹ 116.60 lakhs) was recognised as rental income from above mentioned property in the Statement of Profit and Loss		
Pursuant to clause XV of the Leave & License agreement dated 8 July 2012, the Company has served a legal notice on the licensee for recovery of unpaid dues as at the Balance Sheet date and according to the terms and conditions of the said agreement, the agreement is terminated.		

Notes to the financial statements for the year ended 31 December 2016 (Continued)

43. The Board of Directors of the Company vide its resolution dated October 4, 2016 has granted in principle approval for the sale of the Company's property ("Beck House") at Pune admeasuring approximately 2,238.25 square meters, subject to the terms and conditions as mentioned in the Memorandum of Understanding executed between the Company and the buyer. Consequently, the written down value of the said property amounting to ₹ 521.08 lakhs has been classified as 'Assets held for sale' under 'Other current assets'.

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

(Currency : ₹ in lakhs)

	2016	2015
A. Gross amount required to be spent by the Company during the year	93.79	73.93
B. Amount spent during the year		
i) Construction of assets charged to Statement of Profit and Loss	69.63	19.41
ii) Others	21.68	17.86
Total	91.31	37.27

45. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 21 February 2017

Shirish Dabir

Company Secretary

Sanjay Kulkarni

Chief Financial Officer

For and on behalf of the Board of Directors

of ELANTAS Beck India Limited

CIN: L24222PN1956PLC134746

Ranjal Laxmana Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Mumbai, 21 February 2017

NOTICE

Notice is hereby given that the Sixty First Annual General Meeting of the members of ELANTAS Beck India Ltd. (CIN: L24222PN1956PLC134746) will be held on Wednesday, 10 May 2017, at 2.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2016 along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year 2016.
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 pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse, Chartered Accountants LLP, having Firm Registration No. 012754N/N500016, registered with ICAI be and are hereby appointed as the Statutory Auditors of the Company for the remaining period of four years forming part of the first term of five years i.e. up to the conclusion of the Annual General Meeting for the financial year ended 2020, to be held in the year 2021 subject to ratification of the appointment at every intervening Annual General Meeting held after this Annual General Meeting at such remuneration plus applicable tax, out of pocket expenses as may be agreed upon between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the authority to decide on the remuneration of the Auditors be delegated to the Managing Director of the Company in consultation with the Auditors".

SPECIAL BUSINESS:

5. **Payment of remuneration to the Cost Auditors of the Company for Y 2017.**

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or amendments or re-enactments thereof for the time being in force), Dhananjay V Joshi & Associates, Cost Accountants, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31 December 2016, be paid a remuneration not exceeding ₹ 1.25 Lakh (Rupees One Lakh Twenty Five Thousand only) per annum plus applicable service tax and reimbursement of out of pocket expenses that may be incurred by them during the course of audit.

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

By order of the Board of Directors

Place: Pune

Date:

Shirish Dabir
Company Secretary

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 and a proxy need not be a member of the Company.

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

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

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

2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
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 Link Intime 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 along with the share certificates to the Company's Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited, so as to enable the Company to consolidate their holdings into one folio.

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 No. 5 of the Notice is annexed.
9. The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 2 May 2017 to Wednesday 10 May, 2017 (both days inclusive), for the purpose of payment of Dividend.
10. Pursuant to Section 123, 124 and 125 of the Companies Act, 2013, the Company will be transferring in June 2016, the unclaimed dividend for the financial year ended 31 December 2009 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 2009 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. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to ensure that their requests reach the Company at least seven days before the date of the meeting, so as to enable the Company to keep the information ready. As a measure of economy, copies of the Annual Report will not be distributed at the AGM.
- b. Green Initiative: The Ministry of Corporate Affairs(MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Keeping in view the underlying theme and the circulars issued by MCA, the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its Members in electronic form, to the e-mail address provided by them and made available to the Company by the Depositories.

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

also subsequently update their email ID by a similar e-mail to the Company/ Link Intime India Pvt. Ltd., giving the requisite details.

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

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

Link Intime India Pvt. Ltd.
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune - 411001
Tel: (020) 26160084/1629
Telefax: (020) 26163503

- d. Members holding shares in physical form are requested to get the same dematerialized to eliminate all risks associated with physical shares. Members can contact the Company or Link Intime India Pvt. Ltd. for any assistance in this regard.
- e. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's 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 the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

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

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

- (i) Open e-mail and open the attached PDF file "elantasbeck.e-voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.

Shareholders already registered with NSDL for e-voting will not receive the PDF file "elantasbeck.e-voting.pdf".

- (ii) Open internet browser by typing the URL: <http://www.evoting.nsdl.com>.

- (iii) Click on "Shareholder - Login".

- (iv) Insert your User ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the company/depository participant(s) or mentioned in the postal ballot form) and Login. In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.

Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- (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 resolution from Sunday 7 May 2017 at 9.00 a.m. to Tuesday 09 May 2017 at 5.00 p.m.

For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolutions or till the end of voting period i.e. upto close of working hours on Tuesday 09 May 2017 at 5.00 p.m. e-voting shall not be allowed beyond this time.

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

Please note that:

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

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

B. In case of Members receiving physical copy of Notice

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. No. (ii) to Sr. No. (x) above, to cast your vote by electronic means.

2. In case of voting by using Ballot Forms:

- (i) The Company, in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, has enclosed a Ballot Form along with this Notice.
- (ii) A Member desiring to exercise voting by using Ballot Form, shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it at the Registered Office of the Company, in the postage pre-paid self-addressed envelope, addressed to the Scrutinizer, CS Prajot Tungare, Partner of Prajot Tungare and Associates, Pune, duly appointed by the Board of Directors of the Company. Ballot Forms deposited in person or sent by post / courier at the expense of the Member will also be accepted.
- (iii) Please convey your assent in Column "FOR" and dissent in the column "AGAINST" by placing a tick ("") mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iv) Duly completed and signed Ballot Forms 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 through Ballot Paper at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

Other Instructions:

- (i) The e-voting period commences from Sunday 7 May 2017 at 9.00 a.m. and ends on Tuesday 09 May 2017 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 4 May 2017.
- (iii) Mr. Prajot Tungare, (Membership No.FCS 5484), Partner of Prajot Tungare and Associates, Pune, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him shall declare the results of the voting forthwith.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.elantas.com/beck-india> and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared by the Chairman and also communicated to BSE Limited.

Annexure to the Notice

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

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of Dhananjay V Joshi & Associates, Cost Accountants, in its meeting held on 21st February 2017, to conduct the audit of the cost records of the Company for the financial year ending 31 December 2017. The Board also approved the remuneration of the Cost Auditors not exceeding ₹ 1.25 Lakh for the Financial Year 2017, subject to the approval of the Members in the ensuing Annual General Meeting.

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

By order of the Board of Directors

Place: Pune
Date:

Shirish Dabir
Company Secretary

ATTENDANCE SLIP

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

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

I/We, hereby record my presence at the Sixty First Annual General Meeting of the Company, held at Hall No.4, 'A' Wing, 5th Floor, MCCA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Wednesday, 10 May 2017 at 2.30 p.m.

Member's / Proxy's Signature : _____

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

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

No. of Shares : _____



PROXY FORM

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

I / We _____

of _____

being a member of ELANTAS Beck India Ltd. hereby

appoint _____

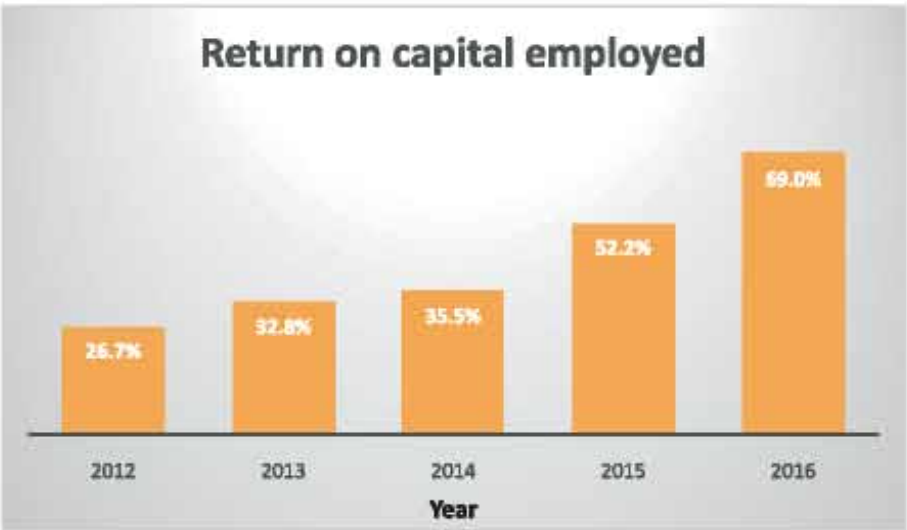
of _____ or failing him / her _____

_____ of _____

as my / our proxy to vote for me / us on my / our behalf at the Sixty-First Annual General Meeting of the Company to be held on Wednesday, 10 May 2017 at 2.30 p.m.

Signed this..... day of 2017 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**