ELANTAS Beck India Ltd.

ELANTAS

RESEARCH & DEVELOPMENT CENTRE

ANNUAL REPORT 2018

Inauguration of R & D Centre
by the Directors

Inauguration of R & D Centre by the Directors

Solar photovoltaic panels
for the R & D Centre & Corporate office

CSR Initiative: Inauguration of Pungam School in Ankleshwar area, Gujarat

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

Executive Management
Mr. Ravindra Kumar
Managing Director

Mr. Milind Talathi
Director-Manufacturing

Mr. Sanjay Kulkarni
CFO & VP-IT & Procurement

Mr. Abhijit Tikekar
Head Legal & Company Secretary

Mr. Joy Ghosh
VP-Market & Technology Development

Mr. P. Srinivasan
VP-Sales

Mr. James Herbison
Head R & D

Chief Financial Officer
Mr. Sanjay Kulkarni

Company Secretary
Mr. Abhijit Tikekar

Registered & Corporate Office and R&D centre
147, Mumbai-Pune Road,
Pimpri, Pune 411 018.

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

Regional Offices
Bengaluru, New Delhi, Kolkata

Website
http://www.elantas.com/beck-india

CIN
L24222PN1956PLC134746

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

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

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

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

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

Bankers
The Bank of Nova Scotia
HDFC Bank Ltd.

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

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Directors' Report

To the Members,

of ELANTAS Beck India Ltd.

Your Directors have pleasure in presenting the Company's Sixty Third Annual Report and the Audited Financial Statements for the financial year ended 31 December 2018.

Financial Results (₹ in lakhs)

	Year ended 31.12.2018	Year ended 31.12.2017
Revenue from operations	**40,911.80**	**40,600.46***
Other income	**1,192.75**	**862.36**
Total income	**42,104.55**	**41,462.82**
Profit before exceptional item and tax	**6,988.40**	**8,109.26**
Exceptional Item	**1,928.07**	**-**
Profit before tax net of other comprehensive income	**8,906.70**	**8,134.04**
Income tax expense	**2,337.97**	**2,601.10**
Profit for the year	**6,568.73**	**5,532.94**
Retained earnings brought forward	**20,095.15**	**14,991.58**
Less: Dividend paid including Dividend Distribution Tax	**430.08**	**429.37**
Retained earnings at the end of the year	**26,233.80**	**20,095.15**

* Including Excise Duty amounting to ₹ 2,344 Lakhs

Performance

The Company posted a turnover of ₹ 40,911.80 Lakhs for the year ended 31 December 2018 against the turnover of ₹. 40,600.46 Lakhs (inclusive of Excise Duty amounting to ₹ 2,344 Lakhs) achieved in the previous year ended 31 December 2017. In terms of sales quantity, the tonnage sold during the year ended 31 December 2018 increased by 4.2% over the previous year. The profit before exceptional item and tax declined over the profit before tax posted last year. The Profit before Tax and Profit after Tax, including exceptional items were ₹ 8,906.70 Lakhs and ₹ 6,568.73 Lakhs respectively. The Exceptional item represents profit on sale of building.

Share Capital

Share Capital Audit as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) is conducted on a quarterly basis by V.R. Associates, Practicing Company Secretaries. The Share Capital Audit Reports are duly forwarded to BSE Ltd. where the equity shares of the Company are listed. During the year ended 31 December 2018, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2018 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 2018 (previous year ₹ 4.50/- per equity share). The dividend is payable subject to Members' approval at the ensuing Annual General Meeting (AGM). The dividend pay-out, if approved by the Members in the ensuing AGM, will be ₹ 430.08 Lakhs (Dividend: ₹ 356.75 Lakhs and Dividend Distribution Tax ₹ 73.33 Lakhs).

Reserves

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

Corporate Governance

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

Directors

Mr. Martin Babilas (DIN : 00428631) retired by rotation as Director of the Company on 10 May 2018 and being willing and eligible, was appointed as Director of the Company.

Dr. Guido Forstbach, Non-Executive Director (DIN 00427508), retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act (The 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.

Board of Directors at its Meeting held on 10 May 2018, appointed Mr. Stefan Genten (DIN 07350813) as an Alternate Director to Mr. Martin Babilas, during the absence of Mr. Martin Babilas from India for a period exceeding 3 (Three) months, and to vacate the office as and when Mr. Martin Babilas returns to India.

The Members, in the AGM held on 10 May 2018, approved appointment of Mr. Milind Talathi (DIN 07321958) as Whole Time Director of the Company for a period of 3 years w.e.f. 27 February 2018.

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

The Board is of the view that considering the background, experience and contributions made by Mr. Suresh Talwar, Mrs. Kishori Udeshi, Mr. Ravindra Kulkarni and Mr. Ranjal L. Shenoy, their continued association will benefit the Company.

The approval of the Members for the re-appointment of Dr. Guido Forstbach who is retiring by rotation and being eligible has offered himself for reappointment as Director, has been sought in the Notice convening the AGM of your Company. Particulars in pursuance of Regulation 36 of Listing Regulations read with Secretarial Standard 2 on General Meetings relating to Dr. Guido Forstbach are given in the Notice convening the AGM.

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

Declaration from Independent Directors

All Independent Directors have given Declaration that they meet the criteria for independence as laid down under Section 149 (6) of the Act, and Regulation 16(1)(b) of the Listing Regulations.

Composition of Key Managerial Personnel (KMP)

Pursuant to provisions of Section 203 of the Act, the Company has the following KMPs:

Name of the KMP	Designation	Date of Appointment	Date of Resignation
Mr. Ravindra Kumar	Managing Director	1 January 2014	N.A.
Mr. Milind Talathi	Whole Time Director	27 February 2018	N.A.
Mr. Sanjay Kulkarni	CFO and VP- IT & Procurement	18 August 2008	N.A.
Mr. Abhijit Tikekar	Head Legal & Company Secretary	31 October 2018	N.A.

Mr. Shirish Dabir resigned as Head Legal & Company Secretary w.e.f. 31 August 2018.

Separate Meeting of Independent Directors:

The Independent Directors are fully kept informed of the Company's business activities in all areas. During the year under review, a separate Meeting of Independent Directors was held on 26 February 2019 in which the Independent Directors reviewed the performance of (i) non- Independent Directors, (ii) the Board as a whole and iii) Chairperson of the Company.

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

Composition of Audit, Nomination & Remuneration Committee

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

Nomination and Remuneration Policy

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

In accordance with the requirements under Section 178 of the Act, the Committee formulated a Nomination and Remuneration Policy to govern the terms of nomination /appointment and remuneration of (i) Directors, (ii) Key Managerial Personnel (KMPs) (iii) other employees and (iv) Senior Management of the Company.

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

Board Evaluation

Pursuant to the provisions of the Act, and Listing Regulations, the Board during the Year 2018 has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees for the Year 2018. The evaluation has been carried out on the basis of criteria defined by the Nomination & Remuneration Committee in its meeting dated 29 July 2014. Independent Directors in their separate meeting held on 26 February 2019 reviewed and evaluated performance of the Board for the Year 2018 and of the Non-Independent Directors and Chairperson of the Company.

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

Number of Board Meetings held

During the year 2018, four Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this Report. The intervening gap between any two meetings was within the period prescribed by the Act, and the Listing Regulations.

Related Party Transactions:

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

All RPT are placed before the Audit Committee for its review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. Pursuant to the provisions of the Listing Regulations as well as the Rule 6 A of the Companies (Meetings of Board and its Powers) Rules, 2014, Audit Committee, by passing Resolution by circulation on 22 December 2017 had granted omnibus approval for the proposed RPT to be entered into by the Company during the year 2018. Since there are no material RPT and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions are required to be reported in Form AOC – 2. In compliance with the Companies (Accounting Standards) Rules, 2006, as amended RPT are shown in Note no. 36 of Financial Statements forming part of this Report.

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

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

Details of Loans, Guarantees and Investments

A loan was given to a related party viz. BYK India Private Limited, by the Company of ₹ 280.47 lakh, during the year under review attracting the provisions of Section 186 of the Act. Barring this transaction, the Company has not entered into any transaction relating to Loan, Guarantee or Investments during the period under review.

Corporate Governance

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

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism named as 'Whistle Blower Policy' within the Company in compliance with the provisions of Section 177(10) of the Act, and Regulation 4(2)(d)(iv) & Regulation 22 of the Listing Regulations.

The Policy of such mechanism has been circulated to all employees within the Company, which provides a framework to the employees for guided & proper utilization of the mechanism. Under the said Policy, provisions have been made to safeguard persons who use this mechanism from victimization. The Policy also provides access to the Chairman of the Audit Committee by any other person under certain circumstances. The Whistle Blower Policy has been uploaded on the Company's website http://www.elantas.com/beck-india.html

Corporate Social Responsibility (CSR)

In the last 4 years, Company has been successful in creating an image of a socially responsible and a vigilant corporate citizen in the minds of the community at large, it serves. There were number of projects and programs undertaken, pursued and sustained very well by the Company as part of CSR initiatives.

The Company officials are diligently 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 is incorporated in **'Annexure B'**.

Risk Management Policy

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to the Company. Company's future growth is linked to general economic conditions prevailing in the market. Management has taken appropriate measures for identification of risk elements related to the Industry, in which the Company is engaged, and is always trying to reduce the impact of such risks. The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks including the risks associated with cyber security.

Internal Financial Controls and their adequacy

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and entity level controls. The framework is reviewed regularly by the Management and tested by the global internal audit team and also the Internal Auditors appointed by the Company and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Subsidiary, Associates and Joint Venture

The Company does not have any Subsidiary or Associate or Joint Venture Company as on date of this Report.

Annual Return

The Annual Return of the Company has been placed on the website of Company and can be accessed at http://www.elantas.com/beck-india

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 Act, the Directors hereby state that:

a) in the preparation of Annual Accounts for the Year ended 31 December 2018, the applicable accounting standards and Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any.

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31 December 2018 and of the profit of the Company for the year ended 31 December, 2018.

c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

e) the Company has laid down proper Internal Financial Controls and they are adequate and were operating effectively.

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Compliance with Secretarial Standards

The Company has ensured compliance with the applicable Secretarial Standards.

Auditors

a) Internal Auditors

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

b) Statutory Auditors

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

However, pursuant to the amendment to Section 139 of the Act, which was notified on 7 May 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2018.

c) Cost Auditors

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, as amended, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V. Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the Financial Year 2018 on a remuneration to be ratified by the Members, in the forthcoming AGM. Accordingly, a resolution for ratification of payment of remuneration to Dhananjay V. Joshi & Associates, Cost Auditors, is included in the Notice convening the AGM for approval of Members.

The Cost Audit Report for the Financial Year ended 31 December 2017 was filed with the Ministry of Corporate Affairs on 6 June 2018 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014, as amended.

d) Secretarial Auditors

Prajot Tungare & Associates, Practicing Company Secretaries, Pune, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2018, as required under Section 204 of the Companies Act, 2013 read with rules framed there under. The Secretarial Audit Report for FY 2018 forms part of Report as **Annexure A.**

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

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

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

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 AGM.

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

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. The Company has zero tolerance on Sexual Harassment at workplace. In compliance with the provisions of Companies Accounts Rules, 2014 , as amended , the

Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees and other stakeholders) are covered under this policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2018.

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

Particulars of Employees

Details of employees receiving the remuneration required to be disclosed under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in **'Annexure D'**.

Compliance Certificate

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

Deposits

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

Industrial Relations

During the year under review, industrial relations continued to remain cordial. Initiatives were taken to keep a high level of engagement of Workers.

Transfer of Equity Shares to IEPF Demat Account

During the year under review, pursuant to Section 124 (6) of Act, and the Rules & Circulars notified thereunder, 3,701 shares on which dividend was unclaimed/unpaid for seven years have been transferred to a demat account of the Investor Education and Protection Fund Authority (IEPF) Authority.

General

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

1. No material changes or commitments, affecting the financial position of the Company occurred between the end the Financial Year of the Company i.e. 31 December 2018 and the date of this Report.
2. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. There were no 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 and other stakeholders for the excellent support and their continued contribution to the performance of the Company.

For and on behalf of the Board

Mumbai
26 February 2019

Suresh Talwar
Director

Ravindra Kumar
Managing Director

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

ANNEXURE A

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2018

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

To,

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

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

Management is responsible for the preparation and filing of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and 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, 2018, 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, 2018, 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 & Transboundary Movement) Rules, 2015; and

(d) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.

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

(i) Secretarial 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 here in 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 composition of the Board of Directors that took place during the year under review are in compliance with the applicable laws.

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
CP No: 4449

Date: 26 February 2019
Place: Pune

ANNEXURE B

REPORT ON CSR ACTIVITIES

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

CSR Policy Statement.

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

Web link:

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

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 profits of the Company for last three financial years : ₹ 7,548.36 Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): ₹ 150.97 Lakhs

5. Details of CSR spent for the financial year: ₹ 151.03 Lakhs
   a. Total amount to be spent during the financial year: ₹151.03 Lakhs
   b. Amount unspent, if any: ₹ Nil

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

Details of amount spent on CSR activities during the Financial Year 2018

No	CSR Project or Activity Identified	Sector in which project is covered	Location of Project	Amount outlay (Budget) projet or program wise (₹ in Lakhs)	Amount Spent on Project or Programme (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent directly or through implementing Agency
1	My Dream School - School renovations in Village Pungam	Educational	Ankleshwar, Gujrat	33.70	33.71	33.71	Through Vanarai-NGO
2	My Dream School - School renovations in Village Sarthan	Educational	Ankleshwar, Gujrat	32.47	32.48	32.48	Through Vanarai-NGO
3	My Dream School - School renovations in Village Bhiwari	Educational	Pune, Maharashtra	22.76	22.76	22.76	Through Vanarai-NGO
4	Distribution of educational text books from Std. I to V	Educational	Allover Maharashtra	12.94	12.94	12.94	Through Suhrud Mandal, Pune
5	Development and printing of educational text books for Std. VII	Educational	Pune, Maharashtra	21.92	21.47	21.47	Through Suhrud Mandal, Pune

6	Running of extra study centers (4 no.) in slum areas	Educational	Pune, Maharashtra	6.02	6.02	6.02	Through Surajjya NGO
7	Girls' Education Support Program – Payment of School/College Fees to needy girls	Educational	Pune, Maharashtra	2.68	2.68	2.68	Through Swadhaar IDWC, NGO
8	On the Job learning to UDCT students	Educational	Pune, Maharashtra	3.16	3.10	3.10	Directly
9	Sponsoring fees towards higher education to needy and deserving girls'	Educational	Pune, Maharashtra	2.47	2.47	2.47	Through Maharshi Karve Stree Shikshan Sanstha
10	Sponsoring educational book bank scheme for different streams	Educational	Pune, Maharashtra	5.66	5.66	5.66	Through Maharshi Karve Stree Shikshan Sanstha
11	Providing e-learning kits to school	Educational	Pune, Maharashtra	7.74	7.74	7.74	Rotary Club, Kothrud, Pune
	Total			151.52	151.03	151.03	

Mumbai
26 February 2019

Ravindra Kumar
Managing Director

Ranjal Laxmana Shenoy
Member -CSR Committee

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

ANNEXURE C

A. CONSERVATION OF ENERGY

(a) Following measures were taken to conserve energy

- Installation of new high efficiency steam boiler.
- Installation of Solar photovoltaic panels for the R & D Centre & Corporate office.
- Installation of tertiary treatment pilot plant to enable reduction in overall effluent discharge by recycling of the treated effluent.
- Substantial reduction in water consumption through several actions.
- Modification of various Agitators for cycle time reduction enabling reduction in the energy consumption
- Increase in batch sizes for several products combined with lower cycle times resulting in lower power consumption per ton of product

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

- Installation of a large Wire Enamel line, which will include several technological learnings from our Affiliate companies.
- Higher focus towards operational improvements to further reduce energy consumption per metric Ton of production.

Total amount spent on energy conservation equipment's ₹ 153.18 Lakhs

(c) 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 production process through various activities to maintain a technological edge, provide effective solutions to customers and improve internal productivity through process improvements and introduction of new cost effective raw materials.

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

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

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

- Development of a new class H polyester imide enamel with high viscosity for rectangular wires and polyester wire enamel with specific softness for cured wires.
- Developed and commercialized a faster curing (energy saving) solvent based insulating varnish, for class H application. It has additional advantage of less effluent generation in processing through removal of a synthesized intermediate.
- Developed several new materials such as an epoxy product for lithium-ion battery potting in electric vehicles, a re-workable soft epoxy for electrical and electronic applications and a high thermal shock resistant epoxy product for a defense application.
- Developed a flame retardant and REACH/RoHS compliant polyurethane system for RF transmittance required in components of high-end luxury vehicles.
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents.

3. Future plan of action

- Continue efforts on efficient customer service and improved speed of product development with the newly formed teams keeping in mind the requirements for RoHS/REACH regulations.

- Continue adaptation of new products from group companies under 'Technology Transfer' in the Company's business segments to cater to the local market.
- Initiate and continue participation in new global R & D projects for the benefit of local and global customers.
- Improvisation of existing products for cost reduction based on substitution of raw materials and improvement in process efficiency.
- Continue participation in the M. Tech training program for students from local Institute on subjects complementary to the Company's business.
- Focus additional efforts on process optimization and standardization in material production.

4. Technology absorption, adaptation & innovation

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

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

Technology imported	Year of import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of unsaturated polyester resin technology from affiliate company in Italy	2015	Yes	-
Absorption of high density epoxy resin technology from affiliate company in Italy	2015	Yes	-
Absorption of polyurethane wire enamel insulating technology from affiliate company in China	2017	No	2019
Absorption of bond coat wire enamel technology from affiliate company in Italy	2018	No	2019
Absorption of epoxy varnish technology from affiliate company in Italy to replace wet winding varnish	2018	No	2019

5. Expenditure on R & D

(₹ in Lakhs)

	Year ended 31.12.2018	Year ended 31.12.2017
(a) Capital	**1,559.36**	840.12
(b) Recurring	**626.92**	363.53
(c) Total	**2,186.28**	1,203.65
(d) Total R & D expenditure as a percentage of total turnover	**5.34%**	2.96%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding foreign exchange earnings and outgo is as follows: (₹ in Lakhs)

Particulars	Year ended 31.12.2018	Year ended 31.12.2017
Earnings	**450.00**	864.48
Outgo	**904.81**	778.46

ANNEXURE D

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

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

Name	Designation	Gross Remuneration Subject to tax (₹ in Lakhs)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	159.83	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	42/22	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
Mr. Milind Talathi	Whole Time Director	84.14	B. Tech (Chemical), DBM	57/32	16.07.2013	Gujarat Fluorochemicals Ltd. - COO
Mr. Joy Krishna Ghosh	VP - President-Market Development & Technology Development	78.72	B.Com(Hons), MBA (Calcutta)	39/16	13.01.2015	Accenture Strategy Consulting – Engagement Manager
Mr. Sanjay Kulkarni	CFO & VP-IT & Procurement	65.45	B.Com, ACA, AICAI	52/29	18.08.2008	Gabriel India Ltd. Divisional Finance Controller - Ride Control Division
Mr. Shirish Dabir	Head Legal & Company Secretary	33.09	B.Com, L.L.B., ACS, PGDHRM	55/31	03.04.2006	Emcure Pharmaceuticals Ltd. Company Secretary
Mr. Nitin Kembhavi	Head – Accounts & Finance	39.00	B.Com, ACMA	58/33	17.08.1987	Drillco Metal Carbides Ltd. Accounts Officer
Mr. Vinayak A. Bhanu	AVP-Research MTDCPI & SI	36.97	PHD (Polymer Chemistry)	58/31	12.07.2015	Pidilite Industries Ltd. R & D Maneger
Mr. James Herbison	Head Research & Development	50.80	Ph.D. Organic Chemistry	32/6	01.06.2018	ELANTAS PDG, INC. Senior Chemist
Mr. Srinivasan P.	Vice President- Sales	52.87	BE (Mech), MBA - Marketing	50/26	03.04.2015	Thermax Ltd. Chemicals Division - Global Business Head - Resins
Mr. M. L. Prabhune	Head Engg. & Maintenance - Pimpri	32.93	BE (Ele), DBM	54/24	18.07.1994	N.A.
Mr. D. W. Thombre	Plant Head, Ankleshwar	32.66	B.Tech. (Chemical), PGDIM	62/38	04.08.2000	Roofit Industries Ltd. Factory Manager

Note:

1. None of the above employees is a relative of any Director of the Company.
2. The above employees includes Mr. Ravindra Kumar, Managing Director of the Company who is drawing salary not less than ₹1.02 Crore p.a.
3. All the above employees have executed an employment contract with the Company.
4. None of the above employees is holding more than 2% of the Equity Shares in the Company.
5. Mr. Shirish Dabir and Mr. Vinayak Bhanu have resigned during the year under review.
6. Mr. James Herbison joined the Company during the year under review.

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

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

Sr. No.	Name of Director / KMP	Designation	Increase (%)	Ratio of Remuneration of each Director & KMP to Median Remuneration of Employees
1	Mr. Martin Babilas	Chairman Non Executive Non Independent	-	-
2	Dr. Guido Forstbach	Non Executive Non Independent Director	-	-
3	Mr. Suresh Talwar	Non Executive Independent Director	-	1.41
4	Mr. Ravindra Kulkarni	Non Executive Independent Director	-	1.41
5	Mr. Ranjal Laxmana Shenoy	Non Executive Independent Director	-	1.43
6	Mrs. Kishori Udeshi	Non Executive Independent Director	-	1.06
7	Mr. Stefan Genten	Non Executive Non Independent Director (Alternate Director to Mr. Babilas)	-	-
8	Mr. Ravindra Kumar	Managing Director	9.34	25.30
9	Mr. Milind Talathi	Whole Time Director	16.33	13.32
10	Mr. Sanjay Kulkarni	Chief Financial Officer	16.27	10.36
11	Mr. Shirish Dabir*	Company Secretary	-1.81	5.24
12	Mr. Abhijit Tikekar**	Company Secretary	-	2.90

* Mr. Shirish Dabir resigned as Head Legal & Company Secretary w.e.f. 31 August 2018.

** Mr. Abhijit Tikekar was appointed as Head Legal & Company Secretary w.e.f. 31 October 2018.

2. No. of permanent employees on the rolls of the Company as on 31 December 2018 – 181
3. Median Remuneration of the employees has increased by 14% in 2018 as compared to 2017.
4. We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.
5. The average increase in median remuneration of the employees other than managerial personnel was 14% as compared to the increase in the managerial remuneration by 12.73% for this year. The salary increases are based on external benchmarking, internal parity, company performance and individual performance.

ANNEXURE E

COMPLIANCE CERTIFICATE

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

A. We have reviewed financial statements and the cash flow statement for the year 2018 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

Ravindra Kumar
Managing Director

Sanjay Kulkarni
Chief Financial Officer l

Mumbai
26 February 2019
Regd. Office: 147, Mumbai –Pune Road,
Pimpri, Pune 411018

Management Discussion and Analysis Report

Year 2018 was one of the most challenging years in recent times for chemical industry in general and ELANTAS Beck India was no exception. Upstream raw material prices during the year fluctuated drastically and stayed at much higher level during most part of the year. During first three quarters, raw material prices increased substantially, largely caused by factory closures in China forced by Chinese government, upward movement in crude oil prices and depreciation of Indian rupee. Towards the end of the year, weak global demand scenario, uncertainties caused by potential trade war, recovery of Indian currency and steep fall in crude oil prices, raw material prices showed downward trend. This posed an extra ordinary challenge for the Company to adjust the selling prices of our products in line with these fluctuations. Being part of the long value chain, it usually takes some time to make price adjustments and therefore volatility posed significant challenges.

It is heartening to see that manufacturing growth in India is on revival path after a long pause and some of our customers are investing in expanding their production capacities. Special initiatives taken by government e.g. demonetization and implementation of GST in the last two years, which temporarily influenced the economic activities in India are no more the topics of discussion, however, jury is still out on the benefits delivered by these initiatives. Company believes that some of these initiatives will deliver long-term benefits to our Company and to Indian economy in general. Setbacks caused by high crude oil prices and depreciation of rupee is behind us for the time being, which is a positive development for Indian economy and our Company. National elections scheduled in 2019 will be the most closely watched event of 2019.

In 2018, Company delivered over 7% revenue growth largely due to selling price increases and crossed INR 400 crores sales revenue mark. Company's profits declined over last year for the reasons mentioned above however, your Company has developed significant capabilities in all areas of its operations, which puts it in a very strong position than ever before to deliver improved financial performance over the next years. Your Company achieved a few important milestones in 2018, many of which will play a defining role in the future e.g.

- Company upgraded its ERP system and implemented most advanced SAP technology within ALTANA. This will help Company and its employee to work with real time information and help in faster and better decision-making. SAP will also provide a strong basis for developing further digitalization initiatives in the Company e.g. FIORI based process flows, efficient movement of material enabled by bar scanners and business intelligence tools.
- Your Company now has one of the best and state of the art R & D facilities in ELANTAS world. New R & D facility provides excellent working environment to our technology and business development teams and is a great facility to demonstrate our capabilities to our customers. Customers visiting this facility now place higher confidence on Company's innovation capabilities.
- After a very long and intense struggle, your Company has been able to address legal and regulatory issues at Ankleshwar plant leading to removal of bottlenecks for expanding at Ankleshwar. Company has made significant investment commitment in Ankleshwar for over the next few years.
- Solar park set up next to our R & D building is a demonstration of our Company's commitment towards environment and sustainability.
- Successful testing of "Zero Liquid Discharge" concept at Ankleshwar plant is another great example of Company's responsible behavior towards the environment. This an important step to achieve our expansion plans at Ankleshwar.
- Company is progressing well in developing breakthrough process technology to produce wire enamels, which is expected to significantly improve Company's competitive position in wire enamel segment.

Company expects that external environment will remain challenging however; your Company's inherent competitive strengths built on technology leadership, best team in the industry, efficient operations, customer centric approach and ability to execute the strategy will help the Company to effectively deal with the challenges coming through.

Segment wise Performance

Electrical Insulation Business

- The Electrical Insulation Business comprising of Wire Enamels and Secondary Insulation products account for approximately 83 % of the Company's sales revenue and constitutes the core business of your Company.
- Wire Enamel business primarily caters to Magnet Wire manufacturers, whose end customer base span the Home Appliances, Transformers, Automotive and Industrial Segments. Secondary Insulation products like Varnishes find

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

- The year witnessed a significant rise in raw material Prices which impacted the costs of Wire Enamels & Varnishes considerably. We were able to pass on these costs to a limited extent due to competitive market pressures.
- Volumes of Wire Enamels and Varnishes were also impacted in 2018 due to an extended transporters strike in July 2018, wherein several customers lowered their manufacturing activity due to restrictions in movement of raw materials and finished goods.
- The Electrical Machinery Industry and indigenous OEMs continued to be adversely impacted by imports of Electrical Equipment especially from China.
- In spite of the above Head winds, your Company was able to achieve a pull back and register a value growth of 9.7% through addition of new customers, products and improving share with existing customers as well as passing on price increases to the extent possible.

Company is looking forward to a growth in this segment due to the following macro economic factors and confident of future growth in this segment on account of the following factors:

- Growth in Demand for Electricity & initiatives towards improving Generation and Distribution of Power
- Demand and Growth of Home Appliances
- Continued Growth Automotive industry and Ancillaries.
- Growth in demand for Electrical & Industrial Machinery and allied Instrumentation
- Initiatives taken by the Government on Smart Cities, Promotion of Renewal and Sustainable energies.
- Opportunities in E Mobility

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

Electronic & Engineering Materials:

Electronic & Engineering Materials business comprises of Electronic & Electrical Compounds (EL), Hardeners and Construction Chemicals (CC) and accounts for approximately 17% of the Company's sales revenue.

The EL Business has specialty products in Electronics, Auto Electricals, Filters & High Voltage Capacitors application, in addition to emerging opportunities in E Mobility. With sustained focus on new product and application development, the Company is working on new offerings in the Electronics domain, the results of which will be seen in the coming years.

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

The EL & CC segments too witnessed a significant rise in the raw materials costs, which impacted the prices considerably. We were selective in continuing our supplies to only those markets and customers wherein we were able to pass on at least a portion of the price increase. Additionally the transporters' strike in July 2018, impacted off take of key customers due to drop in manufacturing activity. Owing to a combination of above factors, this business registered a drop of 2.5% in revenues in 2018.

However, going forward, your Company is confident of catching up its growth in the Electronic & Electrical Compounds with its new product offerings and customer additions.

Overall, the 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

Manufacturing growth in India is generally driven by domestic consumption, enabling government policies and investments. With general elections in sight, politics is likely to be a bigger focus of the government. One needs to wait and watch the outcome of elections and thereafter the policies adopted by the new government. Company believes that business drivers are intact however; there may be volatility in demand due to external factors.

Following factors are important for the company in near future:

- Trend of crude oil prices
- Valuation of Indian rupee especially against US dollar.
- Global demand and geopolitical situation.
- Regulatory situation in key raw material markets e.g. China
- Political situation in India
- Industrial production growth in India and especially in relevant segments of electrical equipment's industry
- Ability to develop new business in existing and new markets

The Company has a long track record of creating value for its customers and the same reflects in its financial performance and market position over the last several decades. Company will continue to focus relentlessly to build its capabilities in all the facets of its operations.

Risks, Opportunities and Threats

The Company has a proven track record of delivering sustainable and profitable growth over last several years. Company has developed significant strengths across its operations, which makes it well positioned to deal with challenges posed by external environment. Ability to develop new products and technologies, efficient production using best practices, continuous improvement culture and efficient supply chain keeps your Company second to none in Indian electrical insulation market. Management of the Company ensures that business risks are anticipated and mitigated to the best possible extent. These risks are identified, addressed and reviewed on periodic basis by management and its Auditors and status is presented to the Board of Directors. Measures suggested by the Board are reviewed on regular basis.

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

Risks

- Inconsistency in market demand
- Fluctuation in raw material prices caused due to increase in feedstock prices and/or regulatory restrictions in external market situations
- Currency exchange fluctuations
- Regulatory matters

Opportunities

- Improved industrial production outlook creating higher demand from end customers
- Opportunities in existing and adjacent lines of business
- Developments in e-mobility space
- Enhancing operational efficiencies by integrating processes and improvements in manufacturing set up
- Rationalization of products between two plants

Threats

- Increasing level of competition especially in wire enamel segment.
- Imports of electrical equipment mainly from other Asian countries

Company Performance:

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

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

- The series of challenging extraneous factors, on internationally & domestic, oil crisis & pressure on the rupee, the Company achieved a volume level of 23766 mts, a 4.2% increase as compared to previous year. In terms of value, after adjusting the taxes and excise duty, the company was able to show a growth of 7.1%, as compared to previous year mainly as the unit realisations had to be increased to cover our raw material cost increases. The Company sales stood at ₹40,853 Lakhs for this year.

- The profit before tax stood at ₹ 8,916 Lakhs including exceptional items arising out of sale of property, representing an increase of 10% over previous Year 2017.
- Net cash flows from operating activities during the year stood at ₹ 3,302 Lakhs in the Year 2018 as compared to ₹ 5,082 Lakhs during the previous year.

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

Internal Control Systems

The Company has reviewed its framework for internal controls covering operational and financial controls after going live for SAP on 8 January 2018. The new framework now incorporates many automated controls provided by the new SAP architecture of business suite on HANA (SoH). The framework is also being tested by our Internal Auditors & also by Statutory Auditors as part of their review of the ITGC controls.

Technical Management and Infrastructure Development

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

- HAZOP studies to minimize safety risks.
- Enhancing productivity with sustained quality levels.
- Reducing water consumption and consequently lower effluent discharge.
- Savings in operational costs through various measures.

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 strives hard to maintain the same through technological superiority, operational excellence and cost effectiveness, a fact underlined by a few examples as follows:

- New R & D Centre opened in July 2018 in Pune to expand & reinforce the R & D expertise in our products.
- Close coordination with R & D Dept. to bring in several quality & cost saving measures along with launch of several new products.
- Further launch of new projects under "ALTANA X" – an excellence program driven by Management for sustained continual improvement, using lean six sigma techniques.
- Further automation for productivity, quality & energy improvements .
- Various Process improvements measures & de-bottlenecking measures.

Besides this, the Company undertook technical improvements in plant engineering and manufacturing processes by benchmarking with its overseas affiliates. Technical, Operations & Safety 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 production that is safe, more efficient and meets market demands for new and existing products.

Going forward, to meet the growing demand, a new wire enamel line 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 Global EHS & by reputed external Auditors have appreciated Company efforts towards safety management.

This year, a Solar power plant of 250 Kwp was commissioned in July 2018 to cater to the electricity demand of Corporate office as well as the new R & D Centre. Net metering facilities have been installed which will enable surplus electricity to be fed back into the grid.

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.

Our organization has always embarked upon maintaining the quality of the products, emphasis on protection of the environment and maintaining the health and safety of its employees. As a testimony, we have a third party certification for different international standards, under one umbrella of Integrated Management System (IMS) viz. ISO 9001:2008, ISO

14001:2004 and BS OHSMS 18001:2007 for the past many years. These have been now upgraded to the new standards before the deadline. The works at Pimpri & Ankleshwar and the Corporate Office at Pimpri were subjected to Surveillance cum upgradation Audit -ISO 9001:2015, ISO 14001:2015, ISO45001:2018 and have been certified by TÜV NORD during the year. These certificates are valid up to 30.09.2019.

Research & Development

The Company has successfully completed the project on constructing a new building for R & D activities and the new facility is in operation since July 2018. It is also recruiting few more experts with experience in different areas to support the continuous product development and process upgradation. A state of the art high-speed wire enameling plant has been installed in the new R & D center, which will provide sustainable wire enamel business by developing high quality products and providing technical support to the customers.

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

The MTD developmental activity in EL business is showing enhanced responsiveness, with a variety of products developed in the last year for automotive, electrical and electronics market segment.

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

Human Resource/ Industrial Relations

During the year under review the Company's HR functions 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 181.

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	Suresh Talwar	Ravindra Kumar
26 February 2019	Director	Managing Director
Regd. Office: 147, Mumbai –Pune Road,		
Pimpri, Pune 411018		

Report on Corporate Governance

1. ELANTAS Beck's philosophy on Corporate Governance:

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

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

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

2. Board of Directors (Board)

(a) Composition and functioning:

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

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

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

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

During the Financial Year ended 31 December 2018, four Board Meetings were held on 27 February,10 May, 24 July, and 31 October.

The names and categories of the Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting (AGM) held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies as on 31 December 2018 are given below:

Sr. No	Name of Director	No. of Board Meetings attended	Attendance at the AGM held on10 May 2018	Directorship in other Companies	No. of Committee positions held in other public Companies #	
					As Chairman	As Member
1	Mr. Martin Babilas*	2	No	No	-	-
2	Dr. Guido Forstbach*	2	No	No	-	-
3	Mr. Suresh Talwar**	4	Yes	4	2	2
4	Mr. Ravindra Kulkarni**	4	Yes	5	1	6
5	Mr. Ranjal Shenoy**	4	Yes	3	2	2
6	Mrs. Kishori Udeshi**	4	Yes	7	1	5
7	Mr. Ravindra Kumar***	4	Yes	No	-	-
8	Mr. Milind Talathi***	4	Yes	No	-	-
9	Mr. Stefan Genten*@	2	No	No	-	-

* Non-Executive Director ** Non-Executive Director –Independent *** Executive Director
@ Appointed as Alternate Director to Mr. Martin Babilas w.e.f.10 May 2018.
# For the purpose of reckoning the limit, Memberships of Audit Committee and Stakeholders' Relationship Committee in Public Companies excluding ELANTAS Beck India Limited has been considered.
Note:
No director serves as an Independent Director in more than seven listed companies.
Directorships in Foreign Companies, Private Limited Companies and Section 8 Companies are excluded in the above table.
None of the Directors is related to other Director of the Company.
None of the Independent Directors is whole-time director in any other company.

(b) Remuneration Policy:

Within the overall limits fixed by the Members 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 2018:

(₹ 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)	82.21	10.11	59.27	8.24	159.83	3 Years from 01 January 2014 (further appointed for 5 years w.e.f. 01 January 2017)
Mr. Milind Talathi (Whole Time Director)	55.80	3.42	21.29	3.63	84.14	3 years from 23 February 2016 (further appointed for 3 years from 27 February 2018.
Total:	**138.01**	**13.53**	**80.56**	**11.87**	**243.97**	

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.

Remuneration of Non-Executive Independent Directors comprises of sitting fees for attending Board and Committee Meetings and commission based on their overall engagement & contribution to the Company's business which is also based on the net profits of the Company. As approved by the Members, commission is limited to 1% of the net profits of the Company. All expenses incurred by such Directors for attending the meetings are reimbursed by the Company.

Details of remuneration of Non-Executive Directors for the year ended 31 December 2018:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	4,50,000	4,40,000
Mr. Ravindra Kulkarni	4,50,000	4,40,000
Mr. Ranjal Laxmana Shenoy	4,65,000	4,40,000
Mrs. Kishori Udeshi	2,30,000	4,40,000
Total:	**15,95,000**	**17,60,000**

Policy for selection and appointment of Directors and their remuneration.

The Nomination & Remuneration Committee has adopted a policy which inter alia deals with the manner of selection of the Board of Directors i.e. the Executive and Non-Executive Directors, Managing Director and their remuneration. The Remuneration Policy is also hosted on the website of the Company at http://www.elantas.com/beck-india.

Familiarization Program:

The Company has got an induction program by which the Independent Directors are familiarized of their roles, rights, and responsibilities in the Company, the code of conduct to be adhered to, nature of industry in which the Company operates, business model, structure of the management team etc.

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

The details of such familiarization program have been disclosed on the Company website http://www.elantas.com/beck-india.

3. Board Committees:

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

(a) Audit Committee:

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

During the financial year ended 31 December 2018, four Audit Committee meetings were held on 27 February, 10 May, 24 July and 31October.

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

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

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

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

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
    b. changes, if any, in accounting policies and practices and reasons for the same
    c. major accounting entries involving estimates based on the exercise of judgment by management
    d. significant adjustments made in the financial statements arising out of audit findings
    e. compliance with listing and other legal requirements relating to financial statements
    f. disclosure of any related party transactions
    g. modified opinion in the draft Audit Report
- reviewing, with the management, the quarterly/annual financial statements before submission to the Board for approval.
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- approval or any subsequent modification of transactions of the Company with related parties.

- Scrutiny of inter-corporate loans and investments.
- valuation of undertakings or assets of the Company, wherever necessary.
- evaluation of internal financial controls and risk management systems.
- reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- discussion with Internal Auditors of any significant findings and follow up thereon.
- reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- investigating any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- reviewing the functioning of the Whistle Blower Mechanism.
- approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- reviewing reports of Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors.
- status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management.
- compliance with regulatory guidelines.
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- management discussion and analysis of financial condition and results of operations.
- statement of significant related party transactions (as defined by the Audit Committee),submitted by management.
- management letters /letters of internal weaknesses issued by the Statutory Auditors.
- report of Internal Auditors 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	2
Mr. Suresh Talwar	4	4
Mr. Ranjal Laxmana Shenoy	4	4

(b) Stakeholders' Relationship Committee and Share Transfer Committee

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

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

These Committees are headed by Mr. Ranjal Laxmana Shenoy.

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

During the year ended 31 December 2018, twelve Meetings of Share Transfer Committee and one Meeting of Stakeholders' Relationship Committee were held. As of 31 December 2018, there were no unresolved investor complaints pending.

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

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

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, 2018, no request for transfer of shares was pending.

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

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

The status of shareholder complaints received and resolved during the Financial Year 2018 is as under:

Number of Investor Complaints pending as on 31 December 2017	0
Number of Investor Complaints received during the period 1 January 2018 to 31 December 2018	0
Number of Investor Complaints resolved to the satisfaction of shareholders during the period 1 January 2018 to 31 December 2018	0
Number of Investor Complaints pending as on 31 December 2018	0

c) Committee for issue of duplicate share certificates

The Board has constituted a Special Committee for the purpose of issuance of duplicate share certificates. The committee comprises of one Non-Executive Independent Director i.e. Mr. Ranjal Laxmana Shenoy and one Executive Director i.e. Mr. Ravindra Kumar, Managing Director. The Meeting of this Committee is chaired by Mr. Ranjal Laxmana Shenoy, Mr. Abhijit Tikekar, acts as the Secretary to implement the decisions of the Committee.

During the year ended 31 December 2018, three meetings of Committee for issue of duplicate share certificates were held.

Scope:

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

d) Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Act, read with Regulation 19 of the Listing Regulations and on 31 December 2018, the Nomination & Remuneration Committee of the Company comprises of four Non-(Executive Directors namely Mr. Suresh Talwar (Non-Executive Independent Director, Chairman of the Committee), Mr. Ravindra Kulkarni (Non - Executive Independent Director), Mr. Ranjal Laxmana Shenoy (Non - Executive Independent Director) and Dr. Guido Forstbach (Non - Executive Director).

Two Meetings of the Committee were held during the year on 27 February 2018 and 31 October 2018 respectively.

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

e) Risk Management Committee

The Board has constituted a Risk Management Committee comprising Mr. Ravindra Kumar, Mr. Ranjal Laxmana Shenoy, Dr. Guido Forstbach, Mr. Milind Talathi and Mr. Sanjay Kulkarni. The requirement of mandatory constitution of Risk Management Committee currently is not applicable to the Company under the Listing Regulations. During the year, one meeting of Risk Management committee was held on 31 October 2018 which was attended by majority of members.

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

The Company has in place a comprehensive Enterprise Risk Management Manual which contains an in-depth evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Manual identifies risks, its likelihood, impact and mitigation methods. It undergoes 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 viz. Mr. Ranjal Laxmana Shenoy & Mrs. Kishori Udeshi and one Executive Director viz,. Mr. Ravindra Kumar, Managing Director.

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

One Meeting of the committee was held on 31 October 2018 during the year under review which was attended by all the members.

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.

As per SEBI (Prohibition of Insider Trading) Regulations 2018, the Company has adopted Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Regulating, Monitoring and Reporting of Trading by Designated Persons to deter the insider trading in the securities of the Company based on the Un-published Price Sensitive Information.

(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 2018, annexed and forms part of the Annual Report, was placed before the Board at its Meeting held on 26 February 2019.

(c) General Body Meetings:

(i) Location & time of Annual General Meetings:

<table>
<tr><th>Financial Year ended</th><th>Date</th><th>Time</th><th>Place</th><th>Special Resolutions passed</th></tr>
<tr><td>31 December 2015</td><td>03 June 2016</td><td>2.30 pm.</td><td rowspan="3">Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, SenapatiBapat Road, Pune 411016.</td><td>Appointment of new Statutory Auditors in place of earlier Auditors</td></tr>
<tr><td>31 December 2016</td><td>10 May 2017</td><td>2.30 pm.</td><td>Nil</td></tr>
<tr><td>31 December 2017</td><td>10 May 2018</td><td>2.30 pm.</td><td>Payment of remuneration by way of Commission to the Non-Executive Directors.</td></tr>
</table>

(ii) All Resolutions moved at the Annual General Meetings were passed by the requisite majority of Members attending the Meetings.

(d) Postal Ballot

During the year 2018, the Company approached the Members through Postal Ballot. The details of the Postal Ballot are as follows:

Date of Postal Ballot Notice: **31 October 2018**

Voting Period: **3 December 2018 to 1 January 2019**

Date of Approval: **2 January 2019**

Date of Declaration of Result: **2 January 2019**

Conducted by: **Prajot Tungare Prajot Tungare & Associates, Practicing Company Secretaries, Pune as the Scrutinizer**

After the closure of year under review and before the date of this report, 4 Special Resolutions were passed with requisite majority through Postal Ballot on 2 January 2019 as follows:

Description of Resolution	Type of Resolution	No of Votes Polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No of votes	%
Approval for re-appointment of Mr. Suresh Talwar as an Independent Director for a second term of five years from 1 April 2019 and continuation of appointment of Mr. Suresh Talwar, not withstanding he being above 75 years of age, as Independent Director till the completion of his current term i.e. up to 31 March 2019 and second term, if approved by Members, till 31 March 2024.	Special Resolution	6,625,739	6,624,365	99.979	1,374	0.021
Approval for re-appointment of Mrs. Kishori Udeshi as an Independent Director for a second term of five years from 6 May 2019 and continuation of appointment of Mrs. Kishori Udeshi, notwithstanding she being above 75 years of age, as Independent Director till the completion of her current term i.e. up to 5 May 2019 and second term, if approved by Members, till 5 May 2024.	Special Resolution	6,625,770	6,624,396	99.979	1,374	0.021
Approval for re-appointment of Mr. Ravindra Kulkarni as an Independent Director for a second term of five years from 1 April 2019.	Special Resolution	6,625,770	6,624,716	99.984	1,054	0.016
Approval for re-appointment of Mr. Ranjal L. Shenoy as Independent Director for a second term of five years from 1 April 2019.	Special Resolution	6,625,770	6,624,716	99.984	1,054	0.016

Procedure for Postal Ballot:

In Compliance with Section(s) 108 and 110 and other applicable provisions of Act, read with related rules framed thereunder, the Company provided electronic voting (e-voting) facility in addition to physical ballot to all its Members. For this purpose, the Company engaged the services of National Securities Depository India Limited (NSDL). Postal ballot notices and forms were dispatched along with postage pre-paid business reply envelope to Registered Members/beneficiaries. The same notice was sent by email to the Members who had opted for receiving communication through the electronic mode. The Company also published the notice in the newspaper(s) declaring the details and requirements as mandated by the Act and applicable rules.

(e) Disclosures:

- In terms of the requirements of Accounting Standard (IND AS)24 on Related Party Disclosures issued by the Companies Indian Accounting Standards 2015, transactions with related parties have been adequately disclosed in Note No. 36 in Notes to accounts forming part of the Balance Sheet as at 31 December 2018. 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 or 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 Listing Regulations.
- The Company complies with the requirements of corporate governance as specified in Regulations 17 to 27 and Clauses(b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the EBIL's code of conduct. Detailed Whistle Blower Policy is available on the website of the Company .
- Web link of Related Party Transactions policy : http://www.elantas.com/beck-india/financials/compliance-with-corporate-governance.html

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

Status relating to following specific requirements:

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

(g) Sexual Harassment Complaints:

For disclosure in relation to complaints of Sexual Harassment please refer page no. 9 of this Report.

(h) Independent Directors' meeting was held on 26 February 2019.

(i) Means of Communication:

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

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) 63rd Annual General Meeting:

Day, Date & Time	Tuesday, 7 May 2019 at 2.30 p.m.
Place	Hall No. 4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016.
Dates of Book Closure	From Wednesday 1 May 2019 to Tuesday 7 May 2019 (both days inclusive).
Dividend payment date	On or before Tuesday, 4 June 2019, if declared in the Annual General Meeting on 7 May 2019, within the stipulated statutory period.

(c) Unclaimed dividends

I) 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.

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

ii) Following table gives information relating to outstanding dividend amount and date when it becomes due for transfer to IEPF in the year 2019.

Financial Year	Dividend payment date	Unclaimed/unpaid dividend (Y2011) as on 31.12.2018 transfer to IEPF	Proposed date for transfer to IEPF
Y 2011	15 May 2012	₹ 413,590.50	* 22 June 2019 **

* This amount may undergo change in case of any claims received / processed by the Company after 31 December 2018

** Indicative date and actual date may vary.

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

iv) 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:

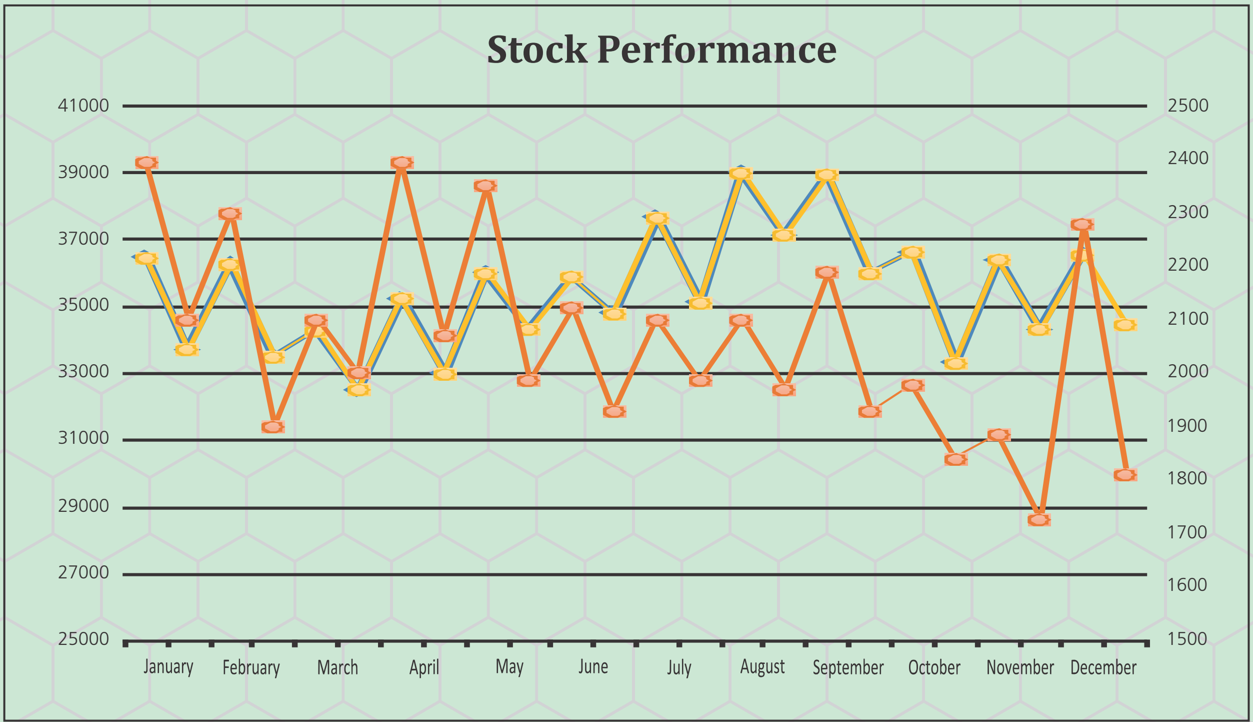
The Company's shares are listed on BSE Ltd. The Company has paid the listing fees for the period 01April 2018 to 31 March 2019.

(f) Stock Performance:

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

Year 2018	Price of Equity Shares of the Company		Sensex	
Months	**High (₹)**	**Low (₹)**	**High**	**Low**
January	2395.00	2100.00	36443.98	33703.37
February	2300.05	1899.95	36256.83	33482.81
March	2100.05	2000.00	34278.63	32483.84
April	2395.00	2070.05	35213.30	32972.56
May	2350.00	1985.00	35993.53	34302.89
June	2122.00	1927.65	35877.41	34784.68
July	2099.80	1985.00	37644.59	35106.57
August	2099.80	1970.10	38989.65	37128.99
September	2188.00	1928.00	38934.35	35985.63
October	1976.35	1840.00	36616.64	33291.58
November	1884.00	1725.25	36389.22	34303.38
December	2279.80	1810.00	36554.99	34426.29

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

(i) Dematerialization:

As of 31December 2018, 78,36,543 shares i.e. 98.85% of the Company's total issued, subscribed and paid-up capital were held in dematerialized form.

(j) Distribution of Shareholding as of 31 December 2018:

Shareholding of Nominal Value (₹ In INR)	No. of shareholders	No. of shares	% to total
1 to 5000	6895	498452	6.29
5001 to 10000	145	112078	1.41
10001 to 20000	58	89514	1.13
20001 to 30000	17	44941	0.56
30001 to 40000	10	34811	0.44
40001 to 50000	2	9408	0.12
50001 to 100000	17	121230	1.53
100001 and above	18	7017248	88.52
Total:	**7162**	**7927682**	**100**

(k) Shareholding Pattern as on 31 December, 2018

Class of Shareholder	No. of shares	% to total
Promoters Shareholding	5945761	75.00
Public Shareholding		
Mutual Funds	401322	5.06
Alternate Investment Funds	9338	0.12
Foreign Portfolio Investor	309263	3.90
Financial Institutions / Banks	50	0.00
Individuals	844348	10.65
NBFCs registered with RBI	250	0.00
Others	417350	5.27
Total:	7927682	100.00

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

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

- 147, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra.[Tel: (020) 67190666]
- Plot No. 1 (A, B & C)& 122, GIDC Industrial Area, Ankleshwar 393002
  Dist.: Bharuch, Gujarat.[Tel: (02646) 662736]

(ii) **Registered Office:**
147, Mumbai-Pune Road, Pimpri, Pune 411018.
Tel: (020) 67190600/605/606

(iii) **Address for correspondence:**
In respect of transactions relating to shares:
Link Intime India Pvt. Ltd.
Pune Office:
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune - 411001
Tel. (020)26160084/1629
Telefax (020) 26163503
In respect of any other matter:
Mr. Abhijit Tikekar
Head Legal & Company Secretary and Compliance Officer
ELANTAS Beck India Ltd.
147, Mumbai-Pune Road, Pimpri, Pune 411018.
Tel: (020) 67190600/05/06

(m) Name of the Stock exchange and address:
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
www.bseindia.com

For and on behalf of the Board

Mumbai
26 February 2019
Regd. Office : 147, Mumbai – Pune Road, Pimpri, Pune 411018

Suresh Talwar
Director

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, 2018 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 26, 2019

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 2018.

For ELANTAS Beck India Ltd.

Ravindra Kumar
Managing Director

Mumbai
26 February 2019
Regd. Office: 147, Mumbai – Pune Road, Pimpri, Pune 411018

Independent Auditors' Report

TO THE MEMBERS OF

ELANTAS Beck India Limited

Report on the Indian Accounting Standards (Ind AS) 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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Annexure to Independent Auditors' Report - 31 December 2018 (Continued)

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended December 31, 2017 and the transition date opening balance sheet as at January 1, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended December 31, 2017 and December 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated February 27, 2018 and February 21, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

   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 ("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 the 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, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on December 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 11 (b) above, that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (h) With respect to the other matters to be included in the 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:

Annexure to Independent Auditors' Report - 31 December 2018 (Continued)

i. The Company has disclosed the impact, if any, of pending litigations as at December 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 35.

ii. The Company has long-term contracts as at December 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2018.

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, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2018.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Amit Borkar

Partner

Membership Number 109846

Mumbai

February 26, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) 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, 2018

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

1. We have audited the internal financial controls with reference to financial statements of ELANTAS Beck India Limited (“the Company”) as of December 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the“Guidance Note”) and the Standards on Auditing deemed to be

prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Borkar
Partner
Membership Number 109846

Mumbai
February 26, 2019

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, 2018

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 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any, have been properly dealt with in the books of account.

(c) The title deeds of immovable properties, as disclosed in Note 3 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 Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and accordingly, to this extent, the provisions of Clause 3(iv) of the said Order is not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax, profession tax and labor welfare fund, 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, income tax, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, duty of customs, value added tax, sales tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of service tax, and duty of excise as at December 31, 2018 which have not been deposited on account of a dispute, are as follows:

Annexure to Independent Auditors' Report - 31 December 2018 (Continued)

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Amount paid under protest (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of modvat credit	0.93	-	1997	Additional Commissioner, Surat
	Education cess on exports	0.21	-	2004	Dy Commissioner, Pune
	Modvat on repacking activity	49.56	-	1994-1997	Dy Commissioner, Pune
Finance Act, 1994	CENVAT credit claimed on the basis of letters	75.05	-	2005-2008	Asst. Commissioner GST, Pune & Baroda
	Disallowance of service tax credit on outward freight	42.21	-	2005-2008	Asst. Commissioner GST, Pune & Baroda
	Disallowance of service tax credit on Project management consultancy	35.54	17.75	2011-2015	Commissioner of Central Tax (Appeals), Pune

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

Annexure to Independent Auditors' Report - 31 December 2018 (Continued)

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

Amit Borkar

Partner

Membership Number:109846

Mumbai

February 26, 2019

Balance Sheet as at 31 December 2018

(Currency : ₹ in lakhs)

	Notes	Dec. 31, 2018	Dec. 31, 2017	Jan. 1, 2017
ASSETS				
I. Non-current assets				
Property, plant and equipment	3	**5,953.93**	3,949.02	3,600.68
Capital work-in-progress	3	**43.36**	1,015.43	542.44
Investment properties	4	**521.16**	3.40	3.59
Intangible assets	5	**508.59**	17.68	34.61
Intangible assets under development	5	**-**	515.40	-
Financial assets				
(a) Investments	6 (a)	**1.98**	1.55	1.25
(b) Loans	7	**425.45**	126.63	115.18
(c) Other financial assets	8	**1,302.54**	0.72	24.05
Deferred tax assets (net)	16 (a)	**-**	-	56.77
Other non-current assets	13	**106.59**	293.49	136.40
Total non-current assets		**8,863.60**	5,923.32	4,514.97
II. Current assets				
Inventories	12	**5,112.89**	4,488.71	5,620.73
Financial assets				
(a) Investments	6 (b)	**17,363.95**	13,868.82	11,012.95
(b) Trade receivables	9	**8,356.96**	7,313.00	5,313.79
(c) Cash and cash equivalents	10 (a)	**225.13**	544.98	375.15
(d) Bank balances other than (c) above	10 (b)	**785.61**	1,650.19	1,345.42
(e) Loans	7	**3.11**	4.85	5.12
(f) Other financial assets	11	**217.30**	66.62	106.37
Income-tax assets (net)	16 (b)	**317.83**	51.21	3.03
Other current assets	14	**259.51**	357.41	361.36
		32,642.29	28,345.79	24,143.92
Assets classified as held for sale	15	**-**	521.08	521.08
Total current assets		**32,642.29**	28,866.87	24,665.00
Total assets		**41,505.89**	34,790.19	29,179.97
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	17 (a)	**792.77**	792.77	792.77
Other equity	17 (b)	**33,108.56**	26,969.91	21,866.34
Total equity		**33,901.33**	27,762.68	22,659.11
LIABILITIES				
I. Non-Current liabilities				
Financial liabilities				
Security Deposits	19	**47.24**	47.24	47.24
Employee benefit obligations	22	**426.55**	460.33	467.85
Deferred tax liabilities (net)	16 (a)	**947.86**	200.76	-
Total non-current liabilities		**1,421.65**	708.33	515.09
II. Current liabilities				
Financial liabilities				
(a) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	18	**202.28**	257.21	154.98
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	**4,676.41**	4,129.96	3,971.61
(b) Other financial liabilities	20	**954.94**	1,149.69	1,048.06
Provisions	21	**166.58**	188.63	200.43
Employee benefit obligations	23	**35.87**	39.25	50.91
Current tax liabilities	16 (b)	**5.76**	35.08	73.62
Other current liabilities	24	**141.07**	519.36	506.16
Total current liabilities		**6,182.91**	6,319.18	6,005.77
Total liabilities		**7,604.56**	7,027.51	6,520.86
Total equity and liabilities		**41,505.89**	34,790.19	29,179.97

The accompanying notes are an integral part of these financial statements. This is the Balance Sheet referred to in our report of even date.

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

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

Amit Borkar
Partner
Membership No.: 109846

R.L. Shenoy
Director
DIN: 00074761

Ravindra Kumar
Managing Director
DIN: 06755402

Sanjay Kulkarni
Chief Financial Officer

Abhijit Tikekar
Company Secretary

Place : Mumbai
Date : February 26, 2019

Statement of Profit and Loss for the year ended 31 December 2018

(Currency : ₹ in lakhs)

	Notes	Dec. 31, 2018	Dec. 31, 2017
Revenue from operations	25	**40,911.80**	40,600.46
Other income	26	**1,192.75**	862.36
Total income		**42,104.55**	41,462.82
Expenses			
Cost of materials consumed	27	**26,773.17**	22,722.29
Purchases of stock in trade	28	**166.34**	24.21
Changes in inventories of finished goods, work-in-progress and stock in trade	29	**(107.20)**	742.05
Excise duty		**-**	2,344.00
Employee benefits expense	30	**2,558.99**	2,263.03
Finance costs	31	**23.39**	20.89
Depreciation and amortisation expense	32	**657.86**	558.73
Other expenses	33	**5,043.60**	4,678.36
Total expenses		**35,116.15**	33,353.56
Profit before exceptional item and tax		**6,988.40**	8,109.26
Exceptional Item	15	**1,928.07**	-
Profit before tax		**8,916.47**	8,109.26
Income tax expense			
Current tax	16	**1,585.62**	2,356.67
Deferred tax	16	**752.35**	244.43
Total tax expense		**2,337.97**	2,601.10
Profit for the year		**6,578.50**	5,508.16
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	17 (b)	**(15.02)**	37.88
Income tax relating to these items	16	**5.25**	(13.10)
		(9.77)	24.78
Total other comprehensive income for the year, net of tax		**(9.77)**	24.78
Total comprehensive income for the year (net)		**6,568.73**	5,532.94
Earnings per share			
Basic and Diluted (In Rupees)	34	**82.98**	69.48

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

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

Amit Borkar
Partner
Membership No.: 109846
Place : Mumbai
Date : February 26, 2019

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

R.L. Shenoy
Director
DIN: 00074761

Ravindra Kumar
Managing Director
DIN: 06755402

Sanjay Kulkarni
Chief Financial Officer

Abhijit Tikekar
Company Secretary

Statement of Changes in Equity

(Currency : ₹ in lakhs)

Equity Share Capital

	Notes	
As at 1 January 2017		792.77
Change in equity share capital	17 (a)	-
As at 31 December 2017		792.77
Change in equity share capital	17 (a)	-
As at 31 December 2018		792.77

Other Equity

	Note	Reserves & Surplus			Total
		Securities Premium	General reserve	Retained Earnings #	
As at January 1, 2017		695.18	6,179.58	14,991.58	21,866.34
Profit for the year		-	-	5,508.16	5,508.16
Other comprehensive income		-	-	24.78	24.78
Transactions with owners in their capacity as owners:					
Dividends paid	17 (b)	-	-	(356.75)	(356.75)
Dividend distribution tax thereon	17 (b)	-	-	(72.62)	(72.62)
As at December 31, 2017		**695.18**	**6,179.58**	**20,095.15**	**26,969.91**

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

Statement of Changes in Equity (Continued)

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

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

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

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

Amit Borkar
Partner
Membership No.: 109846

R.L. Shenoy
Director
DIN: 00074761

Ravindra Kumar
Managing Director
DIN: 06755402

Sanjay Kulkarni
Chief Financial Officer

Abhijit Tikekar
Company Secretary

Place : Mumbai
Date : February 26, 2019

Statement of Cash Flows for the year ended 31 December 2018

(Currency : ₹ in lakhs)

		2018	2017
A)	**Cash flows from operating activities**		
	Profit before income tax	**8,916.47**	8,109.26
	Adjustments to reconcile profit before tax to net cash flows		
	Exceptional income	**(1,928.07)**	-
	Depreciation and amortisation expense	**657.86**	558.73
	Gain on disposal of property, plant and equipment	**(11.53)**	(3.31)
	Net (gain)/ loss on financial assets measured at fair value through profit or loss	**7.01**	(18.40)
	Interest income classified as investing cash flows	**(155.56)**	(108.21)
	Dividend income classified as investing cash flows	**(757.95)**	(532.19)
	Finance cost	**23.39**	20.89
	Bad debts and advances written off	**0.10**	9.85
	Provision for doubtful debts	**60.60**	33.43
	Change in operating assets and liabilities		
	(Increase) / Decrease in Trade Receivables	**(1,104.66)**	(2,042.49)
	(Increase) / Decrease in Inventories	**(624.18)**	1,132.02
	(Increase) / Decrease in Other financial assets	**(144.88)**	49.23
	(Increase) / Decrease in Other assets	**134.53**	15.53
	Increase / (Decrease) in Trade Payables	**486.64**	261.48
	Increase / (Decrease) in Other financial liabilities	**76.68**	20.00
	Increase / (Decrease) in Provisions	**(22.05)**	(11.80)
	Increase / (Decrease) in Employee benefit obligations	**(52.18)**	18.70
	Increase / (Decrease) in Other liabilities	**(378.29)**	13.20
	Cash generated from operations	**5,183.93**	**7,525.92**
	Income taxes paid (net of refunds received)	**(1,881.56)**	(2,443.39)
	Net cash inflow from operating activities	**3,302.37**	**5,082.53**
B)	**Cash flows from investing activities**		
	Payments for purchase of tangible assets, intangible assets & investment properties	**(2,317.93)**	(1,965.71)
	Proceeds from disposal of tangible and intangible assets	**18.31**	6.48
	Proceeds from disposal of investment property (net of tax)	**2,455.75**	-
	Purchase of Investments	**(25,374.16)**	(23,849.93)
	Proceeds from sale of investments	**21,871.59**	21,012.16

Statement of Cash Flows for the year ended 31 December 2018

(Currency : ₹ in lakhs)

		2018	2017
	Fixed deposits (above 3 months) placed	**(2,872.87)**	(2,873.27)
	Fixed deposits (above 3 months) matured	**2,486.87**	2,584.88
	Loans and advances granted	**(297.08)**	(11.18)
	Interest received	**97.94**	102.84
	Dividend received	**757.95**	532.19
	Net cash outflow from investing activities	**(3,173.63)**	**(4,461.54)**
C)	**Cash flows from financing activities**		
	Dividends paid	**(356.75)**	(356.75)
	Dividend distribution tax	**(73.33)**	(72.62)
	Interest paid	**(18.51)**	(21.79)
	Net cash outflow from financing activities	**(448.59)**	(451.16)
	Net increase / (decrease) in cash and cash equivalents	**(319.85)**	169.83
	Cash and cash equivalents at the beginning of the year	**544.98**	375.15
	Cash and cash equivalents at the end of the year	**225.13**	**544.98**

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

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

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

Amit Borkar
Partner
Membership No.: 109846

R.L. Shenoy
Director
DIN: 00074761

Ravindra Kumar
Managing Director
DIN: 06755402

Sanjay Kulkarni
Chief Financial Officer

Abhijit Tikekar
Company Secretary

Place : Mumbai
Date : February 26, 2019

Notes to the Financial Statements

Background:

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

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

1. Significant accounting policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to year ended December 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The Board of Directors have authorized these financial statements for issue on February 26, 2019.

(ii) Historical cost convention

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

- Certain financial assets and liabilities which are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value.

(iii) Current/ Non-current classification

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

(b) Segment Reporting

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes, sales tax, goods and service tax(GST) and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract.

(e) Government Grant

Grants from the government are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

(f) Income tax

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

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

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

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

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

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

(g) Leases

As a lessee

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

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

As a lessor

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

(h) Impairment of assets

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

(i) Cash and cash equivalents

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

(j) Trade receivables

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

(k) Inventories

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

(l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from the other assets in the balance sheet.

(m) Investments and other Financial assets

(I) Classification

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

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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

Equity instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

(v) Income recognition

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

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

(n) Offsetting financial instruments

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

(o) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

Useful lives of assets are as follows :

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

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

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at January 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(p) Investment properties

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognized as at January 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment property.

(q) Intangible assets

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

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

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

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

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

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

Asset	Useful life (Years)
Computer Software	3
Computer Software (developed internally)	5

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at January 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(r) Trade and other payables

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

(s) Provisions and contingent liabilities

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

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

(t) Employee Benefits

(i) *Short-term obligations*

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

(ii) *Other long-term employee benefit obligations*

The liabilities for earned and sick leaves and long-term service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The classification of other long-term employee benefit obligations into current and non-current as shown in financial statements is as per actuarial valuation report.

(iii) *Post-employment obligations*

The Company operates the following post-employment schemes:

(a) Defined benefit plan–gratuity and cash rewards at retirement

(b) Defined contribution plans–superannuation fund and provident fund

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

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

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

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

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

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

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

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

(b) Defined contribution Plans – Superannuation Fund and Provident Fund

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

(iv) *Termination benefits*

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

(u) Contributed equity

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

(v) Dividends

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

(w) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

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

(x) Exceptional items:

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

(y) Rounding of amounts:

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

(z) New standards or interpretations:

New standards or interpretations issued but applicable from January 1, 2019 to the Company:

The Company will apply the following standard for the first time for its annual reporting period commencing January 1, 2019:

(i) Ind AS 115 – Revenue from Contracts from Customers

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Ind AS 115 'Revenue from Contracts with Customers'. This will replace Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts.

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles. Under the new standard, Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that the new standard is expected to have on its financial statements. However, the Company does not expect that adoption of Ind AS 115 is going to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers or in other cases delivered to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

(ii) Other Pronouncements

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

1. Amendment to Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in foreign currency.
2. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses which clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.
3. Amendments to Ind AS 40 Investment property -Transfers of investment property which clarify that transfers to or from, investment property can only be made if there has been a change in use that is supported by evidence.

2. **Critical judgements and estimates**

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

Judgements

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

i. Legal contingencies

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

ii. Segment reporting

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

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

Critical estimates

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

i. Fair value of Investment Properties

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

ii. Defined benefit obligations

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

3. Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Buildings & roads	Plant & equipment*	Office equipment	Computers	Furniture & fixtures	Motor vehicles	Total	Capital work in progress
Deemed cost as on January 1, 2017	**3.63**	**8.06**	**1,718.12**	**1,309.24**	**107.57**	**42.56**	**253.93**	**157.57**	**3,600.68**	**542.44**
Additions	-	-	-	-	-	-	-	-	-	1,357.68
Transfers	-	-	-	705.94	54.93	113.37	-	10.45	884.69	(884.69)
Disposals	-	-	-	(0.20)	(1.00)	(0.28)	(1.87)	(0.61)	(3.96)	-
Gross carrying amount as on Dec. 31, 2017	**3.63**	**8.06**	**1,718.12**	**2,014.98**	**161.50**	**155.65**	**252.06**	**167.41**	**4,481.41**	**1,015.43**
Accumulated depreciation										
Charge for the year	-	0.20	61.08	257.78	50.62	61.68	41.48	60.34	533.18	-
Disposals	-	-	-	-	(0.08)	(0.02)	(0.08)	(0.61)	(0.79)	-
Closing accumulated depreciation as at December 31, 2017	**-**	**0.20**	**61.08**	**257.78**	**50.54**	**61.66**	**41.40**	**59.73**	**532.39**	**-**
Net carrying amount as on Dec. 31, 2017	**3.63**	**7.86**	**1,657.04**	**1,757.20**	**110.96**	**93.99**	**210.66**	**107.68**	**3,949.02**	**1,015.43**

Particulars	Freehold land	Leasehold land	Buildings & roads	Plant & equipment*	Office equipment	Computers	Furniture & fixtures	Motor vehicles	Total	Capital work in progress
Opening gross carrying amount as on January 1, 2018	**3.63**	**8.06**	**1,718.12**	**2,014.98**	**161.50**	**155.65**	**252.06**	**167.41**	**4,481.41**	**1,015.43**
Additions	-	-	-	-	-	-	-	-	-	1,563.56
Transfers	-	-	1,431.21	655.33	40.38	156.86	185.49	66.36	2,535.63	(2,535.63)
Disposals	-	-	-	(1.06)	(8.32)	(1.96)	-	(6.05)	(17.39)	-
Gross carrying amount as on Dec. 31, 2018	**3.63**	**8.06**	**3,149.33**	**2,669.25**	**193.56**	**310.55**	**437.55**	**227.72**	**6,999.65**	**43.36**
Accumulated depreciation	**-**	**0.20**	**61.08**	**257.78**	**50.54**	**61.66**	**41.40**	**59.73**	**532.39**	**-**
Charge for the year	-	0.20	64.44	270.38	35.81	47.69	47.78	56.10	522.40	-
Disposals	-	-	-	(0.40)	(2.34)	(1.96)	-	(4.37)	(9.07)	-
Closing accumulated depreciation as at December 31, 2018	**-**	**0.40**	**125.52**	**527.76**	**84.01**	**107.39**	**89.18**	**111.46**	**1,045.72**	**-**
Net carrying amount as on Dec. 31, 2018	**3.63**	**7.66**	**3,023.81**	**2,141.49**	**109.55**	**203.16**	**348.37**	**116.26**	**5,953.93**	**43.36**

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

Notes:

1 Refer to note 35 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

2 Leasehold land pertains to land taken from Gujarat Industrial Development Corporation wherein the lease term is 99 years with a renewal option for a further period of 99 years.

3

CWIP comprises of following:	December 31, 2018	December 31, 2017	January 1, 2017
New R&D Building - Pimpri	-	827.40	47.77
Others (mainly Plant & Machinery)	43.36	188.03	494.67

4 Table showing information regarding gross block of assets and accumulated depreciation of Property, plant and equipment assets under previous GAAP as on January 1, 2017. The same has been taken as deemed cost on the date of adoption of "Ind AS" w.e.f. January 1, 2017;

Particulars	Freehold land	Leasehold land	Buildings & roads	Plant & equipment	Office equipment	Computers	Furniture & fixtures	Motor vehicles	Total
Gross Block (at cost)	3.63	11.27	2,245.09	4,439.35	442.02	479.65	442.80	350.19	8,414.00
Accumulated Amortization	-	(3.21)	(526.97)	(3,130.11)	(334.45)	(437.09)	(188.87)	(192.62)	(4,813.32)
Net Block	3.63	8.06	1,718.12	1,309.24	107.57	42.56	253.93	157.57	3,600.68

4 Investment properties

Particulars	December 31, 2018	December 31, 2017
Deemed cost/ Opening gross carrying amount	**3.40**	3.59
Additions	**521.08**	-
Closing gross carrying amount	**524.48**	3.59
Accumulated Depreciation		
Opening accumulated depreciation	**-**	-
Depreciation charge	**3.32**	0.19
Closing accumulated depreciation	**3.32**	0.19
Net carrying amount	**521.16**	**3.40**

Net book value of Investment properties as on January 1, 2017, has been taken as deemed cost on the date of adoption of "Ind AS" w.e.f. January 1, 2017.

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

	December 31, 2018	December 31, 2017
Rental Income	**75.96**	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	**11.91**	11.45
Income from investment properties before depreciation	**87.87**	11.45
Depreciation	**(3.32)**	(0.19)
Net income from investment properties	**84.55**	**11.26**

(ii) Contractual Obligations

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

(iii) Leasing arrangements

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

	December 31, 2018	December 31, 2017	January 1, 2017
Within one year	**151.92**	-	-
Later than one year but not later than 5 years	**558.29**	-	-
Later than 5 years	**-**	-	-
Total	**710.21**	**-**	**-**

(iv) Fair Value

	December 31, 2018	December 31, 2017	January 1, 2017
Investment properties	**2,600.54**	1,162.22	1,162.22

Estimation of fair value

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

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

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

5 Intangible Assets

Particulars	Computer Software	Total	Intangible assets under development
Deemed cost as on January 1, 2017	**34.61**	**34.61**	**-**
Additions	8.43	8.43	515.40
Gross carrying amount as on December 31, 2017	**43.04**	**43.04**	**515.40**
Accumulated Amortisation			
Amortisation charge for the year	25.36	25.36	-
Closing accumulated amortisation as at December 31, 2017	**25.36**	**25.36**	**-**
Net carrying amount as on December 31, 2017	**17.68**	**17.68**	**515.40**
Particulars	**Computer Software**	**Total**	**Intangible assets under development**
Opening gross carrying amount as on January 1, 2018	**43.04**	**43.04**	**515.40**
Additions	112.71	112.71	-
Transfers	515.40	515.40	(515.40)
Disposals	(5.23)	(5.23)	-
Gross carrying amount as on December 31, 2018	**665.92**	**665.92**	**-**
Accumulated Amortisation			
Balance as at January 1, 2018	25.36	25.36	-
Amortisation charge for the year	132.14	132.14	-
Disposals	(0.17)	(0.17)	-
Closing accumulated amortisation as at December 31, 2018	**157.33**	**157.33**	**-**
Net carrying value as on December 31, 2018	**508.59**	**508.59**	**-**

Notes:

1 Intangible assets under development included cost incurred towards SAP implementation project.

2 Net book value of Intangible assets as on January 1, 2017, has been taken as deemed cost on the date of adoption of "Ind AS" w.e.f. January 1, 2017.

6 (a) Investments

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Investment in equity instruments (fully paid-up)			
Equity instruments at FVPL			
Quoted			
500 (December 31, 2017 : 500, January 1, 2017 : 500) equity shares of			
State Bank of India	**1.98**	1.55	1.25
Unquoted			
146,365 (December 31, 2017 : 146,365, January 1, 2017 : 146,365) equity			
shares of Narmada Clean Tech Ltd	**-**	-	-
33,604 (December 31, 2017 : 33,604, January 1, 2017 : 33,604) equity			
shares of Roplas (India) Limited	**-**	-	-
	-	-	-
Total (equity instruments)	**1.98**	1.55	1.25
Total non-current investments	**1.98**	1.55	1.25
Aggregate amount of quoted investments	**1.98**	1.55	1.25
Aggregate market value of quoted investments	**1.98**	1.55	1.25
Aggregate amount of unquoted investments	**-**	-	-

6 (b) Investments

As at December 31, 2018 Units	As at December 31, 2017 Units	As at January 1, 2017 Units	Face value per unit Rs.		As at December 31, 2018 Rs. lakhs	As at December 31, 2017 Rs. lakhs	As at January 1, 2017 Rs. lakhs
				Investment in mutual funds Unquoted mutual funds valued at FVPL			
22,473.40	-	-	1,000.00	Axis Liquid Fund - Daily Dividend - Reinvest	**225.04**	-	-
18,44,740.40	14,56,352.65	-	100.00	Aditya Birla Sun Life Liquid Fund - Daily Dividend - Regular Plan	**1,848.34**	1,459.19	-
-	-	11,82,292.32	100.00	Aditya Birla Sun Life Savings Fund - Daily Dividend - Regular Plan - Reinvest	**-**	-	1,191.10

As at December 31, 2018 Units	As at December 31, 2017 Units	As at January 1, 2017 Units	Face value per unit Rs.		As at December 31, 2018 Rs. lakhs	As at December 31, 2017 Rs. lakhs	As at January 1, 2017 Rs. lakhs
16,73,463.74	-	-	100.00	DHFL Pramerica Insta Cash Fund - Daily Dividend - Reinvest	**1,678.55**	-	-
-	63,89,203.55	-	10.00	DHFL Pramerica Ultra Short Term Fund - Daily Dividend	**-**	640.22	-
1,77,623.15	1,31,802.41	81,808.58	1,000.00	DSP Liquidity Fund - Regular Plan - Daily Dividend - Reinvest	**1,777.89**	1,319.09	818.75
-	-	83,075.70	1,000.00	HDFC Liquid Fund - Dividend - Daily Reinvest	**-**	-	847.22
17,30,599.45	-	15,975.06	100.00	ICICI Prudential Liquid Fund - Daily Dividend	**1,733.16**	-	15.99
-	14,97,382.58	-	100.00	ICICI Prudential Money Market Fund - Daily Dividend - Reinvest	**-**	1,499.32	-
-	-	88,83,884.73	10.00	ICICI Prudential Short Term Fund - Monthly Dividend	**-**	-	1,094.89
1,49,132.45	-	8,042.45	1,000.00	IDFC Cash Fund-Daily Dividend - (Regular Plan) - Reinvest	**1,492.94**	-	80.51
-	1,70,68,958.39	1,05,00,554.40	10.00	IDFC Low Duration Fund - Daily Dividend - (Regular Plan)	**-**	1,719.05	1,057.53
-	-	1,07,81,034.76	10.00	Kotak Bond (Short Term) - Monthly Dividend (Regular Plan) - Reinvest	**-**	-	1,090.15
1,80,308.67	30,343.43	2,736.10	1,000.00	Kotak Liquid Regular Plan Daily Dividend - Reinvest	**2,204.83**	371.05	33.46
-	1,53,02,780.23	-	10.00	Kotak Savings Fund - Daily Dividend (Regular Plan) (Erstwhile Kotak Treasury Adv.) - Reinvest	**-**	1,542.49	-
1,85,138.05	1,06,742.78	-	1,000.00	L&T Liquid Fund - Regular Daily Dividend Reinvestment Plan	**1,873.19**	1,080.00	-
1,22,912.21	82,651.20	9,896.17	1,000.00	Reliance Liquid Fund - Daily Dividend Option - Reinvest	**1,879.01**	1,263.52	151.29
-	-	87,32,314.07	10.00	Reliance Short Term Fund - Monthly Dividend Plan Dividend Reinvestment	**-**	-	968.13
-	-	1,20,617.93	1,000.00	SBI Short Term Debt Fund - Regular Plan - Daily Dividend Reinvest	**-**	-	1,214.53
83,648.64	-	-	1,000.00	Tata Liquid Fund Regular Plan - Daily Dividend	**837.76**	-	-
-	78,15,554.76	76,50,785.77	10.00	Tata Short Term Bond Fund Regular Plan - Monthly Dividend - Reinvest	**-**	1,175.19	1,124.80
1,77,864.72	-	-	1,000.00	UTI Liquid Cash Plan - Daily Dividend Plan - Reinvest	**1,813.24**	-	-
-	1,79,552.70	1,32,110.69	1,000.00	UTI Treasury Advantage Fund - Daily Dividend Plan Reinvestment	**-**	1,799.70	1,324.60
				Total (mutual funds)	**17,363.95**	13,868.82	11,012.95
				Total current investments	**17,363.95**	13,868.82	11,012.95
				Aggregate amount of unquoted investments	**17,363.95**	13,868.82	11,012.95

7 **Loans**

Non-current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Housing loans to employees	**10.44**	16.23	21.17
Security deposits	**134.54**	110.40	94.01
Loan to related parties (Refer note 36)*	**280.47**	-	-
Total	**425.45**	**126.63**	**115.18**

Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Housing loans to employees	**3.11**	4.85	5.12
Total	**3.11**	**4.85**	**5.12**

* Loan given to BYK India Private Limited (a fellow subsidiary) carries interest @ 8.50% p.a. The loan is repayable in monthly installments, after 12 months of moratorium period which ends in March 2019.

8 **Other financial assets - non - current**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Fixed Deposits with Bank (refer note below)	**1,250.65**	0.65	19.87
Interest accrued but not due on deposits	**51.89**	0.07	4.18
Total	**1,302.54**	**0.72**	**24.05**

Note : Out of the Fixed deposits mentioned above Rs. 0.65 lakhs (December 31, 2017 : Rs. 0.65 lakhs, January 1, 2017 : Rs. 0.65 lakhs) are given as security for Bank Guarantee for a period of more than one year.

9 **Trade receivables**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Trade Receivables	**8,425.17**	7,284.65	5,227.26
Receivables from related parties (Refer note 36)	**50.86**	86.82	111.57
Less: Allowance for doubtful debts	**(119.07)**	(58.47)	(25.04)
Total	**8,356.96**	**7,313.00**	**5,313.79**

Break-up of security details

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good	**8,356.96**	7,313.00	5,313.79
Trade receivables - credit impaired	**119.07**	58.47	25.04
Less: Allowance for doubtful debts	**(119.07)**	(58.47)	(25.04)
Total	**8,356.96**	**7,313.00**	**5,313.79**

10 **(a) Cash and cash equivalents**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Cash on hand	**0.56**	1.66	0.95
Balances with banks			
In current accounts	**224.57**	543.32	318.73
In EEFC accounts	-	-	55.47
Total	**225.13**	**544.98**	**375.15**

The disclosure relating to Specified Bank Notes* (SBNs) is not applicable to the Company for the year ending December 31, 2018 and December 31, 2017.

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated 8th November, 2016.

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

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Balances with banks			
- in deposits with original maturity of more than three but less than twelve months	**701.00**	1,565.00	1,257.39
In earmarked accounts			
Unpaid dividend accounts (refer note below)	**84.61**	85.19	88.03
Total	**785.61**	**1,650.19**	**1,345.42**

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

11 **Other financial assets - current**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Interest accrued on fixed deposits	**26.96**	27.17	17.69
Interest accrued on loan to related party (Refer note 36)	**6.01**	-	-
Others (refer note below)	**184.33**	39.45	88.68
Total	**217.30**	**66.62**	**106.37**

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

12 **Inventories**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Raw materials	**3,041.28**	2,550.73	2,568.02
Intermediates and Work in progress	**721.79**	394.09	568.24
Packing Materials	**202.33**	140.99	127.31
Finished goods	**1,026.47**	1,278.89	2,232.38
Stock - in - trade	**39.78**	7.86	2.98
Stores and spares	**81.24**	116.15	121.80
Total	**5,112.89**	**4,488.71**	**5,620.73**

The goods in transit pertaining to raw materials during the year ended December 31, 2018 were Rs. 356.83 lakhs (December 31, 2017 : Rs. 131.84 lakhs and January 1, 2017 : Rs. 437.71 lakhs).

Amounts recognized in profit or loss

Provision for excess and obsolete inventory amounted to Rs. 43.16 lakhs (December 31, 2017 : Rs. 55.52 lakhs, January 1, 2017 : Rs. 67.32 lakhs).

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

13 **Other non current assets**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Capital Advances	**60.14**	210.41	41.74
Balances with government authorities	**46.45**	83.08	94.66
Total	**106.59**	**293.49**	**136.40**

14 **Other current assets**

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Prepaid expenses	**138.63**	136.36	125.20
Balances with government authorities	**2.45**	51.86	164.81
Advances to Employees	**4.77**	4.25	4.98
Advances to Supplier	**113.66**	164.94	66.37
Total	**259.51**	**357.41**	**361.36**

15 Assets classified as held for sale

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Building	-	521.08	521.08
Total	**-**	**521.08**	**521.08**

Non-recurring fair value measurements

Pursuant to the Board of Directors' in principle approval in the year ended December 31, 2016, for the sale of the surplus office space ("Beck House"), at Pune, the Company had classified the written down value of the property amounting to Rs. 521.08 lakhs as 'Assets held for sale'. The Company has executed sale deed for the said property on January 5, 2018 for a consideration of Rs. 2,500 lakhs which is the fair value. This is a level 2 measurement as per the fair value hierarchy set out in the fair value measurement disclosure (Note 38). The key inputs under this approach are price per square metre of comparable lots of building in the area of similar location and size. The resultant profit on sale of the property has been treated as an exceptional item.

16 (a) Deferred tax assets/ (liabilities)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Deferred tax asset			
Provision for doubtful trade receivables	**41.61**	20.24	8.66
Provision for compensated absences and other employee benefits	**139.65**	185.86	197.70
Others	**172.22**	170.42	170.45
	353.48	376.52	376.81
Deferred tax liability			
Property, plant and equipment and intangible assets	**1,301.34**	547.69	290.68
Fair value changes in Investment	**-**	29.59	29.36
	1,301.34	577.28	320.04
Total deferred tax assets/ (liabilities) (net)	**(947.86)**	**(200.76)**	**56.77**

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

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

	Year Ended	
Particulars	**December 31, 2018**	**December 31, 2017**
Provision for doubtful trade receivables	**21.37**	11.58
Provision for compensated absences and other employee benefits	**(51.46)**	1.26
Property, plant and equipment and intangible assets	**(753.65)**	(257.01)
Fair value changes in Investment	**29.59**	(0.23)
Others	**1.80**	(0.03)
Total	**(752.35)**	**(244.43)**

16 (b) Income Taxes

(i) Movement in income tax balances

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Closing income tax balance (net)			
- Income-tax assets	**317.83**	51.21	3.03
- Current tax liabilities	**(5.76)**	(35.08)	(73.62)
Tax Assets/(Liabilities) (net of provision)	**312.07**	**16.13**	**(70.59)**

	As at December 31, 2018	As at December 31, 2017
Opening Balance (Tax Asset /(Liability) (net))	**16.13**	(70.59)
Current tax payable for the year	**(1,585.62)**	(2,356.67)
Taxes paid/ (Refund Received)	**1,881.56**	2,443.39
Closing Balance	**312.07**	**16.13**

(ii) The major components of income tax expense for the year ended December 31, 2018 and December 31, 2017 are:

Statement of profit and loss

Profit and Loss section	Year ended December 31, 2018	Year ended December 31, 2017
Current income tax charge		
Current income tax		
- Current tax on profit for the year	**1,584.67**	2,400.00
- Adjustments for current tax of prior periods	**0.95**	(43.33)
Deferred tax	**752.35**	244.43
Income tax expense reported in the statement of profit or loss	**2,337.97**	**2,601.10**
Other comprehensive income section	**Year ended December 31, 2018**	**Year ended December 31, 2017**
Deferred tax related to items recognised in OCI during the year	**5.25**	(13.10)
Income tax charged to Other comprehensive income	**5.25**	**(13.10)**

(iii) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for December 31, 2018 and December 31, 2017:

	Year ended December 31, 2018	Year ended December 31, 2017
Accounting profit/ (loss) before tax	**8,916.47**	8,109.26
At Statutory income tax rate of 34.944% (December 31, 2017 : 34.608%)	**3,115.77**	2,806.45
Tax Effects of amounts which are not taxable in calculating taxable income	**(433.81)**	(251.06)
Tax Effects of amounts which are not deductible in calculating taxable income	**26.40**	28.68
Tax relating to prior period	**0.95**	(43.33)
Effect of lower tax on exceptional item	**(402.94)**	-
Others	**31.60**	60.36
At the effective tax rate	**2,337.97**	2,601.10
Income tax expense reported in the statement of profit or loss	**2,337.97**	2,601.10

17 (a) Equity share capital

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Authorised equity share capital:			
15,000,000 (December 31, 2017 : 15,000,000, January 1, 2017 : 15,000,000) Equity Shares of Rs. 10 each	**1,500.00**	1,500.00	1,500.00
Total	**1,500.00**	**1,500.00**	**1,500.00**
Issued, subscribed and Paid up : 7,927,682 (December 31, 2017 : 7,927,682, January 1, 2017 : 7,927,682) Equity Shares of Rs. 10 each	**792.77**	792.77	792.77
Total	**792.77**	**792.77**	**792.77**

(a) Reconciliation of number of equity shares

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Shares outstanding at the beginning and end of the year	**79,27,682**	79,27,682	79,27,682

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

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

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Elantas GmbH (Holding Company)	**59,45,761**	59,45,761	59,45,761

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

Name of the shareholder	As at December 31, 2018		As at December 31, 2017		As at January 1, 2017	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Elantas GmbH	**75.00%**	**59,45,761**	75.00%	59,45,761	75.00%	59,45,761

(e) The Company has not issued any bonus shares in 5 years immediately preceding year ended December 31, 2018.

(f) There were no shares bought back nor allotted either as fully paid-up bonus shares or under any contract without payment being received in cash during five years immediately preceding December 31, 2018.

17 (b) Other Equity

(i)

Other than retained earnings (balance at the beginning and end of the year)	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Securities premium account	**695.18**	695.18	695.18
General reserve	**6,179.58**	6,179.58	6,179.58
Total (A)	**6,874.76**	6,874.76	6,874.76

Nature and purpose of reserves

Securities premium account

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

General reserve

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

(ii)

	As at December 31, 2018	As at December 31, 2017
Retained earnings		
Opening balance	**20,055.15**	14,951.58
Net profit for the year	**6,578.50**	5,508.16
	26,633.65	**20,459.74**
Less: Dividend paid	**(356.75)**	(356.75)
Less: Dividend distribution tax on above	**(73.33)**	(72.62)
Items of other comprehensive income recognised directly in retained earnings Re-measurements of post-employment benefit obligations (net of tax)	**(9.77)**	24.78
Sub-total :	**26,193.80**	**20,055.15**
Retained earnings - Amortised Government Grants (refer note below) Balance at the beginning and end of the year	**40.00**	40.00
Sub-total :	**40.00**	40.00
Total Retained earnings (B)	**26,233.80**	**20,095.15**
Total Other Equity (A+B)	**33,108.56**	**26,969.91**

Note:

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

18 Trade Payables

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Total outstanding dues of micro enterprises and small enterprises	**202.28**	257.21	154.98
Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Related Parties (Refer note 36)	**68.16**	328.15	155.01
(ii) Others	**4,608.25**	3,801.81	3,816.60
Total	**4,878.69**	**4,387.17**	**4,126.59**

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

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

Sr. No.	Particulars	December 31, 2018	December 31, 2017	January 1, 2017
a)	Principal amount outstanding towards suppliers registered under MSMED Act and remaining unpaid as at the year end	**193.38**	254.37	150.71
b)	Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	**0.31**	0.59	1.12
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**1,618.23**	877.66	917.49
d)	Interest paid for amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
e)	Interest due and payable on amounts paid to suppliers registered under the MSMED Act	**8.59**	2.25	3.15
f)	Interest accrued and remaining unpaid at the end of each accounting year	**8.90**	2.84	4.27
g)	Further interest remaining due and payable for earlier years	**-**	-	-

19 Financial liabilities - non-current

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Security Deposits from Related parties (Refer note 36)	**41.29**	41.29	41.29
Security Deposits - Others	**5.95**	5.95	5.95
Total	**47.24**	**47.24**	**47.24**

20 Other financial liabilities - current

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Capital creditors	**66.45**	337.30	252.83
Security deposits	**331.42**	236.87	263.42
Payable to employees	**392.10**	450.55	359.75
Unpaid dividend (refer note (i) below)	**84.61**	85.19	88.03
Other payables (refer note (ii) below)	**80.36**	39.78	84.03
Total	**954.94**	**1,149.69**	**1,048.06**

Notes:

(i) There is no amount due and outstanding as on December 31, 2018 to be credited to Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.

(ii) Other payables include commission payable to directors, retention money payable, etc. Also refer note 36 for other balances payable to related parties which are included above.

21 Current provisions

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Provision for sales tax (Refer note below)	**166.58**	188.63	200.43
Total	**166.58**	**188.63**	**200.43**

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

Movement in provisions

	December 31, 2018	December 31, 2017
Balance as at the beginning of the year	**188.63**	200.43
Charged/(Credited) to profit or loss		
Additional provision recognised	**-**	-
Unused amounts reversed	**-**	-
Amounts used during the year	**(22.05)**	(11.80)
Balance as at the end of the year	**166.58**	**188.63**
Non current	**166.58**	188.63
Current	**-**	-

22 Non-current employee benefit obligations

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Provision for employee benefits			
- Provision for compensated absences	**343.83**	381.09	357.46
- Provision for service awards	**47.35**	57.55	54.99
- Provision for gratuity	**18.55**	4.15	39.43
- Provision for cash rewards	**16.82**	17.54	15.97
Total	**426.55**	**460.33**	**467.85**

23 Current employee benefit obligations

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Provision for employee benefits			
- Provision for compensated absences	**28.17**	33.32	42.40
- Provision for service awards	**7.70**	3.70	2.66
- Provision for cash rewards	**-**	2.23	5.85
Total	**35.87**	**39.25**	**50.91**

A Defined contribution plan

Provident and superannuation fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations as well as to superannuation fund. The contributions are made to registered provident administered by the government and superannuation trust administered through Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is Rs. 95.56 lakhs (December 31, 2017 - Rs. 88.96 lakhs) and defined contribution plan (superannuation fund) is Rs. 104.69 lakhs (December 31, 2017 - Rs. 97.87 lakhs).

B Defined benefit plan

I Gratuity

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

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

II Cash rewards at retirement

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

Movement in balances - Gratuity

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

	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2017	**458.44**	**(419.01)**	**39.43**
Current service cost	34.45	-	34.45
Interest expense/(income)	27.39	(25.91)	1.48
Total amount recognised in Profit or Loss	**61.84**	**(25.91)**	**35.93**
Return on plan assets	-	(7.73)	(7.73)
(Gain)/loss from experience change	(14.02)	-	(14.02)
(Gain)/loss from change in financial assumption	(15.47)	-	(15.47)
Total amount recognised in Other Comprehensive Income	**(29.49)**	**(7.73)**	**(37.22)**
Employer contributions	-	(33.99)	(33.99)
Benefits paid	(56.30)	56.30	-
December 31, 2017	**434.49**	**(430.34)**	**4.15**

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

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

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

	December 31, 2018	December 31, 2017	January 1, 2017
Present value of funded obligation	**577.70**	434.49	458.44
Fair value of plan assets	**(559.15)**	(430.34)	(419.01)
Deficit	**18.55**	**4.15**	**39.43**

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

(iii) Significant estimates

The significant actuarial assumptions were as follows :

	December 31, 2018	December 31, 2017	January 1, 2017
Discount rate	**8.00%**	7.10%	6.60%
Salary growth rate	**10.00%**	10.50%	10.50%

(iv) Sensitivity of actuarial assumptions

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

Assumption	Impact on defined benefit obligation	
	December 31, 2018	December 31, 2017
Discount rate		
0.50% increase	**(18.12)**	(14.56)
0.50% decrease	**19.20**	15.47
Salary growth rate		
0.50% increase	**8.71**	3.11
0.50% decrease	**(9.00)**	(3.28)

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

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

Projected benefits payable :

	December 31, 2018	December 31, 2017
Less than a year	**50.27**	47.96
Between 2 to 5 years	**308.45**	193.32
Between 6 to 10 years	**465.02**	291.56
Total	**823.74**	**532.84**

The weighted duration of the defined benefit obligation is 7 years (December 31, 2017 : 7 years).

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

	December 31, 2018	December 31, 2017	January 1, 2017
Funds managed by insurer	**100%**	100%	100%

(vi) Risk Exposure

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

Asset volatility

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

Changes in bond yields

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

Future salary escalation and inflation risk

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

Asset-Liability mismatch risk

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

Movement in balances - Cash rewards at retirement

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

	Present value of obligation
January 1, 2017	21.82
Current service cost	1.06
Interest expense/(income)	1.25
Total amount recognised in Profit or Loss	2.31
(Gain)/loss from experience change	0.02
(Gain)/loss from change in financial assumption	(0.68)
Total amount recognised in Other Comprehensive Income	(0.66)
Benefits paid	(3.70)
December 31, 2017	19.77

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

(ii) Significant estimates

The significant actuarial assumptions were as follows :

	December 31, 2018	December 31, 2017	January 1, 2017
Discount rate	**8.00%**	7.10%	6.60%

(iii) Sensitivity of actuarial assumptions

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

Assumption	Impact on defined benefit obligation	
	December 31, 2018	December 31, 2017
Discount rate		
0.50% increase	**(0.51)**	(0.66)
0.50% decrease	**0.52**	0.68

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

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

Projected benefits payable:

	December 31, 2018	December 31, 2017
Less than a year	**1.03**	2.23
Between 2 to 5 years	**10.83**	9.77
Between 6 to 10 years	**12.10**	11.50
Total	**23.96**	**23.50**

The weighted duration of the defined benefit obligation is 7 years (December 31, 2017 : 7 years).

(iv) Risk Exposure

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

Changes in bond yields

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

24 Other Current liabilities

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Statutory dues	**126.30**	466.44	479.08
Advances from customers	**14.77**	52.92	27.08
Total	**141.07**	**519.36**	**506.16**

25 Revenue from operations

	Year ended December 31, 2018	Year ended December 31, 2017
Sale of products		
- Finished goods	**40,648.89**	40,353.58
- Traded goods	**204.48**	36.77
	40,853.37	40,390.35
Other Operating Revenue		
- Sale of raw materials	**15.14**	24.66
- Sale of scrap	**43.29**	185.45
	58.43	210.11
Revenue from Operations	**40,911.80**	**40,600.46**

Note : Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), service tax, etc. have been replaced with GST with effect from July 1, 2017. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of products' and 'Revenue from operations' for the year ended December 31, 2018 are not comparable with those of the previous year.

26 Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Interest income from financial assets carried at amortised cost		
Interest income on security deposits	**110.92**	85.95
Interest Income on loan to related party	**18.75**	-
Interest Income - others	**25.89**	22.26
Dividend income from investments	**757.95**	532.19
Rental income	**108.53**	56.30
Net gains on foreign currency transactions and translations	**-**	31.45
Government Grants (Refer note below)	**30.21**	11.91
Net gain on disposal of property, plant and equipment	**11.53**	3.31
Net gain on financial assets measured at fair value through profit or loss	**-**	18.40
Other non-operating income	**128.97**	100.59
Total	**1,192.75**	**862.36**

Note : Government grants are in the form of export incentives available to the Company. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

27 Cost of raw materials consumed

	Year ended December 31, 2018	Year ended December 31, 2017
Consumption of raw materials		
Inventory at the beginning of the year	**2,550.73**	2,568.02
Purchases	**25,602.17**	21,086.46
Inventory at the end of the year	**3,041.28**	2,550.73
	25,111.62	**21,103.75**
Consumption of packing materials		
Inventory at the beginning of the year	**140.99**	127.31
Purchases	**1,722.89**	1,632.22
Inventory at the end of the year	**202.33**	140.99
	1,661.55	**1,618.54**
Total	**26,773.17**	**22,722.29**

28 Purchases of stock in trade

	Year ended December 31, 2018	Year ended December 31, 2017
Purchases of stock in trade	**166.34**	24.21
Total	**166.34**	**24.21**

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

	Year ended December 31, 2018	Year ended December 31, 2017
Opening Inventory		
- Finished goods	**1,278.89**	2,232.38
- Work in progress	**394.09**	568.24
- Stock - in - trade	**7.86**	2.98
	1,680.84	2,803.60
Less: Closing Inventory		
- Finished goods	**1,026.47**	1,278.89
- Work in progress	**721.79**	394.09
- Stock - in - trade	**39.78**	7.86
	1,788.04	1,680.84
Add : Excise duty on increase/ (decrease) in Inventories	-	(380.71)
Net change in inventory	**(107.20)**	**742.05**

30 Employee benefits expense

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries, wages and bonus	**1,988.06**	1,865.39
Contribution to provident and other funds	**200.25**	186.90
Other employee benefits	**193.36**	41.85
Staff welfare expenses	**177.32**	168.89
Total	**2,558.99**	**2,263.03**

31 Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Interest to bank on cash credit facilities	**0.02**	0.01
Others	**23.37**	20.88
Total	**23.39**	**20.89**

32 Depreciation and amortisation expense

	Year ended December 31, 2018	Year ended December 31, 2017
Depreciation on property, plant and equipment	**522.40**	533.18
Depreciation on investment properties	**3.32**	0.19
Amortisation of intangible assets	**132.14**	25.36
Total	**657.86**	**558.73**

33 Other expenses

	Year ended December 31, 2018	Year ended December 31, 2017
Consumption of Stores and Spares	**306.39**	181.33
Power and Fuel	**628.88**	738.63
Delivery Charges	**1,166.04**	1,069.20
Rent	**22.25**	10.59
Rates and taxes	**81.23**	128.45
Insurance	**64.05**	62.44
Repairs and maintenance		
- Buildings	**3.67**	2.19
- Machinery	**334.35**	296.48
- Others	**32.88**	30.73
Repacking Charges	**79.75**	95.04
Royalty	**151.10**	143.20
Telephone and communication	**46.73**	44.53
Travelling and conveyance	**167.30**	163.51
IT allocation charges	**206.55**	192.08
Sharing of Global R&D Charges	**221.57**	86.19
Commission and sitting fees to directors	**33.55**	32.54
Bad Debts and advances written off	**0.10**	9.85
Provision for Doubtful debts	**60.60**	33.43
Commission on sales	**1.38**	5.03
Net losses on foreign currency transactions and translations	**95.79**	-
Net loss on financial assets measured at fair value through profit or loss	**7.01**	-
Legal and Professional Charges	**260.99**	310.83
Payment to auditors (Refer Note 33 (a))	**38.13**	38.66
Corporate Social Responsibility expenses (Refer Note 33 (b))	**151.03**	122.73
Miscellaneous expenses	**882.28**	880.70
Total	**5,043.60**	**4,678.36**

33 (a) Payment to auditors (exclusive of service tax / GST)

	Year ended December 31, 2018	Year ended December 31, 2017
As auditor		
Statutory Audit	**21.00**	21.00
Limited Reviews	**10.50**	10.50
In other capacities		
Other audit related services	**3.50**	3.50
Reimbursement of out of pocket expenses	**3.13**	3.66
Total	**38.13**	**38.66**

33 (b) Corporate Social Responsibility (CSR)

	Year ended December 31, 2018	Year ended December 31, 2017
Gross amount required to be spent by the Company during the year	**151.03**	122.73
Total	**151.03**	**122.73**

Amount spent during the year	In cash	
	December 31, 2018	December 31, 2017
a. Construction/ acquisition of any asset	**69.19**	73.69
b. On purposes other than (a) above	**81.84**	49.04
Total	**151.03**	**122.73**

33 (c) Research and development expenses

	Year ended December 31, 2018	Year ended December 31, 2017
a. Expenses of revenue nature (debited to statement of profit and loss)	**626.92**	363.53
b. Expenses of capital nature (addition to Property, Plant and Equipment)	**1,559.36**	840.12
Total	**2,186.28**	**1,203.65**

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

34 Earnings per share (EPS)

	Year ended December 31, 2018	Year ended December 31, 2017
Net profit attributable to the equity shareholders of the company	**6,578.50**	5,508.16
Weighted average number of equity shares	**79,27,682**	79,27,682
Basic & diluted earnings per share (in Rupees)	**82.98**	69.48

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

35 Contingencies and commitments

a) Contingent liabilities

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Excise and service tax matters	285.38	278.10	127.28
Sales tax matters	-	19.46	183.93
Total	**285.38**	**297.56**	**311.21**

Note:

1. During the year ended December 31, 2017, the Company had received two show cause notices from the Collector Office, Bharuch in respect of its two raw materials (Solvents), which are covered under the Essential Commodities Act,

covering the period from January 2009 to December 2017. The management made the required submissions in respect of the same and a final order was received on February 27, 2018 where the Collector has rejected the application for renewal of licenses. During the current year, the Company filed appeal with Bharuch District Court against the said order and is awaiting next date of hearing. The Company does not expect a significant impact on the financial statements on account of the matter.

2. During the current year, the Company received order from Labour Court for termination of four employees in December 2014. Against the said order, the Company has filed appeal with Labour Court, Pune and is awaiting next date of hearing. The management had terminated those employees in the best interest of the Company. The Company does not expect a significant impact on the financial statements on account of the matter.

3. The Company's pending litigations comprise of proceedings pending with 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.

b) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 211.84 lakhs (December 31, 2017 : Rs. 890.03 lakhs, January 1, 2017 : Rs. 297.36 lakhs)

c) Lease commitments

There were no non-cancellable operating leases as on December 31, 2018, December 31, 2017 and January 1, 2017.

36 Related party transactions

Name of the related parties and nature of relationship

(i) where control exists :

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest			Relationship
			December 31, 2018	December 31, 2017	January 1, 2017	
1	Elantas GmbH	Germany	**75.00%**	75.00%	75.00%	Holding Company
2	Altana Management Services GmbH (formerly known as Altana Chemie GmbH)	Germany	**0.00%**	0.00%	0.00%	Holding Company of Elantas GmbH
3	Altana AG	Germany	**0.00%**	0.00%	0.00%	Holding Company of Altana Chemie GmbH
4	SKion GmbH	Germany	**0.00%**	0.00%	0.00%	Ultimate Holding Company

(ii) Other Related Parties with whom transactions have taken place during the year:

(I) Fellow Subsidiaries:

1 BYK-Chemie GmbH
2 Elantas PDG Inc.
3 Elantas Europe s.r.l.
4 Elantas (Tongling) Co Ltd
5 Elantas (Zhuhai) Co., Ltd
6 BYK Chemie Asia Pacific Pte. Ltd (branch of BYK Asia Pacific Pte. Ltd)
7 BYK Asia Pacific Pte. Ltd
8 Elantas Europe GmbH
9 Elantas Malaysia Sdn Bhd
10 Eckart Asia Limited
11 Actega Terra GmbH
12 BYK India Private Limited
13 BYK Korea LLC

(II) Key Management Personnel:

1 Mr. Ravindra Kumar (Managing Director)

2 Mr. Milind Talathi (Director)

3 Mr. Suresh Talwar (Independent Director)

4 Mr. Ravindra Kulkarni (Independent Director)

5 Mr. Ranjal Laxmana Shenoy (Independent Director)

6 Mr. Kishori Udeshi (Independent Director)

7 Mr. Stefan Genten (Director)

8 Mr. Martin Babilas (Director)

9 Dr. Guido Forstbach (Director)

36 Transactions with related parties

I

	Name of the Party and nature of transaction	December 31, 2018	December 31, 2017
	Intermediate Holding Company		
(a)	**Altana AG**		
	Services received	**54.30**	39.98
	Reimbursements received	**1.71**	10.66
(b)	**Altana Management Services Gmbh**		
	IT allocation charges	**206.55**	-
	Reimbursements received	**0.90**	-
	Holding Company		
	Elantas GmbH		
	Reimbursements received	**1.61**	1.06
	Sharing of Global R&D Charges	**221.57**	86.19
	Services received	**161.42**	224.63
	Purchase of assets	**2.23**	-
	Royalty expenses	**63.36**	61.58
	Fellow subsidiaries		
(a)	**Elantas Europe s.r.l.**		
	Commission Income	**-**	11.48
	Reimbursements received	**1.61**	1.00
	Purchase of raw materials	**73.57**	7.40
	Services received	**4.73**	9.24
	Royalty expenses	**73.89**	65.97
(b)	**Elantas PDG Inc.**		
	Reimbursements received	**1.70**	0.78
	Purchase of raw materials	**87.43**	-
	Services received	**71.93**	16.44
	Royalty expenses	**13.85**	15.65
(c)	**BYK-Chemie GmbH**		
	Reimbursements received	**1.70**	0.78
	Services received	**0.58**	26.42
	Purchase of assets	**8.53**	-
	IT allocation charges	**-**	192.08

	Name of the Party and nature of transaction	December 31, 2018	December 31, 2017
(d)	**BYK Chemie Asia Pacific Pte. Ltd**		
	Reimbursements received	**0.38**	5.25
	Rental income	**32.57**	56.12
(e)	**Elantas (Tongling) Co Ltd**		
	Sale of goods	**-**	235.41
	Purchase of raw materials	**-**	2.54
(f)	**Elantas (Zhuhai) Co., Ltd**		
	Sale of goods	**85.56**	52.22
	Purchase of raw materials	**25.79**	-
	Royalty income	**6.50**	6.66
(g)	**Eckart Asia Limited**		
	Reimbursements received	**255.89**	249.25
(h)	**Elantas Europe GmbH**		
	Purchase of raw materials	**21.05**	9.37
	Services received	**10.83**	-
	Reimbursements received	**0.81**	0.78
(i)	**Elantas Malaysia Sdn Bhd**		
	Sale of goods	**69.59**	15.24
	Commission on sales	**0.13**	4.10
	Reimbursements received	**11.30**	0.78
(j)	**Actega Terra GmbH**		
	Reimbursements received	**32.40**	-
(k)	**BYK India Private Limited**		
	Rental income	**75.96**	-
	Loan given	**280.47**	-
	Interest Income on loan	**18.75**	-
	Reimbursements received	**6.81**	-
(m)	**BYK Korea LLC**		
	Services received	**0.13**	-
(n)	**BYK Asia Pacific Pte. Ltd**		
	Reimbursements received	**38.14**	54.50
	Key Management Personnel		
	Short-term employee benefits	**220.27**	197.55
	Post-employment benefits	**23.70**	20.96
	Director Sitting fees	**15.95**	14.94
	Director Commission	**17.60**	17.60

Notes:

(1) Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not presented above.

(2) Transactions during the year reported above include impact of increase/(decrease) in provision for expenses accounted for as on year end.

II Outstanding Balances from sale/ purchase of goods and services

	Name of the Party and nature of balance	December 31, 2018	December 31, 2017	January 1, 2017
(i)	**Trade Receivables**			
	Elantas GmbH	-	77.23	47.11
	Elantas Europe GmbH	-	-	0.78
	BYK Asia Pacific Pte. Ltd	-	-	4.16
	Elantas (Zhuhai) Co., Ltd	33.55	3.53	31.56
	Altana Management Services GmbH	0.88	-	-
	Elantas (Tongling) Co Ltd	-	-	27.96
	Elantas Malaysia Sdn Bhd	16.43	6.06	-
	Total	**50.86**	**86.82**	**111.57**
(ii)	**Trade Payables**			
	Elantas Europe s.r.l.	21.05	10.29	13.36
	Elantas GmbH	13.47	284.66	134.42
	Elantas (Zhuhai) Co., Ltd	17.57	-	-
	Elantas PDG Inc.	16.01	-	-
	Elantas Europe GmbH	-	9.38	0.70
	BYK-Chemie GmbH	-	23.82	4.48
	Elantas Malaysia Sdn Bhd	0.06	-	2.05
	Total	**68.16**	**328.15**	**155.01**
(iii)	**Security Deposits received**			
	BYK Chemie Asia Pacific Pte. Ltd	41.29	41.29	41.29
	Total	**41.29**	**41.29**	**41.29**
(iv)	**Loan given and interest accrued thereon**			
	BYK India Private Limited	286.48	-	-
	Total	**286.48**	**-**	**-**
(v)	**Other receivables**			
	Elantas GmbH	135.94	-	-
	Altana AG	0.90	-	-
	BYK-Chemie GmbH	0.10	-	-
	Actega Terra GmbH	3.65	-	-
	Elantas Europe s.r.l.	0.80	-	-
	Total	**141.39**	**-**	**-**
(vi)	**Other current liabilities**			
	Payable to employees	80.55	65.27	79.73
	Commission payable	17.60	17.60	17.00
	Total	**98.15**	**82.87**	**96.73**

III Terms and conditions for outstanding balances

Transactions with related parties were made on normal commercial terms and conditions.

All outstanding balances are unsecured and payable in cash.

37 Segment reporting

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Managing Director of the Company have been identified as the chief operating decision maker.

The CODM evaluates the performance based on the revenues and operating profit for the two segments, the composition of which is explained below:

Segment	Products covered
Electrical Insulations	The Electrical Insulation System business line comprises three product groups: wire enamels, insulating varnishes and resins, and casting and potting compounds. These products are used in the light and heavy electrical industries.
Engineering & Electronic Resins and Materials	This comprises of complete solutions for printed circuit boards (PCBs), PCB protection solutions, construction chemicals used for post-construction coating applications and flexible electrical insulations.

Information about business segments

Particulars	December 31, 2018	December 31, 2017
Segment Revenue (Includes Other Income allocable to segments)		
Electrical Insulations	**34,753.99**	33,087.75
Engineering & Electronic Resins and Materials	**6,314.05**	7,619.39
Net Sales / Income From Operations (including other income)	**41,068.04**	**40,707.14**
Segment results		
Electrical Insulations	**5,377.41**	6,254.70
Engineering & Electronic Resins and Materials	**894.23**	1,482.14
Less: Finance Cost	**(23.39)**	(20.89)
Add : Other unallocable income	**1,036.51**	755.68
Less : Other unallocable expenditure	**(296.36)**	(362.37)
Profit before exceptional item and tax	**6,988.40**	**8,109.26**
Exceptional Item	**1,928.07**	-
Profit before tax	**8,916.47**	**8,109.26**
Segment Assets		
Electrical Insulations	**18,096.66**	14,698.31
Engineering & Electronic Resins and Materials	**4,713.42**	3,551.44
Others	**18,695.81**	16,540.44
Total Assets	**41,505.89**	**34,790.19**
Segment Liabilities		
Electrical Insulations	**5,099.74**	5,076.55
Engineering & Electronic Resins and Materials	**926.40**	1,147.11
Others	**1,578.42**	803.85
Total Liabilities	**7,604.56**	**7,027.51**

(b) Information about geographical segments
Revenue from external customers

Particulars	December 31, 2018	December 31, 2017
India	**40,624.95**	39,860.52
Outside India	**443.09**	846.62
Total	**41,068.04**	**40,707.14**

Entire non-current assets and deferred tax assets are located in India. There are no major customers contributing 10% or more of the Company's revenue.

38 Fair value measurements

Financial instruments by category

	December 31, 2018		December 31, 2017		January 1, 2017	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Investments						
Equity instruments	**1.98**	**-**	1.55	-	1.25	-
Mutual Funds	**17,363.95**	**-**	13,868.82	-	11,012.95	-
Loans	**-**	**428.56**	-	131.48	-	120.30
Trade receivables	**-**	**8,356.96**	-	7,313.00	-	5,313.79
Cash and cash equivalents	**-**	**1,010.74**	-	2,195.17	-	1,720.57
Long term deposits with banks	**-**	**1,302.54**	-	0.72	-	24.05
Other financial assets	**-**	**217.30**	-	66.62	-	106.37
Total financial assets	**17,365.93**	**11,316.10**	**13,870.37**	**9,706.99**	**11,014.20**	**7,285.08**
Financial liabilities						
Trade payables	**-**	**4,878.69**	-	4,387.17	-	4,126.59
Security Deposits	**-**	**378.66**	-	284.11	-	310.66
Capital Creditors	**-**	**66.45**	-	337.30	-	252.83
Payable to Employees	**-**	**392.10**	-	450.55	-	359.75
Unpaid Dividend	**-**	**84.61**	-	85.19	-	88.03
Other Payables	**-**	**80.36**	-	39.78	-	84.03
Total financial liabilities	**-**	**5,880.87**	**-**	**5,584.10**	**-**	**5,221.89**

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At December 31, 2018					
Financial assets					
Investments					
Equity instruments	6 (a)	1.98	-	-	1.98
Mutual Funds	6 (b)	-	17,363.95	-	17,363.95

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At December 31, 2017					
Financial assets					
Investments					
Equity instruments	6 (a)	1.55	-	-	1.55
Mutual Funds	6 (b)	-	13,868.82	-	13,868.82

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At January 1, 2017					
Financial assets					
Investments					
Equity instruments	6 (a)	1.25	-	-	1.25
Mutual Funds	6 (b)	-	11,012.95	-	11,012.95

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchange is valued using the closing price as at the end of the reporting period.

Level 2: Level 2 valuations are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. This includes mutual funds whose closing NAV is provided by Asset Management Company (AMC) and is also available on Association of Mutual Funds in India (AMFI) website.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices or dealer quotes for similar instruments

iii) Valuation process

The finance department of the company performs the valuation of financial assets and liabilities required for financial reporting purposes including level 3 fair values. Changes in fair values are analyzed at the end of each reporting period and an explanation for the reason for fair values are discussed.

iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, security deposits, loans and advances to employees, fixed deposits with banks, interest accrued on fixed deposits, cash and cash equivalents, other bank balances, trade payables, security deposits received, capital creditors, payable to employees, unpaid dividend and others are considered to be reasonable approximation of their fair values.

39 Financial risk management

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to related parties, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations.

Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

Period	As at December 31, 2018			As at December 31, 2017			As at January 1, 2017		
	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
Not due	**6,722.16**	-	**6,722.16**	6,279.53	(2.95)	6,276.58	4,379.16	(1.00)	4,378.16
Overdue up to 3 months	**1,466.42**	-	**1,466.42**	894.70	-	894.70	831.12	-	831.12
Overdue 3-6 months	**93.12**	-	**93.12**	88.97	-	88.97	22.14	-	22.14
Overdue more than 6 months	**194.33**	**(119.07)**	**75.26**	108.27	(55.52)	52.75	106.41	(24.04)	82.37
Total	**8,476.03**	**(119.07)**	**8,356.96**	**7,371.47**	**(58.47)**	**7,313.00**	**5,338.83**	**(25.04)**	**5,313.79**

Movement of allowance for doubtful debts

	Amount
Allowance for doubtful debts as on January 1, 2017	**25.04**
Change during the year	33.43
Allowance for doubtful debts as on December 31, 2017	**58.47**
Change during the year	60.60
Allowance for doubtful debts as on December 31, 2018	**119.07**

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk , being the total of the carrying amount of balances with bank, short term deposits with banks, trade receivables and other financial assets is disclosed at the end of the each reporting period. Refer relevant notes for details. At the reporting date, there were no significant arrangements which reduced the maximum credit risk.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To assure the solvency and financial flexibility, the Company retains a liquidity

reserve through cash and cash equivalents and lines of credit. The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for :

Period	As at December 31, 2018		As at December 31, 2017		As at January 1, 2017	
	< 1 year	> 1 year	< 1 year	> 1 year	< 1 year	> 1 year
Trade payables	**4,878.69**	**-**	4,387.17	-	4,126.59	-
Security Deposits	**331.42**	**47.24**	236.87	47.24	263.42	47.24
Capital Creditors	**66.45**	**-**	337.30	-	252.83	-
Payable to Employees	**392.10**	**-**	450.55	-	359.75	-
Unpaid Dividend	**84.61**	**-**	85.19	-	88.03	-
Other Payables	**80.36**	**-**	39.78	-	84.03	-
Total	**5,833.63**	**47.24**	**5,536.86**	**47.24**	**5,174.65**	**47.24**

(C) **Market risk**

I) **Foreign currency risk**

The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company's exposure to foreign currency arises from short term receivables and payables where fluctuations in the foreign exchange rates are generally not significant and consequently limiting the company's exposure.

i) **Foreign currency risk exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :-

	December 31, 2018			December 31, 2017			January 1, 2017		
	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP	USD
Financial assets									
Trade and other receivables	**66.85**	**-**	**69.78**	78.80	-	42.46	42.30	-	139.43
Bank balances	**-**	**-**	**-**	-	-	-	-	-	55.47
Exposure to foreign currency risk (assets)	**66.85**	**-**	**69.78**	**78.80**	**-**	**42.46**	**42.30**	**-**	**194.90**
Financial liabilities									
Trade payables	**47.40**	**2.26**	**632.31**	348.01	5.87	350.52	155.25	0.47	509.44
Exposure to foreign currency risk (liability)	**47.40**	**2.26**	**632.31**	**348.01**	**5.87**	**350.52**	**155.25**	**0.47**	**509.44**
Net exposure to foreign currency risk - assets/ (liability)	**19.45**	**(2.26)**	**(562.53)**	**(269.21)**	**(5.87)**	**(308.06)**	**(112.95)**	**(0.47)**	**(314.54)**

ii) **Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on profit before tax	
	December 31, 2018	December 31, 2017
EUR sensitivity		
INR/EUR - Increase by 5% (31 December 2017-5%)	**0.97**	(13.46)
INR/EUR - Decrease by 5% (31 December 2017-5%)	**(0.97)**	13.46
GBP sensitivity		
INR/GBP - Increase by 5% (31 December 2017-5%)	**(0.11)**	(0.29)
INR/GBP - Decrease by 5% (31 December 2017-5%)	**0.11**	0.29
USD sensitivity		
INR/USD - Increase by 5% (31 December 2017-5%)	**(28.13)**	(15.40)
INR/USD - Decrease by 5% (31 December 2017-5%)	**28.13**	15.40

II) Interest rate risk

The Company's main interest rate risk arises from deposits placed over a period of time on frequent basis thereby exposing the Company to interest rate risk. The Company's policy is to have fixed interest rate at the time of deal execution.
The loan to related party is carried at amortised cost. The Company recovers interest as per the terms of the agreement. The interest rate approximates the market rate of interest and hence the interest risk for loan given to related party is not considered to be substantial.
The exposure of Company's loans to interest rate change at the end of the reporting period is described below

	December 31, 2018	December 31, 2017	January 1, 2017
Fixed rate loan to related parties	280.47	-	-

The impact of interest rate sensitivity on the statement of profit and loss is given in the table below:

	December 31, 2018	December 31, 2017	
Interest rate - increase by 1%	2.80	-	
Interest rate - decrease by 1%	(2.80)	-	

40 Capital Management

a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2018 and December 31, 2017.

b) Dividends

		December 31, 2018	December 31, 2017
(i)	**Equity shares**		
	Final dividend for the year ended December 31, 2017 of Rs. 4.5 (January 1, 2017 of Rs. 4.5) per fully paid share	356.75	356.75
	Dividend Distribution tax thereon	73.33	72.62
(ii)	**Dividends not recognised at the end of the reporting period**		
	The directors have recommended the payment of a final dividend of Rs. 4.5 per fully paid equity share (December 31, 2017 - Rs. 4.5 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	356.75	356.75
	Dividend Distribution tax thereon	73.33	73.33

41 At the year end, the Company has long term contracts for which there were no material foreseeable losses. The Company does not have any derivative contracts.

42 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended December 31, 2018, the comparative information presented in these financial statements for the year ended December 31, 2017 and in the preparation of an opening Ind AS balance sheet at January 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions availed

a) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b) Deemed cost - Property, plant and equipment (PPE), intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

II Exceptions applied

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at January 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Reconciliation of total equity as at December 31, 2017 and January 1, 2017

	Description	Notes to first time adoption	As at December 31, 2017	As at January 1, 2017
	Total Equity as per previous GAAP		**27,721.39**	**22,188.90**
	Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i.	Proposed dividend	4	-	356.75
ii.	Tax on Proposed Dividend	4	-	72.62
iii.	Fair valuation of Investments	3	70.88	70.20
iv.	Deferred tax impacts	6	(29.59)	(29.36)
	Total Ind-AS adjustments		**41.29**	**470.21**
	Total Equity as per Ind-AS		**27,762.68**	**22,659.11**

Reconciliation of total comprehensive income for the year ended December 31, 2017

	Description	Notes to first time adoption	Year ended December 31, 2017
	Net profit after tax under previous GAAP		**5,532.49**
	Ind AS adjustments [Increase in profits / (decrease in profits)]		
i.	Remeasurements of post employment obligations	2	(37.88)
ii.	Fair valuation of Investments	3	0.68
iii.	Deferred tax adjustments	6	12.87
	Total of adjustments		**(24.33)**
	Net Profit after tax as per Ind-AS		**5,508.16**
	Other Comprehensive Income		
i.	Remeasurements of post employment obligations	2	37.88
ii	Deferred tax on above	6	(13.10)
	Total Other comprehensive income		**24.78**
	Total Comprehensive Income as per Ind-AS		**5,532.94**

Impact of Ind AS adoption on the statements of cash flows for the year ended December 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash inflows from operating activities	5,082.53	-	5,082.53
Net cash outflows from investing activities	(4,461.54)	-	(4,461.54)
Net cash outflows from financing activities	(451.16)	-	(451.16)
Net increase/(decrease) in cash and cash equivalents	169.83	-	169.83
Cash and cash equivalents as at January 1, 2017	375.15	-	375.15
Cash and cash equivalents as at December 31, 2017	544.98	-	544.98

Note:

(i) The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(ii) There is no change in cash and cash equivalents on account of adoption of Ind AS. Also, there is no impact of Ind AS on the Statement of Cash Flows.

Notes to first-time adoption

1 Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as a part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 December 2017 by Rs. 2,344 lakhs. There is no impact on the total equity and profit.

2 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended December 31, 2017 decreased by Rs. 37.88 lakhs. There is no impact on the total equity as at 31 December 2017.

3 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended December 31, 2017. This increased the retained earnings by Rs. 70.88 lakhs as at December 31, 2017 (January 1, 2017 : Rs. 70.20 lakhs)

4 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by shareholders in the general meeting. Accordingly, the liability for proposed dividend (including tax thereon) of Rs. 429.37 lakhs as at January 1, 2017 included under short term provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

5 Other Comprehensive Income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in statement of profit or loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

6 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

7 Government Grants

Under previous GAAP, government grants in the nature of promoters' contribution were treated as capital reserve which can be neither distributed as dividend nor considered as deferred income. Under Ind AS, in accordance with requirement of Ind AS 20, such grants are treated as deferred income and are amortised to profit or loss on a systematic basis over the useful life of the asset. As on January 1, 2017, grants amounting to Rs. 40 lakhs have been disclosed as part of retained earnings since these would be completely amortised as on transition date. There is no impact on the total equity and profit.

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

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

Amit Borkar	R.L. Shenoy	Ravindra Kumar	Sanjay Kulkarni	Abhijit Tikekar
Partner	Director	Managing Director	Chief Financial Officer	Company Secretary
Membership No.: 109846	DIN: 00074761	DIN: 06755402		
Place : Mumbai				
Date : February 26, 2019				

NOTICE

Notice is hereby given that the Sixty Third Annual General Meeting of the Members of ELANTAS Beck India Limited (CIN: L24222PN1956PLC134746) will be held on Tuesday, 7 May 2019, at 2.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the year ended December 31, 2018 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the year 2018.
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.

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors for the financial year ending 31December, 2018 and in this regard to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration not exceeding ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) as Audit fees plus out of pocket expenses at actual plus applicable taxes, payable to Dhananjay V. Joshi & Associates, Cost Accountants, Pune who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31 December, 2018 be and is hereby ratified."

By order of the Board of Directors

Place: Pune
Date : 26.02.2019

Abhijit Tikekar
Head Legal & Company Secretary

ELANTAS Beck India Limited
CIN : L24222PN1956PLC134746
Registered Office :
147, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra
Tel : (020) 67190600
email : Abhijit.Tikekar@Altana.com
Website : http://www.elantas.com/beck-india

NOTES :

1. **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on a poll only instead of himself and the proxy need not be a Member of the Company.**

   The instrument of Proxies, in order to be effective, must be deposited at the Registered Office of the Company, duly filled, stamped and signed, not less than 48 hours before the commencement of AGM.

   The instrument of 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 (the Act) and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as a proxy and such a proxy shall not act as a proxy for any other person or Member. Proxy is not entitled to vote at a meeting if the Member appointing the proxy votes on e-voting platform made available by the Company.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of their Board Resolution together with the specimen signatures of the representatives, authorised to attend and vote at the Meeting.

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 are requested to deposit the enclosed Attendance Slip, duly filled in, at the venue of the Meeting. **Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.**

5. The route map for the Meeting Venue is provided on page no. 8 of this notice.

6. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details 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.

7. 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. Ltd., so as to enable the Company to consolidate their holdings into one folio.

8. Details of Dr. Guido Forstbach, Director seeking re-appointment:

DIN	00427508
Date of Birth	29 March 1959
Appointed on	26 October 2012
Qualifications	Graduate in chemistry with a doctorate
Expertise in specific area	Thorough knowledge of chemical industry and management expertise
Directorships held in other Public Limited Companies	Nil
Memberships/ Chairmanships of Committees other than ELATNAS Beck India Limited	Nil
Shareholding in the Company as on 31 December 2018	Nil
No. of Board Meetings attended	2
Remuneration Last drawn (sitting Fees & Commission)	Nil
Terms & Conditions of Reappointment	As per the resolution at item no. 3 of the Annual General Meeting Notice dated 26 February 2019
Remuneration Proposed to be paid	Nil
Relationship with Other Directors & KMP	Nil

9. The relevant Explanatory Statement pursuant to Section 102 of the Act, in respect of the Special Business at item No.4 of the Notice is annexed.

10. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 1 May 2019 to Tuesday, 7 May, 2019 (both days inclusive), for the purpose of payment of Dividend.

11. Pursuant to Section 123, 124 and 125 of the Act, the Company will be transferring in June 2019, the unclaimed dividend if any for the financial year ended 31 December 2011to the Investor's Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrants so far, for the financial year ended 31 December 2011or 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.

    Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the website of the Company for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

    As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more as on due date of the transfer, are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective Members, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF along with dividend remaining unpaid/unclaimed thereon.

    Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

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

12. Request to the Members:

    a. Members desiring any relevant information on the accounts at the AGM 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 Meeting.**

    b. Green Initiative: The Ministry of Corporate Affairs(MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Keeping in view the underlying theme and the circulars issued by MCA, the Company has been sending all documents like General Meeting Notices (including 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 Abhijit.Tikekar@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.

13. Voting Options: Please co-ordinate with Transfer Agents

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

The instructions for e-voting are as under:

A. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can us your existing password to login and cast your vote

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board resolution / authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to prajot@prajottungarecs.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on www.evoting.nsdl.com, to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no.: 1800-222-990, or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: evoting@nsdl.co.in or at telephone no. +91 22 2499 4545, who will also address grievances connected with voting by electronic means.

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. (ix) 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 Meeting date. Alternatively, the Ballot form can also be deposited in the box made available at the venue during the Meeting. The Ballot Forms received after the Meeting 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 Abhijit.Tikekar@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 Meeting 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 Meeting Venue.

Other Instructions:

(i) The e-voting period commences from Saturday 4 May 2019 at 9.00 a.m. and ends on Monday 6 May 2019 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 the cut-off date i.e. 30 April 2019.

(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 Meeting, 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 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, Notice Board of the Registered Office and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared by the Chairman or person authorised by him and also communicated to BSE Limited.

Annexure to the Notice

Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 26 February 2019 approved the payment of a remuneration not exceeding ₹ 1.25 Lakh as Audit fees plus out of pocket expenses at actuals and taxes as may be applicable subject to the approval of the Members to Dhananjay V Joshi & Associates, Cost Auditors , to conduct the audit of the cost records of the Company for the financial year ending 31 December 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

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

The Board recommends passing of the Ordinary Resolution as set out at item no. 4 of the Notice for your approval.

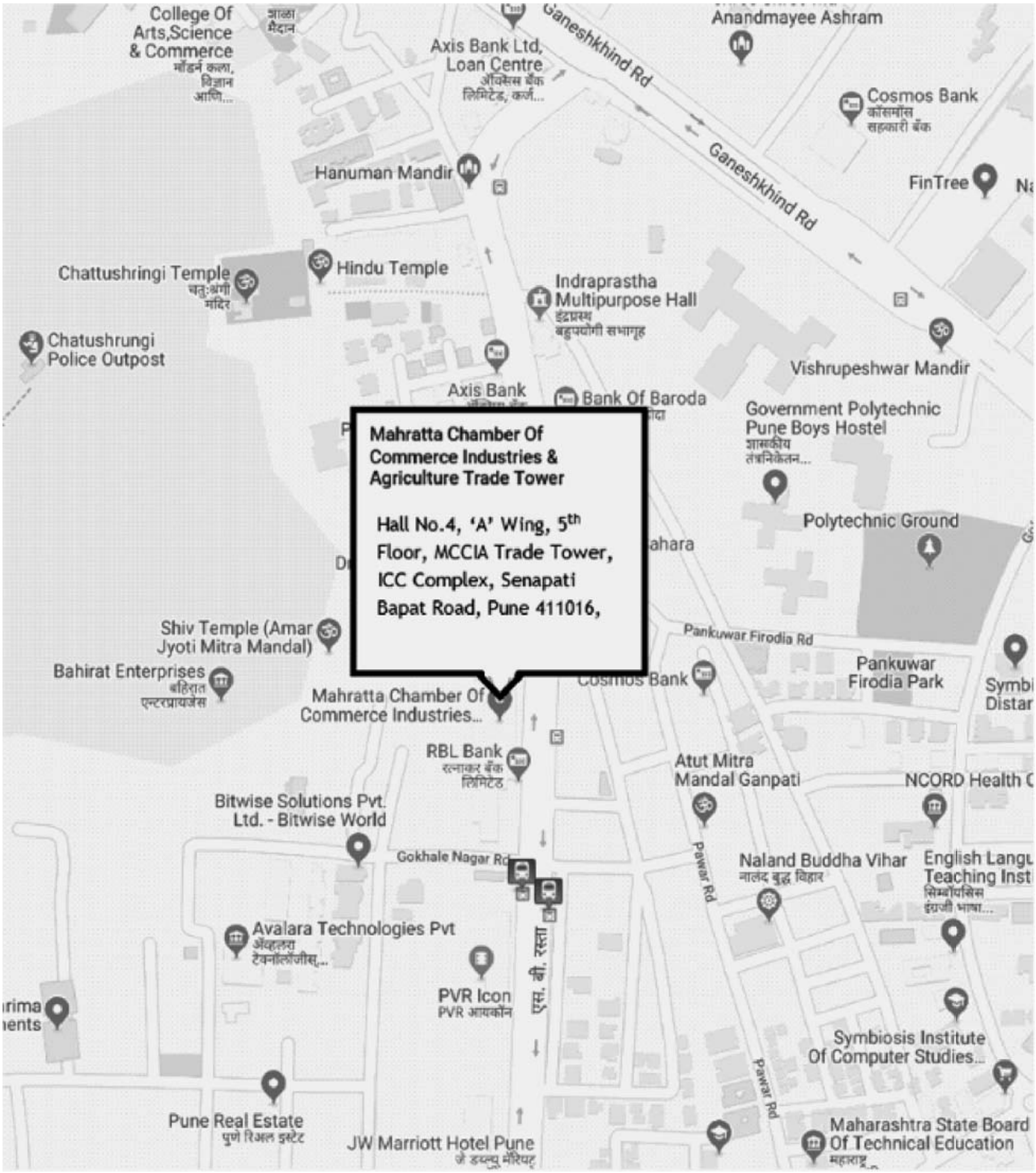
By order of the Board of Directors

Place: Pune
Date : 26.02.2019

Abhijit Tikekar
Head Legal & Company Secretary

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

MAP SHOWING LOCATION OF THE VENUE OF THE SIXTY THIRD ANNUAL GENERAL MEETING OF ELANTAS BECK INDIA LIMITED



ELANTAS

ELANTAS Beck India Ltd.

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 Third Annual General Meeting of the Company, being held at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Tuesday, 07 May 2019 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 : ______________________________

ELANTAS

ELANTAS Beck India Ltd.

PROXY FORM

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

I / We ______________________________

of ______________________________

being a member of ELANTAS Beck India Ltd. hereby

appoint ______________________________

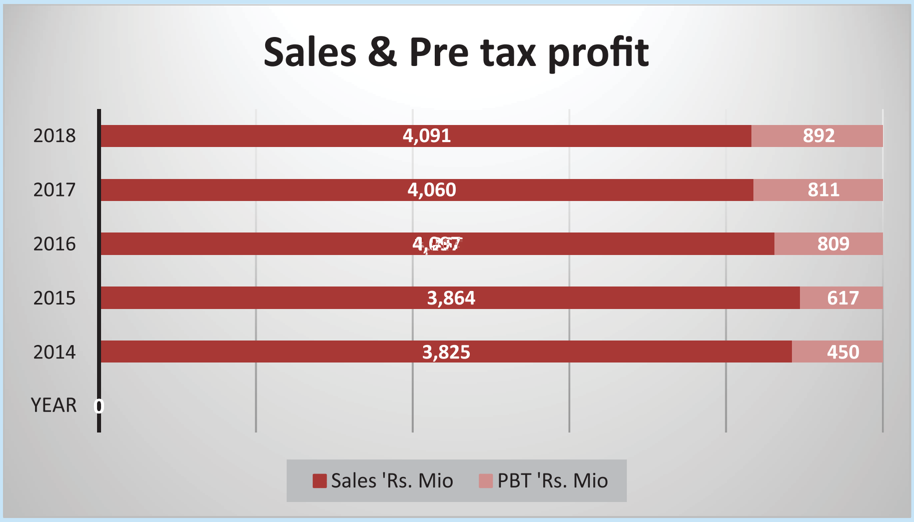
of ______________________________ or failing him / her ______________________________

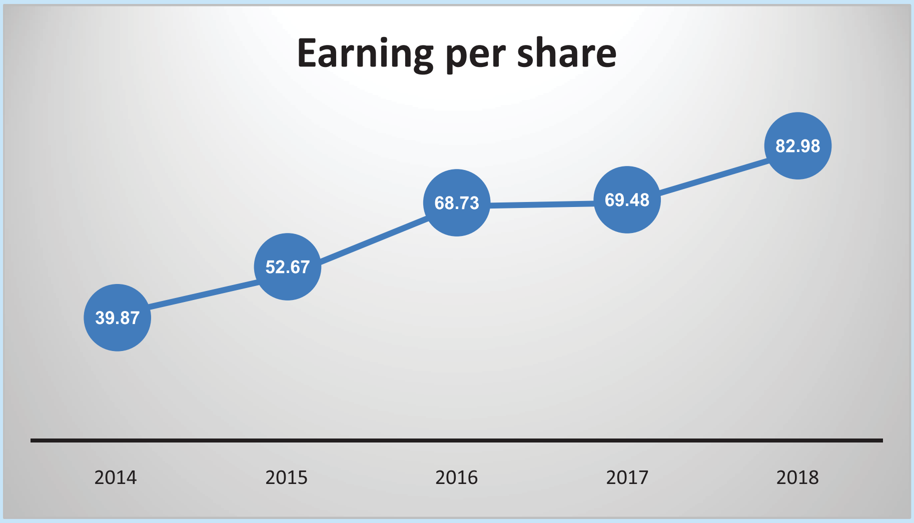
______________________________ of ______________________________

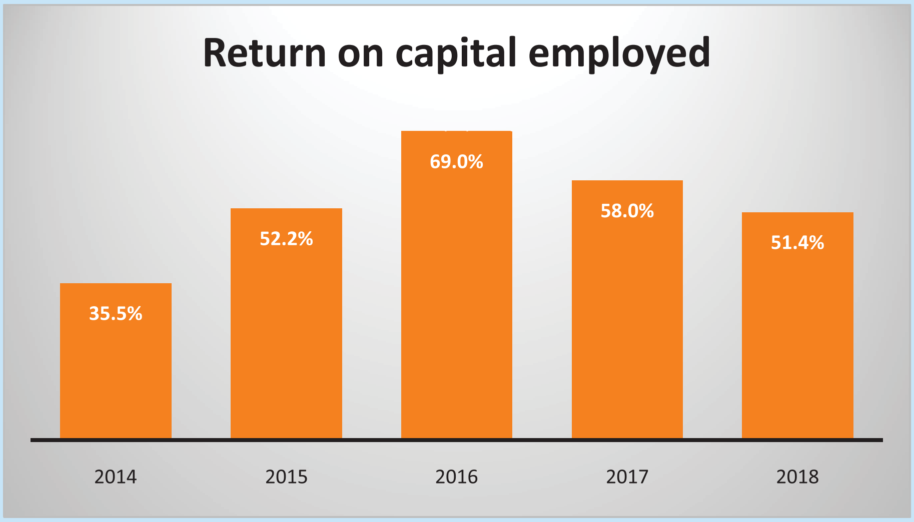
as my / our proxy to vote for me / us on my / our behalf at the Sixty Third Annual General Meeting of the Company to be held on Tuesday, 07 May 2019 at 2.30 p.m.

Signed this.................... day of .... 2019 Signature ....

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


Sales & Pre tax profit
2018
4,091
892
2017
4,060
811
2016
4,097
809
2015
3,864
617
2014
3,825
450
YEAR
0
Sales 'Rs. Mio
PBT 'Rs. Mio


Earning per share
39.87
52.67
68.73
69.48
82.98
2014
2015
2016
2017
2018


Return on capital employed
35.5%
52.2%
69.0%
58.0%
51.4%
2014
2015
2016
2017
2018

ELANTAS Beck India Ltd.

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

A member of ALTANA