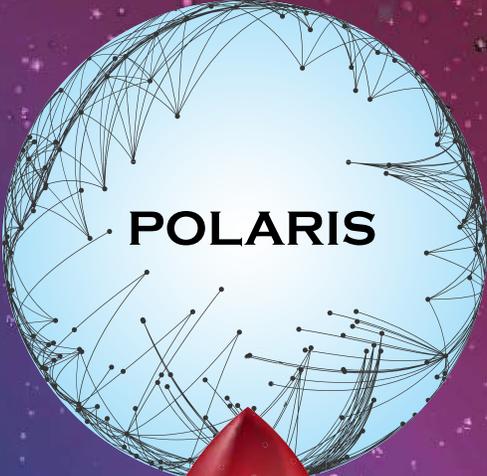


ELANTAS Beck India Ltd.



ANNUAL REPORT 2017

SAP (Project 'Polaris') –
"Go- Live" event



Ravindra Kumar, MD and P. Srinivasan,
VP- Sales with Company Sales Team at
Elecrama, 2018, in conversation with
Customer

E Learning Facilitated At Z. P.
Schools Under CSR Activity



Celebrating the 'World Environment
Day' with neighboring Companies on
05 June 2017

Board of Directors

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

Executive Management

Mr. Ravindra Kumar
Managing Director
Mr. Milind Talathi
Director-Manufacturing
Mr. Sanjay Kulkarni
CFO & VP-IT & Procurement
Mr. Shirish Dabir
Head Legal & Company Secretary
Mr. Joy Ghosh
VP-Market & Technology Development
Mr. P. Srinivasan
VP-Sales
Dr. Vinayak Bhanu
AVP-Research and MTD (PI & SI)

Chief Financial Officer

Mr. Sanjay Kulkarni

Company Secretary

Mr. Shirish Dabir

Registered Office & Corporate Office

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

Works

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

Regional Offices

Bengaluru, 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 Limited

The Directors have pleasure in presenting the Sixty Second Annual Report and the Audited Accounts for the financial year ended 31 December 2017.

Financial Highlights

(₹ in lakhs)

| | Year ended 31.12.2017 | Year ended 31.12.2016 |
|--|--------------------------|--------------------------|
| Income from operations | 39,113.24 | 37,288.88 |
| Profit before Interest, Depreciation & Tax | 8,726.08 | 8,628.36 |
| Depreciation | 558.73 | 518.65 |
| Interest | 20.89 | 20.54 |
| Profit Before Tax | 8,146.46 | 8,089.17 |
| Provision for tax | 2,613.97 | 2,640.35 |
| Net Profit | 5,532.49 | 5,448.82 |
| Profit & Loss Account brought forward | 14,481.37 | 10,008.34 |
| Profit available for appropriation | 20,013.86 | 15,457.17 |
| Appropriations: | | |
| Proposed dividend | - | 356.75 |
| Tax on Dividend distributed | - | 74.16 |
| Transfer to General Reserve | - | 544.88 |
| Carried to Profit & Loss Account | 20,013.86 | 14,481.37 |
| | 20,013.86 | 15,457.17 |

Performance

The Net Revenue from Operations at ₹ 38,256.46 Lakhs for the year ended 31 December 2017 registered a 5 % growth over the sales of ₹ 36,525.15 Lakhs achieved in the previous year ended 31 December 2016. In terms of sales quantity, the tonnage sold during the year ended 31 December 2017 increased by 5 % over the previous year. The profit before tax showed a modest increase over the profit before tax posted last year.

The Profit before Tax and Profit after Tax were ₹ 8,146.46 Lakhs and ₹ 5,532.49 Lakhs respectively

Share Capital

Share Capital Audit as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations 2015) is conducted on a quarterly basis by V. R. Associates, Practicing Company Secretaries. The Share Capital & Audit Reports are duly forwarded to BSE Ltd. where the equity shares of the Company are listed. During the year ended 31 December 2017, there was no change in the issued and subscribed capital of the Company. The outstanding capital as on 31 December 2017 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 2017.

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

Directors and Key Managerial Personnel

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

Mr. Stefan Genten resigned from the office of Director w.e.f. 27.02.2018 and Mr. Milind Talathi who was Alternate Director to Dr. Guido Forstbach ceased to be an Alternate Director and Whole-time Director w.e.f. 27.02.2018, as Dr. Guido Forstbach travelled to India for business and Board Meetings.

Mr. Milind Talathi was subsequently appointed as Additional Director consequently he continued to be Whole-time Director of the Company w.e.f. 27.02.2018.

The approval of the shareholders for the appointment / re-appointment as Directors has been sought in the Notice convening the AGM of your Company.

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

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

No Key Managerial Personnel resigned during the year under review.

Separate meeting of Independent Directors:

The Independent Directors were fully kept informed of the Company's business activities in all areas. During the year under review, a separate meeting of Independent Directors was held on 27 February 2018 and the Independent Directors reviewed the performance of (i) non- Independent Directors, (ii) the board as a whole and (iii) Chairperson of the Company under the Chairmanship of Mr. Suresh Talwar.

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

Constitution of Audit Committee

The Audit Committee comprises Mr. Ravindra Kulkarni (Chairman /Independent Director), Dr. Guido Forstbach, Mr. Suresh Talwar (Independent Director) and Mr. Ranjal Laxmana Shenoy (Independent Director). All members of the Audit Committee are Non-Executive Directors, satisfying the conditions for composition of Audit Committee stipulated under the Listing Regulations, 2015 such as, at least three directors as members, two third of the members being independent, and the Chairman of the Audit committee being an Independent Director.

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

Nomination and Remuneration Policy

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

In accordance with the requirements under Section 178 of the Companies Act, 2013, the Committee formulated a Nomination and Remuneration Policy to govern the terms of nomination /appointment and remuneration of (i) Directors, (ii) Key Managerial Personnel (KMPs) and (iii) other employees of the Company.

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee for the Year 2017. The evaluation has been carried out on the basis of criteria defined by the Nomination and Remuneration Committee in its meeting dated 29 July 2014.

Number of Meetings held

During the year 2017, four Board Meetings and four Audit Committee Meetings were convened and held. Details of the same are given in the Corporate Governance Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Prajot Tungare & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of the Company. The Secretarial Audit Report issued by them is annexed to this Report as 'Annexure A'. There are no qualifications, adverse remarks or disclaimers in the report.

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, KMP 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, 2015 as well as the Rule 6 A of the Companies (Meetings of Board and its Powers) Rules, 2014, Audit Committee in its meeting held on 25 October 2016 had granted omnibus approval for the proposed Related Party Transactions to be entered into by the Company during the year 2017. 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 need required to be reported in Form AOC – 2. In compliance with the Companies (Accounting Standards) Rules, 2006, Related Party Transactions are shown in Note no. 38 of Financial Statements forming part of this Report.

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

Details of Loans, Guarantees and Investments

The Company has not entered into any transaction relating to Loan, Guarantee or Investments attracting the provisions of Section 186 of the Companies Act, 2013 during the period under review. However, a loan was given to its group Company viz. BYK India Private Limited, by the Company of ₹ 130.47 lakh, after the end of Financial Year.

Corporate Governance

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

Vigil Mechanism/Whistle Blower Policy

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

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

Corporate Social Responsibility (CSR)

In the last 3 years, Company has made a good progress towards meeting requirement of CSR Compliances. It has successfully created awareness in the minds of the society at large of its being a socially responsible and a vigilant corporate citizen. There were number of projects and programs undertaken, pursued and sustained very well by the Company.

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

The CSR Policy Statement and Report on the activities undertaken during the year including reasons for lesser spending, if any is annexed to the Board's Report as '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.

Internal Financial Controls and its 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 internal audit team and presented to the audit committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Subsidiary, Associates and Joint Venture

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

Extract of Annual Return

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

Listing on Bombay Stock Exchange

The Company's shares are listed on BSE Ltd.

Directors' Responsibility Statement

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

- a) in the preparation of Annual Accounts for the Year ended 31 December 2017, the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31 December 2017 and of the profit of the Company for the year ended 31 December, 2017.
- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Company has proper Internal Financial Controls in place and they are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.
- g) the Directors have taken proper and sufficient care for the compliance with all applicable Secretarial Standards.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013, 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 2017 on a remuneration to be fixed by the Members, in the forthcoming Annual General Meeting. Accordingly, a resolution for payment of remuneration to Dhananjay V Joshi & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting for approval of members.

The Cost Audit Report for the financial year ended 31 December 2016 was filed with the Ministry of Corporate Affairs on 2 June 2017 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014.

Auditors

On the basis of recommendations of Audit Committee, the Board has appointed Price Waterhouse, Chartered Accountants LLP as the Statutory Auditors of the Company for the Year 2018, pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014. Their appointment is subject to ratification in the forthcoming AGM.

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

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

Green Initiative

The Company has taken the initiative of going green and minimizing the impact on the environment. The Company has been circulating the copy of its Annual Report and other shareholders' communication, if any, in electronic format to all those Members whose email address is available with the Company. The Company would also encourage other Members to register themselves for receiving Annual Report and other communication in electronic form. Members are requested to refer the contact details and ways to register the email address given under the heading 'Request to the Members' in the Notice of the 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. The internal committee is set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2017.

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

Particulars of Employees

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

Compliance Certificate

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

Deposits

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

Industrial Relations

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

Transfer of share to IEPF Demat Account

During the year under review, pursuant to Section 124 (6) of Companies Act, 2013 and the Rules & Circulars notified thereunder the 22,265 shares on which dividend was unclaimed/unpaid for seven years have been transferred to a demat account of the Investor Education and Protection Fund (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, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 December 2017 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 Companies Act, 2013.

Acknowledgments

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

For and on behalf of the Board

Mumbai
27 February 2018

Suresh Talwar Ravindra Kumar
Director 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, 2017

[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, 2017, 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, 2017, according to the provisions of:

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

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

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

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

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

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

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

We further report that:

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

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

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

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CP No: 4449

Date: 27 February 2018
Place: Pune

Annexure B

REPORT ON CSR ACTIVITIES

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

CSR Policy Statement

To take up certain CSR activities from the Schedule VII of the Companies Act, 2013 and implement in the areas surrounding 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 profit of the Company for last three financial years : ₹ 6105.52 Lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): ₹ 122.11 Lakhs
5. Details of CSR spent for the financial year: ₹ 122.73 Lakhs
 - a. Total amount to be spent during the financial year: ₹ 122.11 Lakhs
 - b. Amount unspent, if any: ₹ Nil

The Board has been updated with the entire activities and is satisfied about the overall progress about Company's CSR activities and spending. The Company focused on 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 legislation enforcing CSR. It had few sustainable projects running successfully for second year alongwith newly identified projects. This led to successfully attaining the required expenditure outlined for the year.

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

| No. | CSR Project or Activity Identified | Sector in which project is covered | Location of Project | Amount outlay (Budget) project or programme wise (₹ In Lakhs). | Amount Spent on Project or Programme (₹ In Lakhs). Sub-Heads: 1.Direct Expenditure on Projects or Programmes 2. Overheads* | Cumulative expenditure up to the reporting period (₹ In Lakhs) | Amount spent directly or through implementing Agency |
|-----|--|------------------------------------|-----------------------|--|--|---|--|
| 1 | Village Development - Bhivari and Patharwadi near Saswad- | Education, Health & Hygiene | Pune District | 103.00 | 32.55 | 82.00 | Through Vanarai-NGO |
| 2 | Distribution, Printing of educational text books in 15 hearing impaired schools in Pune district | Educational | Pune | 26.92 | 26.92 | 26.92 | Directly-Suhrud Mandal, Pune |
| 3 | Girls Education Support Program - Payment of School/College Fees to needy girls | Educational | Pune | 5.95 | 5.95 | 5.95 | Through Swadhaar IDWC, NGO |
| 4 | Construction of new school rooms & repair of School Building to attract students to school | Educational | Ankleshwar | 73.62 | 41.14 | 41.14 | Through Vanarai – NGO |
| 5 | Provision of E-Learning kits to Schools in PCMC | Educational | Pimpri Chinchwad-Pune | 12.77 | 12.77 | 12.77 | Through Sumconcepts |
| 6 | On the Job learning to UDCT students | Educational | Pimpri, Pune | 3.40 | 3.40 | 3.40 | Directly |
| | Total | | | | 122.73 | 172.18 | |

Mumbai
27 February 2018

Ravindra Kumar
Managing Director

Ranjal Laxmana Shenoy
Member – CSR Committee

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

Annexure C

| |
|--|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.12.2017 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|---|
| i | CIN | L24222PN1956PLC134746 |
| ii | Registration Date | 15th March, 1956 |
| iii | Name of the Company | ELANTAS Beck India Limited |
| iv | Category/Sub-category of the Company | Indian Non-Government Company |
| v | Address of the Registered office & contact details | 147, Mumbai-Pune Road,Pimpri, Pune, Maharashtra 411018 |
| vi | Whether listed company | Company limited by shares |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Pvt. Ltd. Block No. 202, 2nd Floor, Akshay Complex,Off Dhole Patil Road, Pune - 411001 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1 | Electrical Insulations | 24222 | 81.00% |
| 2 | Engineering and Electronic Resins and Materials | 24222 | 19.00% |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

IV SHAREHOLDING PATTERN

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

| Category of Shareholders | No. of Shares held at the beginning of the year (01.01.2017) | | | | No. of Shares held at the end of the year (31.12.2017) | | | | % Change during the year |
|---|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter s | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A1) | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| a. NRIs- individuals | - | - | - | - | - | - | - | - | - |
| b. other individuals | - | - | - | - | - | - | - | - | - |
| c. Body Corp | 59,45,761 | - | 59,45,761 | 75.00 | 59,45,761 | - | 59,45,761 | 75.00 | - |
| d. Bank & FI | - | - | - | - | - | - | - | - | - |
| e. Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A2) | 59,45,761 | - | 59,45,761 | 75.00 | 59,45,761 | - | 59,45,761 | 75.00 | - |
| Total shareholding of Promoter (A) = (A1+A2) | 59,45,761 | - | 59,45,761 | 75.00 | 59,45,761 | - | 59,45,761 | 75.00 | - |
| | | | | | | | | | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 2,85,212 | 600 | 2,85,812 | 3.61 | 3,78,024 | - | 3,78,024 | 4.77 | 1.16 |
| b) Banks / FI | 50 | - | 50 | - | 50 | - | 50 | 0.00 | 0.00 |
| c) Central Govt | - | - | - | - | 22,265 | - | 22,265 | 0.28 | 0.28 |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) Foreign Portfolio Corporation | 2,84,459 | - | 2,84,459 | 3.59 | 2,84,464 | - | 2,84,464 | 3.59 | 0.00 |
| Sub-total (B)(1):- | 5,69,721 | 600 | 5,70,321 | 7.20 | 6,84,803 | - | 6,84,803 | 9 | 1.10 |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 2,88,459 | - | 2,88,459 | 3.64 | 2,82,649 | - | 2,82,649 | 3.57 | - 0.07 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 7,76,671 | 1,28,843 | 9,05,514 | 11.42 | 7,22,017 | 1,01,986 | 8,24,003 | 10.39 | - 1.03 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1,12,956 | - | 1,12,956 | 1.42 | 98,956 | - | 98,956 | 1.25 | 0.18 |
| c) Others (specify) : | | | | | | | | | |
| Hindu Undivided Family | 58,436 | - | 58,436 | 0.74 | 58,362 | - | 58,362 | 0.74 | 0.00 |
| NRI | 37,849 | - | 37,849 | 0.48 | 28,587 | - | 28,587 | 0.36 | - 0.12 |
| Foreign Portfolio investor (individual) | - | - | - | - | 180 | - | 180 | 0.00 | 0.00 |
| Clearing members | 8,386 | - | 8,386 | 0.11 | 4,381 | - | 4,381 | 0.06 | - 0.05 |
| Sub-total (B)(2):- | 12,82,757 | 1,28,843 | 14,11,600 | 17.81 | 11,95,132 | 1,01,986 | 12,97,118 | 16 | - 1.45 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 18,52,478 | 1,29,443 | 19,81,921 | 25.00 | 18,79,935 | 1,01,986 | 19,81,921 | 25 | 0.00 |
| | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs = (C) | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 77,98,239 | 1,29,443 | 79,27,682 | 100.00 | 78,25,696 | 1,01,986 | 79,27,682 | 100.00 | 0.00 |

(ii) Share Holding of Promoters

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

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

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

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

| Sr. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|--------|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Reliance Capital Trustee Co. Ltd-a/c Reliance small Cap Fund | 1,76,031 | 2.22 | 2,80,665 | 3.54 |
| 2 | Pinebridge Investments GF Mauritius Limited | 2,20,681 | 2.78 | 2,20,681 | 2.78 |
| 3 | Bajaj Allianz Life Insurance Company Ltd | 63,250 | 0.80 | 89,265 | 1.13 |
| 4 | Anmol Sekhri Consultants Private Limited | 23,267 | 0.29 | 61,676 | 0.78 |
| 5 | Globe Commodities Limited | 85,556 | 1.08 | 59,329 | 0.75 |
| 6 | Nozer Jasi Shroff | 40,000 | 0.50 | 40,000 | 0.50 |
| 7 | Anmol Govindram Sekhri, Suneeta Anmol Sekhri | 14,441 | 0.18 | 32,185 | 0.41 |
| 8 | Pinebridge India Equity Fund | 28,194 | 0.36 | 28,194 | 0.36 |
| 9 | IDBIMF - Diversified Equity Fund Operative A/c | 26,000 | 0.33 | 26,000 | 0.33 |
| 10 | Sundaram Mutual Fund A/C Sundaram Equity Multiplier | 26,000 | 0.33 | 24,500 | 0.31 |
| 11 | Anmol Sekhri Consultants Pvt Ltd | 23,267 | 0.29 | 23,322 | 0.29 |
| 12 | Investor Education And Protection Fund Authority Ministry Of Corporate Affairs | - | - | 22,265 | 0.28 |

(v) Shareholding of Directors & KMP

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

V INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

| Sr. No | Particulars of Remuneration | Mr. Ravindra Kumar | Mr. Milind Talathi | Total |
|--------|--|--|--------------------|--------------------|
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1,30,08,807 | 66,15,496 | 1,96,24,303 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 8,72,385 | 2,89,311 | 11,61,696 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission as % of profit | - | - | - |
| 5 | Others (specify) | | | |
| | Others - Employers contribution to PF | 7,36,368 | 3,28,409 | 10,64,777 |
| | Total (A) | 1,46,17,560 | 72,33,216 | 2,18,50,776 |
| | Ceiling as per the Act | 10% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Sitting Fees payable to Directors. | | |

B. Remuneration to other directors:

(Amt. in ₹)

| Sr.No | Particulars of Remuneration | Fee for attending Board/Committee meetings | Commission | Others | Total |
|----------|--|--|------------------|----------|------------------|
| 1 | Independent Directors | | | | |
| | Mr. Suresh Talwar | 4,20,000 | 4,40,000 | - | 8,60,000 |
| | Mr. Ravindra Kulkarni | 4,20,000 | 4,40,000 | - | 8,60,000 |
| | Mr. R. L. Shenoy | 4,43,500 | 4,40,000 | - | 8,83,500 |
| | Mrs. Kishori Udeshi | 2,10,000 | 4,40,000 | - | 6,50,000 |
| | Total (1) | 14,93,500 | 17,60,000 | - | 32,53,500 |
| 2 | Other Non Executive Directors | | | | |
| | Dr. Matthias Wolfgruber | - | - | - | - |
| | Dr. Guido Forstbach | - | - | - | - |
| | Mr. Martin Babilas | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (1+2) | 14,93,500 | 17,60,000 | - | 32,53,500 |
| | Overall Ceiling as per the Act. | 1% of the Net Profits calculated as per Section 198 of the Companies Act 2013 exclusive of Siting Fees payable to Directors. | | | |

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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|----------|--|-------------------------------|------------------------|-------------------------------|------------------|
| | | Chief Executive Officer (CEO) | Company Secretary (CS) | Chief Financial Officer (CFO) | Total |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | - | 30,76,411 | 50,82,477 | 81,58,888 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | 1,20,157 | 2,94,374 | 4,14,531 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission as % of profit | - | - | - | - |
| 5 | Others - Employers contribution to PF | - | 1,73,148 | 2,52,307 | 4,25,456 |
| | Total | - | 33,69,716 | 56,29,159 | 89,98,875 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure D

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

- Installation of an energy efficient air compressor for nitrogen generation plant at Pimpri.
- Installation of new pumps for transferring raw materials thereby reducing energy consumption
- Replacement of old inefficient diffusers in the effluent treatment plant at Ankleshwar for better treatment & for lower energy consumption.
- Installation of a new plant for Secondary Insulation production at Pimpri with the technological guidance from our Affiliates companies which has resulted in lower specific energy consumptions.
- Revamping of the Recovery section at Ankleshwar for better separation & reduction in effluent load.
- Replacement of water jet Vacuum pumps by Oil / Dry Vacuum pumps at Ankleshwar

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

- Installation of new high efficiency steam boiler at Pimpri.
- Installation of Solar photovoltaic panels for the R & D Centre & Corporate office at Pimpri.
- Installation of pilot plant for partial zero discharge of effluents at Ankleshwar & recycling of the same
- Installation of a new Wire Enamel line with bigger equipments & consequently lower specific energy consumptions
- Installation of Dry vacuum pump to further reduce effluent load & energy consumption
- Further installation of new pumps for raw material transfer to reduce energy consumption & effluent load at Ankleshwar
- Modification of various Agitators for cycle time reduction & reduction in the energy consumption at Ankleshwar

Total amount spent on energy conservation equipments – ₹ 47.00 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 manifold activities to maintain a technological edge, provide effective solutions to customers and improve internal productivity through process improvements and introduction of new cost effective raw materials.

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 polyester imide enamel and polyester wire enamels with specific colors for cured wires.
- Addition of a new product to the recently developed category of faster curing (energy saving) solvent based insulating varnish, for class H application.
- Modified Polyamide hardeners as a new type of products for epoxy based systems with better thermal shock resistance
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents.

3. Future plan of action.

- Company is in the process of implementing new software for generating safety data sheets (MSDS) based on modern globally harmonized system (GHS) of handling safety related issues for transport and use of its products.

- Continue efforts on efficient customer service and improved speed of product development with the newly formed teams keeping in mind the requirements for RoSH/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 programme for students from local Institute on subjects complementary to the Company's business

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 PAI Wire Enamel insulating technology from affiliate company in China. | 2017 | No | By end of 2018 |
| Absorption of UP resin technology from affiliate company in Italy. | 2015 | Yes | - |
| Absorption of high density epoxy resin technology from affiliate company, in Italy. | 2015 | Yes | - |

5. Expenditure on R & D

(Currency : ₹ in lakh)

| | Year ended 31.12.2017 | Year ended 31.12.2016 |
|---|--------------------------|--------------------------|
| (a) Capital | 840.12 | 74.09 |
| (b) Recurring | 363.53 | 337.91 |
| (c) Total | 1203.65 | 412.00 |
| (d) Total R & D expenditure as a percentage of total turnover | 2.96% | 1.00% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Annexure E

Information as per 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 2017 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 | 146.18 | Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur. | 45/21 | 01.01.2014 | Huntsman Europe BVBA / Automotive Platform Manager - EAIME |
| Mr. Milind Talathi * | Whole Time Director | 72.33 | B. Tech (Chemical) DBM | 56/31 | 16.07.2013 | Gujarat Fluorochemicals Ltd. - COO |
| Mr. Joy Krishna Ghosh | VP - MTD | 71.69 | B.Com(Hons), MBA (Calcutta) | 38/15 | 13.01.2015 | Accenture Strategy Consulting – Engagement Manager |
| Mr. Sanjay Kulkarni | CFO & VP-IT & Procurement | 56.29 | B.Com, ACA, AICAI | 51/28 | 18/08/2008 | Gabriel India Ltd. Divisional Finance Controller- Ride Control Division |
| Mr. Shirish Dabir | Head Legal & Company Secretary | 33.70 | B.Com, L.L.B., ACS, PGDHRM | 54/30 | 03.04.2006 | Emcure Pharmaceuticals Ltd. Company Secretary |
| Mr. Nitin Kembhavi | Head – Accounts & Finance | 36.32 | B.Com, AICAI | 57/32 | 17.08.1987 | Drillco Metal Carbides Accounts Officer |
| Mr. D. W. Thombre | Plant Head- Ankleshwar | 30.68 | B.Tech. (Chemical Engineer) PGDIM | 61/37 | 04.08.2000 | Roofit Industries Ltd. – Factory Manager |
| Mr. V. A. Bhanu | AVP-Research MTD(PL & SI) | 42.14 | PHD (Polymer Chemistry) | 57/30 | 12.07.2015 | Pidilite Industries |
| Mr. Srinivasan P. | VP - Sales | 47.84 | BE (Mech), MBA - Marketing | 49/25 | 03.04.2015 | Thermax Chemicals Ltd. Global Business Head - Resins |
| Mr. M L Prabhune | Head Engg. & Maintenance - Pimpri | 30.68 | BE (Ele) DBM | 53/23 | 18.07.1994 | NA |

Note:

- None of the above employees is a relative of any Director of the Company.
- The above employees includes, employee who is drawing salary ₹ 1.02 Crore p.a. and ₹ 8.50 lakh p.m. i.e. Mr. Ravindra Kumar, Managing Director of the Company.
- All the above employees have executed an employment contract with the Company.
- None of the above employees is holding more than 2% of the equity shares in the Company.

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

- Ratio of the remuneration of each Director 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 Employee |
|---------|---------------------------|--|--------------|---|
| 1 | Mr. Martin Babilas | Chairman Non Executive Non Independent | - | 0.00 |
| 2 | Dr. Guido Forstbach | Non Executive Non Independent Director | - | 0.00 |
| 3 | Mr. Suresh Talwar | Non Executive Independent Director | - | 1.49 |
| 4 | Mr. Ravindra Kulkarni | Non Executive Independent Director | - | 1.49 |
| 5 | Mr. Ranjal Laxmana Shenoy | Non Executive Independent Director | - | 1.53 |
| 6 | Mrs. Kishori Udeshi | Non Executive Independent Director | - | 1.10 |
| 7 | Mr. Stefan Genten | Executive Non Independent Director | - | 0.00 |
| 8 | Mr. Ravindra Kumar | Managing Director | 17.57 | 26.48 |
| 9 | Mr. Milind Talathi | Whole Time Director | 9.30 | 13.10 |
| 10 | Mr. Sanjay Kulkarni | Chief Financial Officer | 5.34 | 10.20 |
| 11 | Mr. Shirish Dabir | Company Secretary | 1.27 | 6.10 |

2. No. of permanent employees on the rolls of the Company as on 31 December 2017 – 178
 3. Median Remuneration of the employees has decreased by 10.51 % in 2017 as compared to 2016.
 4. We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.
- The Company has not made any public issue of shares during the year under review.

Annexure F

COMPLIANCE CERTIFICATE

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

- A. We have reviewed financial statements and the cash flow statement for the year 2017 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ELANTAS Beck India Limited

sd/-
Ravindra Kumar
Managing Director

sd/-
Sanjay Kulkarni
Chief Financial Officer

Date: 27 February 2018

Place: Mumbai

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

Management Discussion & Analysis Report

Economic growth is projected to improve above 7%, gradually recovering from the transitory adverse impact of compliance and difficulties faced on rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. It is expected that in the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and transparency. Investment will be further supported by the plan to recapitalize public banks and enhancing the road infrastructure. Measures taken to digitalize the economy and improve tax compliances should boost tax revenues in the medium term.

Low crude oil prices in the last two years have helped India improve fiscal deficit situation however crude oil prices have seen a sharp recovery in the last few months and it may have an adverse impact on macro-economic situation in India

Business of the Company is directly linked to the industrial activities in electrical machineries e.g. motors, generators and transformers, house hold appliances and automotive industry. Industrial Production growth in the last few years has stayed either negative or very low reflecting the realities of manufacturing sector in India. Government initiative on "Make in India" has still not shown any visible beginning or impact on manufacturing sector in India relevant to company's business.

Demand in Indian market is recovering steadily after disruptions caused by demonetization and GST and situation is normalizing. Company experienced sudden destocking measures taken by its customers around GST roll out which had a significant adverse impact on the growth of the Company in 2017 leading to lower than expected growth. Introduction of GST was expected to shift demand from unorganized businesses to organized business however, there are no conclusive signs seen yet. Some of company's customers especially in wire enamel segment are investing in expanding capacities in anticipation of increase in demand in the coming years. Imports of electrical equipments especially from China still remains at high level adversely impacting the demand for Company's products in India.

Despite these issues and challenges, Company has delivered another year of satisfactory growth and posted profits on expected lines. Company's financial performance is a testimony of its strengths in the area of technology, people, efficient operations, customer centric approach and ability to execute the strategy. Raw material prices started to firm up in the second half of 2017 largely caused by increase in feedstock prices and shortage of certain raw materials due to closure of plants in China as a result of environmental restrictions imposed by Chinese government.

Company's strong and consistent financial performance is a result of its continued focus on market, its customers and relentless focus on building its capabilities in the area of its operations, human resources, technology and processes while leveraging the global capabilities of ELANTAS.

Segment wise Performance

Electrical Insulation Business

- The Electrical Insulation Business comprising of Wire Enamels and Secondary Insulation products account for over 81% of the Company's Sales Revenue and constitutes the core business of the Company.
- Wire Enamel business primarily caters to Magnet Wire manufacturers and Secondary Insulation products like Varnishes find application in Motors, Alternators, Fans, and Transformers apart from the Repair and refurbishment industry.
- Company experienced strong market headwinds during the GST Transition phase in June and July 2017 due to widespread shut down by customers and stoppage of production for inventory reduction.
- In spite of a considerable drop in Sales during this period your Company was able to pull back in the Electrical Insulation Business through focused efforts on addition of new products, customers and growing its share with existing customers achieving a growth of 3.2% in value terms in this segment.
- The Electrical Machinery Industry and indigenous OEMs continued to be adversely impacted by imports of Electrical Equipment especially from China.
- While the Company passed on the benefits accrued under GST, the latter half of the year under review also saw a significant increase of Raw Materials and commodities. The Company is working on increasing its prices wherever feasible while maintaining its market leadership.

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

- The thrust given by the Government for addition of generation capacity as well as Electrification across the country.
- Growth of Automotive industry and Ancillaries.
- Growth in demand for Electrical & Industrial Machinery and allied Instrumentation
- Replacement of out dated electrical equipment with energy efficient ones
- 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 (EL) Compounds, Hardeners and Construction Chemicals.

The Electronic & Engineering Materials business accounts for approximately 19% of the Company's Sales Revenue. Though this segment faced considerable Market challenges in the GST Transition phase, it staged a significant recovery in the latter part of the year registering a growth of 9.8% by value in the year under review.

The EL Business has specialty products in Electronics, Auto Electricals, Capacitors, Filters & High Voltage applications. With sustained focus on new product and application development, your Company is working on new offerings in the Electronics domain.

Company's specialty products in the Construction Chemicals domain have niche applications in Industrial Flooring, Structural Repairs and Exterior Coatings in variety of areas including Pharmaceutical, Automotive, Commercial, Residential, Logistics and Warehousing. Company has achieved a good growth in this segment, while selectively focusing on projects with profitability and secure cash flows.

The Company sees a significant growth opportunity in these areas, given the continued thrust on Infrastructure growth momentum across the country.

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

This is important for Company's business that manufacturing activities in India picks up in the near future. In view of this, Company is optimistic on creating sustainable and profitable growth in 2018 too. There is a need to watch the following factors carefully:

- Revival of industrial production in India and especially in relevant segments of electrical equipments industry
- Increasing trend of crude oil prices
- Regulatory situation in key raw material markets e.g. China
- Company's ability to increase prices in line with increase in raw material prices
- 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 adequately covered as much as possible. These risks are identified, addressed and reviewed on periodic basis by management and its auditors and status is presented to the audit committee. Measures suggested by Audit committee are implemented and 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

- Improve industrial production outlook creating higher demand from end customers
- Opportunities in existing and adjacent lines of business
- Enhancing operational efficiencies by integrating processes and improvements in manufacturing set up

Threats

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

Company Performance

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

- As explained earlier, despite the challenging extraneous factors, after GST roll out, the Company achieved a volume level of 22815 mts, a 5.3% increase as compared to previous year. This was partially possible due to focus on new business from new products & new customers. However in terms of value the Company was able to show a growth of 4.4% as compared to previous year mainly due to drop in the realization per unit, the results of passing on the GST saving to its Customers. The Company sales stood at ₹ 38,256 Lakhs for this year
- The profit before tax at ₹ 8,146 Lakhs representing a marginal improvement over previous Y 2016.
- Net cash flows from operating activities during the year stood at ₹ 5,071 Lakhs in the Year 2017 as compared to ₹ 5,585 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 designed comprehensive framework for internal controls covering operational, financial & entity level controls. This framework is being put to test on periodic basis through internal audit programme & self-reviewing mechanisms within the Company.

The Company on 8th January has implemented SAP. It will be on new SAP architecture of business suite on HANA (SoH). Besides providing real-time analytics it will strengthen end to end business processes and automated controls.

Technical Management and Infrastructure Development

During the year under review, there was an improvement in the Company's operational performance, registering 5% rise in the production over 2016.

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

- Efforts taken to further enhance safety standards and processes in order to minimise safety risks.
- Enhancing productivity with sustained quality levels
- Reducing customer complaints
- Reducing water consumption and consequently 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 years through satisfied customers and the Company works hard to maintain the same through technological superiority, operational excellence and cost effectiveness, a fact which is underlined by the following examples from the previous year:

- Close coordination with R & D Dept. to bring in several quality & cost saving measures along with launch of several new products
- 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 and Operations related focused groups established under the stewardship of ALTANA and ELANTAS, Germany, devote their efforts for ensuring optimization of the production methods & processes. The Company regularly participates in the deliberations of these focused groups across all sites at a global level. All above measures have facilitated the way for production that is more efficient and to meet market demands for new and existing products.

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

Quality, Environment Management and Occupational Health & Safety.

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

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

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

Company had taken the lead in inviting employees of its neighbouring Companies at Pimpri on the occasion of World Environment Day. This initiative has been continued & this year Senior Government Officers from the local Corporation also participated along with several employees from the Companies to jointly clean the common approach road, followed by a plantation drive.

Company's works at Pimpri and Ankleshwar and the Corporate Office are certified for compliance with Integrated Management System (IMS) comprising certification to ISO 9001, 14001 and BS OHSAS 18001, which encompass the management of Quality, Environment and Occupational Health & Safety. The works at Pimpri & Ankleshwar and the new Corporate Office at Pimpri were subjected to a certification audit by TÜV NORD during the year and the certification was successfully renewed. Now the Company is in the process of preparing for the revised standards of ISO 9001, ISO 14001 in year 2018.

Research & Development

R&D is an important part of the Company's innovation endeavour and Company is in the process of further strengthening the department by constructing a new building for R&D activities. It is also recruiting few more experts with experience in different areas to support the continuous product development and process upgradation. It has also been successful in developing two teams namely Research and Market-Technology Development (MTD) out of the R&D department to address relatively long and short term product development of the market, respectively.

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

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

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

Human Resources/ Industrial Relations

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

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

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

The Industrial relations were peaceful and harmonious throughout the year.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be interpreted as "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

For and on behalf of the Board

Mumbai
27 February 2018

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

Suresh Talwar
Director

Ravindra Kumar
Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

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 and SEBI 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 Companies Act and the SEBI Listing Regulations, 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.

All Directors and designated employees of the Company are bound by a Code of Conduct that sets forth the Company's policies on important issues and insider trading regulations including its relationship with Customers, Suppliers, Contract Manufacturers, Shareholders and Government.

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

2. Board of Directors (Board)

(a) Composition and functioning:

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

The Managing Director is involved in the day-to-day management of the Company, while the Non-Executive Directors bring in the external & Industry 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 year under review, the composition of the Board and number of other Companies / Committees on which the Director of the Company is a Director / Member / Chairman is given below

| Name of Director | Other Directorships | Other Committee Memberships (including Chairmanships) # | Other Committee Chairmanships # |
|------------------------------|---------------------|--|------------------------------------|
| Dr. Guido Forstbach * | - | - | - |
| Mr. Martin Babilas * | - | - | - |
| Mr. Suresh Talwar ** | 4 | 4 | 2 |
| Mr. Ravindra Kulkarni ** | 5 | 6 | 2 |
| Mr. Ranjal Laxmana Shenoy ** | 3 | 4 | 2 |
| Mrs. Kishori Udeshi ** | 6 | 6 | 1 |
| Mr. Ravindra Kumar *** | - | - | - |
| Mr. Stefan Genten* | - | - | - |
| Mr. Milind Talathi *** | - | - | - |

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

For the purpose of reckoning the limit, membership of Audit Committee and Stakeholders Relationship Committee has been considered.

Note:

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

Mr. Martin Babilas offers himself for re-appointment in the forthcoming Annual General Meeting.

Directorships in Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 are excluded in the above table

(b) Meetings and Attendance:

- (i) During the financial year ended 31 December 2017, four Board meetings were held on 21 February, 10 May, 25 July, and 30 October.
- (ii) The attendance of the Directors at the Board Meeting and during the year and at the last Annual General Meeting is as follows:

| Name of Director | Meetings held during the tenure of Director | Meetings attended | Last AGM |
|---------------------------|---|-------------------|----------|
| Dr. Guido Forstbach | 4 | 2 | Yes |
| Mr. Martin Babilas | 4 | 1 | No |
| Mr. Suresh Talwar | 4 | 4 | Yes |
| Mr. Ravindra Kulkarni | 4 | 4 | Yes |
| Mr. Ranjal Laxmana Shenoy | 4 | 4 | Yes |
| Mrs. Kishori Udeshi | 4 | 4 | Yes |
| Mr. Ravindra Kumar | 4 | 4 | Yes |
| Mr. Stefan Genten | 4 | 1 | No |
| Mr. Milind Talathi | 4 | 2 | Yes |

(c) Information placed before the Board:

The following information has been placed before the each Board Meeting for review:

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

(d) Remuneration Policy:

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

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

Details of remuneration of Executive Directors for the year ended 31 December 2017:

(₹ 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) | 61.51 | 15.45 | 54.14 | 15.07 | 146.18 | 3 Years from 01 January 2014 (further appointed for 5 years w.e.f. 01 January 2017) |
| Mr. Milind Talathi (Whole Time Director) | 27.37 | 18.82 | 20.26 | 5.89 | 72.33 | 3 years from 23 February 2016 |
| Total: | 88.88 | 34.27 | 74.40 | 20.96 | 218.51 | |

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 and commission based on their overall engagement and contribution to the Company's business and also based on the net profits of the Company. As approved by the members, commission is limited to 1% of the net profits of the Company.

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

Details of remuneration of Non-Executive Directors for the year ended 31 December 2017:

| Name | Sitting fees (₹) | Commission (₹) |
|---------------------------|------------------|------------------|
| Mr. Suresh Talwar | 4,20,000 | 4,40,000 |
| Mr. Ravindra Kulkarni | 4,20,000 | 4,40,000 |
| Mr. Ranjal Laxmana Shenoy | 4,43,500 | 4,40,000 |
| Mrs. Kishori Udeshi | 2,10,000 | 4,40,000 |
| Total: | 14,93,500 | 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.

Familiarization Program:

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

3. Board Committees:

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

(a) Audit Committee:

During the financial year ended 31 December 2017, four Audit Committee meetings were held on 21 February, 10 May, 25 July and 30 October.

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

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

- status report of 'actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management
- compliance with regulatory guidelines
- approval of appointment of CFO (i.e., the person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee

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

- management discussion and analysis of financial condition and results of operations
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- management letters /letters of internal weaknesses issued by the statutory auditors
- 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 and the Share Transfer Committee both comprise of Mr. Ranjal Laxmana Shenoy - Non-Executive Independent Director, Mr. Ravindra Kumar -Managing Director and Mr. Shirish Dabir -Company Secretary.

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

During the year ended 31 December 2017, seven meetings of Share Transfer Committee and 1 Meeting of Stakeholders Relationship Committee were held. As of 31 December 2017, there were no unresolved investor complaints pending.

Transfer of shares held in physical mode was processed by Link Intime India Pvt. Ltd. and approved by the Share Transfer Committee. Transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects. The Share Transfer Committee of the Company normally meets at fortnightly intervals for approval of share transfers, received if any, and other related matters. As on 31 December, 2017, no request for transfer of shares was pending.

Scope of the Stakeholders Relationship Committee and Share Transfer Committee:

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

(ii) Complaints reported on SEBI SCORES:

| | |
|--|---|
| Number of Investor Complaints received during the period 1 January 2017 to 31 December 2017: | 1 |
| Number of Investor Complaints not resolved to the satisfaction of shareholders during the period 1 January 2017 to 31 December 2017: | 0 |
| Number of Investor Complaints pending at the end of the period 1 January 2017 to 31 December 2017: | 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 Directors, Mr. Ranjal Laxmana Shenoy and one Executive Director, Mr. Ravindra Kumar, Managing Director. The Meeting of this Committee is chaired by Mr. Ranjal Laxmana Shenoy.

Scope:

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

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

d) Nomination & Remuneration Committee

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

One meeting of the Committee was held during the year.

The Nomination & Remuneration Committee has the following objectives:

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

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, this provision is not applicable to the Company since it does not fall in Top 100 Companies based on their market capitalization. During the year, one meeting of Risk Management Committee was held.

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

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

f) Corporate Social Responsibility Committee

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

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

4. Other Information:**(a) Code of Conduct:**

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

(b) CEO/CFO Certificate

A certificate from the Managing Director and CFO & VP - IT and Procurement, on the integrity of the financial statements and other matters of the Company for the financial year ended 31 December 2017, annexed and forming part of the Annual Report, was placed before the Board at its meeting held on 27 February 2018.

(c) General Body Meetings:

(l) Location & time of Annual General Meetings:

| Financial Year ended | Date | Time | Place |
|----------------------|-------------|-----------|---|
| 31 December 2014 | 06 May 2014 | 3.30 p.m. | Hall No.4, 'A' Wing, 5 th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016. |
| 31 December 2015 | 03 Jun 2016 | 2.30 p.m. | |
| 31 December 2016 | 10 May 2017 | 2.30 p.m. | |

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

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

(d) Postal Ballot

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

(e) Disclosures:

- In terms of the requirements of Accounting Standard 18 on 'Related Party Disclosures' issued by the Companies (Accounting Standard) Rules, 2006, transactions with related parties have been adequately disclosed in Note No. 38 in Notes to accounts forming part of the Balance Sheet as at 31 December 2017. There were no transactions of material nature with the Directors or the management or relatives during the year that might have potential conflict with the interests of the Company.
- No strictures penalties have been imposed on the Company by the Stock exchange or by the Securities exchange Board of India or any other statutory authority on any matters related to capital markets during the last three years except the payment of ₹ 8,84,000 to SEBI in view of the recommendations of High Powered Advisory Committee followed by SEBI's intimation regarding payment of settlement charges in respect of maintaining minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957, as amended.
- No personnel has been denied the access to the Audit Committee.
- None of the Directors holds equity shares or convertible instruments in the Company.
- No Director is related to any other Director of the Company.
- The Company has been complying with the mandatory and discretionary requirements under part E of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).
- The company complies with the requirements of corporate governance as specified in Regulations 17 to 27 and Clauses(b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.
- Web link of related party transactions policy :
- <http://www.elantas.com/beck-india/financials/compliance-with-corporate-governance.html>

The Company has transferred unclaimed shares to IEPF Demat account.

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

- 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 Audit Committee with details and actions to be taken.

(g) Independent Directors' meeting was held on 27 February 2018

(h) Means of Communication:

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

5. General Shareholders' Information:

(a) Company Registration details:

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

(b) 62nd Annual General Meeting:

| | |
|-----------------------|--|
| Day, Date & Time | Thursday, 10 May 2018 at 2.30 p.m. |
| Place | Hall No. 4, 'A' Wing, 5 th Floor, MCCA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016. |
| Dates of Book Closure | From Wednesday, 2 May 2018 to Thursday, 10 May 2018 (both days inclusive). |
| Dividend payment date | On Thursday 7 June 2018, if declared in the Annual General Meeting on 10 May 2018, within the stipulated statutory period. |

(c) Unclaimed dividends:

- Pursuant to Sections 124 and 125 of the Companies Act, 2013, all unclaimed/unpaid dividend/s remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment, has to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- Following table gives information relating to outstanding dividend amount and date when it becomes due for transfer to IEPF in the year 2017.

| Financial Year | Dividend payment date | Unclaimed/unpaid dividend (Y2010) as on 31.12.2017 | Proposed date for transfer to IEPF |
|--|-----------------------|--|------------------------------------|
| Y 2010 | 13.05.2011 | ₹ 3,55,086/- * | 11.06.2018 ** |
| * This amount may undergo change in case of any claims received / processed by the Company after 31.12.2017. ** Indicative date and actual date may vary. | | | |

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

(d) Company's financial year:

01 January to 31 December

(e) Listing on Stock Exchanges:

The Company's shares are listed on BSE Ltd. The Company has paid the listing fees for the period 1 April 2017 to 31 March 2018.

(f) Stock Performance:

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

| Year 2017 | Price of Equity Shares of the Company | | | Sensex | | |
|-----------|---------------------------------------|---------|-----------|----------|----------|----------|
| | High (₹) | Low (₹) | Close (₹) | High | Low | Close |
| January | 1879 | 1736 | 1746.45 | 27980.39 | 26447.06 | 27655.96 |
| February | 1868.8 | 1726 | 1770 | 29065.31 | 27590.12 | 8743.32 |
| March | 1980 | 1769 | 1930.2 | 29824.62 | 28716.21 | 29620.5 |
| April | 2106 | 1851 | 1980.65 | 30184.22 | 29241.48 | 29918.4 |
| May | 2211 | 1888 | 1920.55 | 31255.28 | 29804.12 | 31145.8 |
| June | 2165 | 1875 | 1952.25 | 31522.87 | 30680.66 | 30921.61 |
| July | 2149.95 | 1800 | 1814.9 | 32672.66 | 31017.11 | 32514.94 |
| August | 1999 | 1769 | 1976.85 | 32686.48 | 31128.02 | 31730.49 |
| September | 2138.85 | 1910.9 | 1984.2 | 32524.11 | 31081.83 | 31283.72 |
| October | 2056.25 | 1910.9 | 1993.85 | 33340.17 | 31440.48 | 33213.13 |
| November | 2050 | 1895 | 1900.1 | 33865.95 | 32683.59 | 33149.35 |
| December | 2298.8 | 1880 | 2249.75 | 34137.97 | 32565.16 | 34056.83 |

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

(g) Share Transfer System:

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

(h) Registrars and Share Transfer Agents:

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

(i) Dematerialisation:

As of 31 December 2017, 78,24,046 shares i.e. 98.69% of the Company's total issued, subscribed and paid-up capital were held in dematerialized form.

(j) Distribution of Shareholding as of 31 December 2017:

| Shareholding | No. of shareholders | No. of shares | % to total |
|-----------------|---------------------|----------------|---------------|
| 1 to 500 | 7140 | 525030 | 6.62 |
| 501 to 1000 | 166 | 128120 | 1.62 |
| 1001 to 2000 | 56 | 85280 | 1.08 |
| 2001 to 3000 | 21 | 53144 | 0.67 |
| 3001 to 4000 | 13 | 45495 | 0.57 |
| 4001 to 5000 | 2 | 9702 | 0.12 |
| 5001 to 10000 | 18 | 128916 | 1.63 |
| 10001 and above | 20 | 6951995 | 87.69 |
| Total: | 7436 | 7927682 | 100.00 |

(k) Shareholders' Profile as on 31 December 2017:

| Class of Shareholder | No. of shares | % to total |
|--|----------------|---------------|
| Clearing Members | 4381 | 0.06 |
| Foreign Portfolio Investors (Corporate) | 284464 | 3.59 |
| Foreign Portfolio Investors (Individual) | 180 | 0.00 |
| Foreign Promoter Company | 5945761 | 75.00 |
| Government Companies | 22265 | 0.28 |
| Hindu Undivided Family | 58362 | 0.74 |
| Mutual Funds | 378024 | 4.77 |
| Nationalized Banks | 50 | 0 |
| Non Resident Indians (Non Repatriable) | 10110 | 0.13 |
| Non Resident Indians (Repatriable) | 18477 | 0.23 |
| Other Bodies Corporate | 282649 | 3.57 |
| Public | 922959 | 11.64 |
| Total: | 7927682 | 100.00 |

(l) Compliance with the Minimum Public Shareholding Requirement:

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

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

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

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

(iii) Address for correspondence:

In respect of transactions relating to shares:

Link Intime India Pvt. Ltd.

Pune Office:

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road,

Pune - 411001

Tel. (020) 26160084/1629

Telefax (020) 26163503

In respect of any other matter:

ELANTAS Beck India Ltd.

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

Tel: (020) 67190600

For and on behalf of the Board

Mumbai
27 February 2018

Suresh Talwar
Director

Ravindra Kumar
Managing Director

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

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, 2017 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

Mumbai
27 February 2018

Amit Borkar
Partner
Membership No: 109846

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

In accordance with the provisions of Schedule V (D) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 December 2017.

For ELANTAS Beck India Ltd.

Mumbai
27 February 2018
Regd. Office: 147, Mumbai – Pune Road, Pimpri, Pune 411018

Ravindra Kumar
Managing Director

Independent Auditors' Report

TO THE MEMBERS OF
ELANTAS Beck India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ELANTAS Beck India Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on December 31, 2017 taken on record by

Annexure to the Independent Auditors' Report – 31 December 2017 (Continued)

the Board of Directors, none of the directors is disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at December 31, 2017 on its financial position in its financial statements – Refer Note 27 to the financial statements for the year ended December 31, 2017.
 - ii. The Company has long-term contracts as at December 31, 2017 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at December 31, 2017.
 - 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, 2017.

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

Amit Borkar
Partner

Membership Number: 109846

Mumbai
February 27, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of ELANTAS Beck India Limited on the financial statements for the year ended December 31, 2017

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

1. We have audited the internal financial controls over financial reporting of ELANTAS Beck India Limited ("the Company") as of December 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Annexure to the Independent Auditors' Report – 31 December 2017 (Continued)

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Mumbai
February 27, 2018

Amit Borkar
Partner
Membership Number: 109846

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 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, 2017

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

Annexure to the Independent Auditors' Report – 31 December 2017 (Continued)

- 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 service tax, duty of excise, profession tax, local body tax, goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, value added tax, provident fund, employees' state insurance, sales 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 and duty of customs, which have not been deposited on account of any dispute. The particulars of dues of service tax, sales tax, value added tax and duty of excise as at December 31, 2017 which have not been deposited on account of a dispute, are as follows:

| Name of the Statute | Nature of the Dues | Dues Amount (₹ in Lakh) | Amount paid under protest (₹ in Lakh) | Financial year 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 |
| Central Sales Tax Act, 1956 | Demand for non-production of forms | 152.46 | 10.00 | 2006-07 | Dy Commissioner of Sales Tax, Pune |
| | | 20.87 | 6.00 | 2007-08 | Dy Commissioner of Sales Tax, Pune |
| | | 7.08 | 2.50 | 2010-11 | Dy Commissioner of Sales Tax, Pune |
| Finance Act, 1994 | CENVAT credit claimed on the basis of letters | 75.05 | - | 2005-2008 | 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 |
| | CENVAT credit not reversed on exempted services | 2.25 | - | 2015-2017 | Superintendent, Central Tax, Pune |

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

Annexure to the Independent Auditors' Report – 31 December 2017 (Continued)

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

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

Mumbai
February 27, 2018

Amit Borkar
Partner
Membership Number: 109846

Balance Sheet as at 31 December 2017

(Currency : ₹ in lakhs)

| | Note | 2017 | 2016 |
|---|------|-----------|-----------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 792.77 | 792.77 |
| Reserves and surplus | 3 | 26,928.62 | 21,396.13 |
| | | 27,721.39 | 22,188.90 |
| Non-current liabilities | | | |
| Other long term liabilities | 4 | 47.24 | 47.24 |
| Deferred tax liability (net) | 5 | 171.17 | - |
| Long term provisions | 6 | 460.33 | 467.85 |
| | | 678.74 | 515.09 |
| Current liabilities | | | |
| Trade payables | 7 | | |
| (i) Dues to micro and small enterprises (refer note 37) | | 254.37 | 150.71 |
| (ii) Dues to creditors other than micro and small enterprises | | 4,132.80 | 3,975.88 |
| | | 4,387.17 | 4,126.59 |
| Other current liabilities | 8 | 1,669.05 | 1,554.22 |
| Short term provisions | 9 | 262.96 | 754.33 |
| | | 6,319.18 | 6,435.14 |
| | | 34,719.31 | 29,139.13 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| (i) Tangible assets | | 3,952.42 | 3,604.27 |
| (ii) Intangible assets | | 17.68 | 34.61 |
| (iii) Capital work-in-progress | | 1,530.83 | 542.44 |
| | | 5,500.93 | 4,181.32 |
| Deferred tax asset (net) | 5 | - | 86.13 |
| Non-current investments | 11 | 14.69 | 14.69 |
| Long term loans and advances | 12 | 471.33 | 254.61 |
| Other non current assets | 13 | 0.72 | 24.05 |
| | | 5,987.67 | 4,560.80 |
| Current assets | | | |
| Current investments | 14 | 13,784.80 | 10,929.31 |
| Inventories | 15 | 4,488.71 | 5,620.73 |
| Trade receivables | 16 | 7,313.00 | 5,313.79 |
| Cash and bank balances | 17 | 2,195.17 | 1,720.57 |
| Short term loans and advances | 18 | 362.26 | 366.48 |
| Other current assets | 19 | 587.70 | 627.45 |
| | | 28,731.64 | 24,578.33 |
| | | 34,719.31 | 29,139.13 |
| Significant accounting policies | 1 | | |
| The accompanying notes are an integral part of these financial statements | | | |

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

For and on behalf of the Board of Directors

of ELANTAS Beck India Limited

CIN: L24222PN1956PLC134746

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 27 February 2018

Shirish Dabir

Company Secretary

R.L. Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Sanjay Kulkarni

Chief Financial Officer

Mumbai, 27 February 2018

Statement of Profit and Loss for the year ended 31 December 2017

(Currency : ₹ in lakhs)

| | Note | 2017 | 2016 |
|---|------|-----------|-----------|
| Revenue from operations (gross) | 20 | 40,600.46 | 40,974.27 |
| Less : Excise duty (refer note no 20) | | 2,344.00 | 4,449.12 |
| Revenue from operations (net) | | 38,256.46 | 36,525.15 |
| Other income | 21 | 856.78 | 763.73 |
| Total revenue | | 39,113.24 | 37,288.88 |
| Expenses | | | |
| Cost of materials consumed | 22 | 22,722.29 | 21,940.24 |
| Purchases of stock-in-trade | | 24.21 | 38.50 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23 | 742.05 | 9.97 |
| Employee benefits expense | 24 | 2,225.15 | 2,224.65 |
| Finance costs | 26 | 20.89 | 20.54 |
| Depreciation and amortisation expense | 10 | 558.73 | 518.65 |
| Other expenses | 25 | 4,673.46 | 4,447.16 |
| Total expenses | | 30,966.78 | 29,199.71 |
| Profit before tax | | 8,146.46 | 8,089.17 |
| Tax expense | | | |
| Current tax | | 2,400.00 | 2,704.30 |
| Short / (Excess) provision for current tax in respect of earlier years | | (43.33) | 88.84 |
| Deferred tax | | 257.30 | (152.79) |
| | | 2,613.97 | 2,640.35 |
| Profit for the year | | 5,532.49 | 5,448.82 |
| Earning per share - Basic and Diluted (Rs) | 39 | 69.79 | 68.73 |
| (Nominal value per share Rs.10) | | | |
| Significant accounting policies | 1 | | |
| The accompanying notes are an integral part of these financial statements. | | | |

In terms of our report of even date.

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

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

Amit Borkar
Partner
Membership Number.: 109846
Mumbai, 27 February 2018

Shirish Dabir
Company Secretary

R.L. Shenoy
Director
DIN: 00074761

Ravindra Kumar **Sanjay Kulkarni**
Managing Director Chief Financial Officer
DIN: 06755402

Mumbai, 27 February 2018

Cash Flow Statement for the year ended 31 December 2017

(Currency : ₹ in lakhs)

| | Particular | 2017 | 2016 |
|-----------|--|-------------|-------------|
| A. | Cash flow from operating activities : | | |
| | Profits before tax | 8,146.46 | 8,089.17 |
| | Adjustments for: | | |
| | Depreciation and Amortisation | 558.73 | 518.65 |
| | Interest income | (108.21) | (87.24) |
| | (Profit)/ Loss on assets sold/ scrapped (net) | (3.31) | (2.94) |
| | Unrealised loss/(reversal of unrealised loss) on current investments | (4.90) | 6.17 |
| | (Profit)/ Loss on sale of investments | (12.82) | 0.09 |
| | Bad debts and advances written off | 9.85 | 5.69 |
| | Provision for doubtful debts | 33.43 | (5.08) |
| | Finance costs | 20.89 | 20.54 |
| | Dividend income | (532.19) | (449.43) |
| | | (38.53) | 6.45 |
| | Operating profit before working capital changes | 8,107.93 | 8,095.62 |
| | Changes in working capital | | |
| | (increase)/ decrease in trade receivables | (2,042.49) | 248.03 |
| | (increase)/ decrease in inventories | 1,132.02 | (556.18) |
| | (increase)/ decrease in long term loans and advances | 0.13 | 30.50 |
| | (increase)/ decrease in short term loans and advances | 4.22 | (27.33) |
| | (increase)/ decrease in current assets | 49.23 | 24.27 |
| | Increase/(decrease) in current liabilities | 34.10 | (11.26) |
| | Increase/(decrease) in non current liabilities | - | (3.47) |
| | Increase/(decrease) in trade payables | 260.58 | 312.06 |
| | Increase/(decrease) in short term provisions | (23.46) | (24.14) |
| | Increase/(decrease) in long term provisions | (7.52) | 121.34 |
| | Net changes in working capital | (593.19) | 113.82 |
| | Cash generated from operations | 7,514.74 | 8,209.44 |
| | Taxes paid (net of refunds) | (2,443.39) | (2,623.63) |
| | Net cash flow generated from/(used in) operating activities | 5,071.35 | 5,585.81 |
| B. | Cash flow from investing activities : | | |
| | Purchase of fixed assets | (1,965.71) | (532.23) |
| | Sale of fixed assets | 6.48 | 3.70 |
| | Purchase of investments | (23,849.93) | (14,769.60) |
| | Sale of investments | 21,012.16 | 10,234.11 |
| | Fixed deposits placed | (2,873.27) | (1,658.39) |
| | Fixed deposits matured | 2,584.88 | 1,136.00 |
| | Interest received | 102.84 | 82.91 |
| | Dividend received | 532.19 | 449.43 |
| | Net cash flow generated from/(used in) investing activities | (4,450.36) | (5,054.07) |
| C. | Cash flow from financing activities : | | |
| | Interest paid | (21.79) | (22.08) |
| | Dividend paid (including tax on dividend) | (429.37) | (478.62) |
| | Net cash used in financing activities | (451.16) | (500.70) |
| D. | Net increase / (decrease) in cash and cash equivalents | 169.83 | 31.04 |
| | Cash and cash equivalents : | | |
| | At the beginning of the year | 375.15 | 344.11 |
| | At the end of the year | 544.98 | 375.15 |

Cash Flow Statement for the year ended 31 December 2017

(Currency : ₹ in lakhs)

| | Particular | 2017 | 2016 |
|----|--|--------|--------|
| | Notes: | | |
| 1. | Cash and Cash equivalents comprise of: | | |
| | Cash in hand | 1.66 | 0.95 |
| | Balances with banks | | |
| | Balance on current accounts | 543.32 | 374.20 |
| | | 544.98 | 375.15 |
| 2. | The figures in brackets represent outflows of Cash and cash equivalents. | | |
| 3. | Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification. | | |
| 4. | The above cash flow statement is prepared based on Indirect Method set out in Accounting Standard - 3 on "Cash Flow Statements". | | |

The accompanying notes are an integral part of this financial statements

In terms of 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

CIN: L24222PN1956PLC134746

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 27 February 2018

Shirish Dabir

Company Secretary

R.L. Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Sanjay Kulkarni

Chief Financial Officer

Mumbai, 27 February 2018

Notes to the financial statements for the year ended 31 December 2017

1. General Information and Significant accounting policies

General Information

Elantas Beck India Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. It is listed on the Bombay Stock Exchange (BSE). 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.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendations of the National Financial Reporting Authority, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended (the 'Rules'), continue to be applicable. Accordingly, these financial statements have been prepared to comply in all material aspects with accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

1.2 Accounting estimates

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

1.3 Current and non-current classification

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

1.4 Tangible assets and Depreciation

Tangible assets are stated at cost of acquisition or construction less accumulated depreciation. All significant costs relating to the acquisition and installation of Tangible assets are capitalised. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

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

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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

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

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

Notes to the financial statements for the year ended 31 December 2017 (Continued)

The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

1.5 Intangible assets and amortisation

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

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

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

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

A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. 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.

1.6 Impairment of assets

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

1.7 Investments

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

1.8 Inventories

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

1.9 Revenue recognition

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

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

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

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

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

1.10 Employee benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

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

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

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

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

(c) Other Long-term employee benefits

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

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

(d) Termination benefits:

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

1.11 Foreign Currency Transactions

Initial Recognition:

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

Subsequent Recognition:

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

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

1.12 Taxes on Income

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

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

1.13 Earnings per Share (EPS)

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

1.14 Provisions and Contingent Liabilities

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

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

1.15 Leases

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

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

1.16 Cash and cash equivalents

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

1.17 Segment reporting

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

Notes to the financial statements for the year ended 31 December 2017 (Continued)

2. Share capital

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| Authorised : | | |
| 15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each | 1,500.00 | 1,500.00 |
| Issued, subscribed and fully paid-up : | | |
| 7,927,682 (previous year: 7,927,682) equity shares of ₹ 10 each | 792.77 | 792.77 |
| Rights, preferences and restrictions attached to equity shares: | | |
| The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | |
| Reconciliation of the number of shares outstanding at the beginning and at the end of the year : | | |
| Equity Shares outstanding at the beginning and at the end of the year | | |
| Number of shares | 79,27,682 | 79,27,682 |
| Value of shares | 792.77 | 792.77 |
| Equity shares held by Holding Company - Elantas GmbH | | |
| Number of shares | 59,45,761 | 59,45,761 |
| Value of shares | 594.58 | 594.58 |
| Particulars of shareholders holding more than 5% of equity shares: | | |
| Elantas GmbH: | | |
| Number of shares | 59,45,761 | 59,45,761 |
| % holding | 75% | 75% |

3. Reserves and surplus

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| Capital reserve (At the commencement and at the end of the year) | 40.00 | 40.00 |
| Share premium (At the commencement and at the end of the year) | 695.18 | 695.18 |
| General reserve | | |
| At the commencement of the year | 6,179.58 | 5,634.70 |
| Add : Amount transferred from surplus | - | 544.88 |
| | 6,179.58 | 6,179.58 |
| Surplus in the statement of Profit and Loss | | |
| At the commencement of the year | 14,481.37 | 10,008.34 |
| Profit for the current year | 5,532.49 | 5,448.82 |
| Amount available for appropriations | 20,013.86 | 15,457.16 |
| Less : Appropriations | | |
| Proposed dividend (final) (refer note no 42) | - | 356.75 |
| Dividend distribution tax | - | 74.16 |
| Transfer to general reserve | - | 544.88 |
| Net surplus in the statement of profit and loss | 20,013.86 | 14,481.37 |
| | 26,928.62 | 21,396.13 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

4. Other long term liabilities

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|----------------------------|-------|-------|
| Security deposits received | 47.24 | 47.24 |
| | 47.24 | 47.24 |

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|---------|
| Deferred tax liability : | | |
| Depreciation | 547.69 | 290.68 |
| | 547.69 | 290.68 |
| Deferred tax asset : | | |
| Provision for doubtful trade receivables | 20.24 | 8.66 |
| Provision for compensated absences and other employee benefits | 185.86 | 197.70 |
| Other timing differences | 170.42 | 170.45 |
| | 376.52 | 376.81 |
| | 171.17 | (86.13) |

6. Long term provisions

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---------------------------------|--------|--------|
| Provision for employee benefits | | |
| Compensated absences | 381.09 | 357.46 |
| Service awards | 57.55 | 54.99 |
| Gratuity (Refer note no 36) | 4.15 | 39.43 |
| Cash rewards (Refer note no 36) | 17.54 | 15.97 |
| | 460.33 | 467.85 |

7. Trade payables

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|----------|----------|
| Dues to micro and small enterprises (refer note 37) | 254.37 | 150.71 |
| Dues to creditors other than micro and small enterprises | 4,132.80 | 3,975.88 |
| | 4,387.17 | 4,126.59 |

8. Other current liabilities

(Currency : ₹ in lakhs)

| | 2016 | 2015 |
|----------------------------------|----------|----------|
| Unpaid dividends | 85.19 | 88.03 |
| Statutory dues | 466.44 | 479.08 |
| Capital creditors | 337.30 | 252.83 |
| Security deposits from customers | 236.87 | 263.42 |
| Payable to employees | 450.55 | 359.75 |
| Advance from customers | 52.92 | 27.08 |
| Other liabilities | 39.78 | 84.03 |
| | 1,669.05 | 1,554.22 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

9. Short term provisions

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|---------------|
| Provision for employee benefits | | |
| Compensated absences | 33.32 | 42.40 |
| Service awards | 3.70 | 2.66 |
| Cash rewards (Refer note no 35) | 2.23 | 5.85 |
| Provision for sales tax liability | 188.63 | 200.43 |
| Provision for income tax (net of advance tax) | 35.08 | 73.62 |
| Proposed dividend (refer note no 42) | - | 356.75 |
| Dividend distribution tax | - | 72.62 |
| | 262.96 | 754.33 |
| Provision for sales tax liability: The Company has made a provision on account of additional sales tax liability (including interest) on account of sales tax matters in process under the Central Sales Tax Act, 1956. | | |
| At the commencement of the year | 200.43 | 220.82 |
| Provisions made during the year | - | - |
| Provisions utilised during the year | (11.80) | (20.39) |
| Provisions reversed during the year | - | - |
| At the end of the year | 188.63 | 200.43 |

10. Fixed assets

(Currency : ₹ in lakhs)

| Particulars | Gross block (at cost) | | | | | Depreciation and amortisation | | | | | Net block | |
|--------------------------|-----------------------|---------------|----------------------|----------------------------------|-------------------|-------------------------------|---------------|----------------------|----------------------------------|-------------------|-------------------|--|
| | As at 1 Jan 2017 | Additions | Deductions/write off | Transfer to assets held for sale | As at 31 Dec 2017 | As at 1 Jan 2017 | For the year | Deductions/write off | Transfer to assets held for sale | As at 31 Dec 2017 | As at 31 Dec 2017 | |
| Tangible assets | | | | | | | | | | | | |
| Freehold land | 3.63 | - | - | - | 3.63 | - | - | - | - | - | 3.63 | |
| Leasehold land | 11.27 | - | - | - | 11.27 | 3.21 | 0.20 | - | - | 3.41 | 7.86 | |
| Buildings & roads | 2,256.05 | - | - | - | 2,256.05 | 534.34 | 61.27 | - | - | 595.61 | 1,660.44 | |
| Plant and equipment | 4,439.35 | 705.94 | 0.25 | - | 5,145.04 | 3,130.11 | 257.78 | 0.05 | - | 3,387.84 | 1,757.20 | |
| Office equipment | 442.02 | 54.93 | 4.25 | - | 492.70 | 334.45 | 50.62 | 3.33 | - | 381.74 | 110.96 | |
| Computers | 479.65 | 113.37 | 4.24 | - | 588.78 | 437.09 | 61.68 | 3.98 | - | 494.79 | 93.99 | |
| Furniture and fixtures | 442.80 | - | 2.88 | - | 439.92 | 188.87 | 41.48 | 1.09 | - | 229.26 | 210.66 | |
| Motor vehicles | 350.19 | 10.45 | 21.54 | - | 339.10 | 192.62 | 60.34 | 21.54 | - | 231.42 | 107.68 | |
| | 8,424.96 | 884.69 | 33.16 | - | 9,276.49 | 4,820.69 | 533.37 | 29.99 | - | 5,324.07 | 3,952.42 | |
| Intangible assets | | | | | | | | | | | | |
| Goodwill | 105.36 | - | - | - | 105.36 | 105.36 | - | - | - | 105.36 | - | |
| Technical Know-How | 743.71 | - | - | - | 743.71 | 743.71 | - | - | - | 743.71 | - | |
| Trademarks | 222.32 | - | - | - | 222.32 | 222.32 | - | - | - | 222.32 | - | |
| Computer Software | 123.61 | 8.43 | - | - | 132.04 | 89.00 | 25.36 | - | - | 114.36 | 17.68 | |
| | 1,195.00 | 8.43 | - | - | 1,203.43 | 1,160.39 | 25.36 | - | - | 1,185.75 | 17.68 | |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

10. Fixed assets (Continued)

(Currency : ₹ in lakhs)

| Particulars | Gross block (at cost) | | | | | Depreciation and amortisation | | | | | Net block | |
|--------------------------|-----------------------|---------------|----------------------|---|-------------------|-------------------------------|---------------|----------------------|---|-------------------|-------------------|--|
| | As at 1 Jan 2016 | Additions | Deductions/write off | Transfer to assets held for sale (refer note no.43) | As at 31 Dec 2016 | As at 1 Jan 2016 | For the year | Deductions/write off | Transfer to assets held for sale (refer note no.43) | As at 31 Dec 2016 | As at 31 Dec 2016 | |
| Tangible assets | | | | | | | | | | | | |
| Freehold land | 354.83 | - | - | 351.20 | 3.63 | - | - | - | - | - | 3.63 | |
| Leasehold land | 11.27 | - | - | - | 11.27 | 3.01 | 0.20 | - | - | 3.21 | 8.06 | |
| Buildings & roads | 2,507.93 | 3.58 | - | 255.46 | 2,256.05 | 554.56 | 65.36 | - | 85.58 | 534.34 | 1,721.71 | |
| Plant and equipment | 4,348.48 | 91.21 | 0.34 | - | 4,439.35 | 2,898.83 | 231.97 | 0.69 | - | 3,130.11 | 1,309.24 | |
| Office equipment | 406.62 | 37.52 | 2.12 | - | 442.02 | 266.20 | 69.71 | 1.46 | - | 334.45 | 107.57 | |
| Computers | 465.71 | 14.39 | 0.45 | - | 479.65 | 410.15 | 26.94 | - | - | 437.09 | 42.56 | |
| Furniture and fixtures | 435.33 | 7.47 | - | - | 442.80 | 146.77 | 42.10 | - | - | 188.87 | 253.93 | |
| Motor vehicles | 328.26 | 38.72 | 16.79 | - | 350.19 | 152.00 | 57.41 | 16.79 | - | 192.62 | 157.57 | |
| | 8,858.43 | 192.89 | 19.70 | 606.66 | 8,424.96 | 4,431.52 | 493.69 | 18.94 | 85.58 | 4,820.69 | 3,604.27 | |
| Intangible assets | | | | | | | | | | | | |
| Goodwill | 105.36 | - | - | - | 105.36 | 105.36 | - | - | - | 105.36 | - | |
| Technical Know-How | 743.71 | - | - | - | 743.71 | 743.71 | - | - | - | 743.71 | - | |
| Trademarks | 222.32 | - | - | - | 222.32 | 222.32 | - | - | - | 222.32 | - | |
| Computer Software | 116.63 | 6.98 | - | - | 123.61 | 64.04 | 24.96 | - | - | 89.00 | 34.61 | |
| | 1,188.02 | 6.98 | - | - | 1,195.00 | 1,135.43 | 24.96 | - | - | 1,160.39 | 34.61 | |

11. Non-current investments

Non trade investments

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|---------------|--------|
| Unquoted: (at cost) | | |
| 146,365 (previous year : 146,365) equity shares of ₹ 10 each fully paid up in Narmada Clean Tech Ltd | 14.64 | 14.64 |
| 33,604 (previous year : 33,604) equity shares of ₹10 each fully paid-up in Roplas (India) Limited. | 2.35 | 2.35 |
| Less : Provision for diminution in value of investment | (2.35) | (2.35) |
| Quoted (at cost) | | |
| 50 (previous year 50) equity shares of State Bank of India of ₹ 10 each fully paid-up at a premium of ₹ 90 per equity share | 0.05 | 0.05 |
| | 14.69 | 14.69 |
| Quoted non current investments | | |
| Aggregate book value | 0.05 | 0.05 |
| Aggregate market value | 0.15 | 0.12 |
| Unquoted non current investments | | |
| Aggregate book value | 16.99 | 16.99 |
| Aggregate provision for diminution in value of investments | (2.35) | (2.35) |
| Aggregate carrying amount | 14.64 | 14.64 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|--------|
| To parties other than related parties | | |
| Capital advances | 210.41 | 41.74 |
| Security deposits | 173.30 | 168.49 |
| Advance tax (net of provisions) | 51.21 | 3.03 |
| Housing loans given to employees | - | 0.67 |
| Other deposits | 20.18 | 20.18 |
| To related parties | | |
| Housing loan given to employees | | |
| Mr Sanjay Kulkarni | 13.60 | 16.69 |
| Mr Shirish Dabir | 2.63 | 3.81 |
| | 471.33 | 254.61 |

13. Other non current assets

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-------------|-------|
| Bank deposits (with maturity more than 12 months) | 0.65 | 19.87 |
| Interest accrued but not due | 0.07 | 4.81 |
| | 0.72 | 24.05 |
| Out of the Bank deposits mentioned above ₹ 0.65 lakhs (previous year ₹ 0.65 lakhs) are given as security for Bank Guarantee for a period more than one year. | | |

14. Current investments

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|----------|----------|
| Non trade investments | | |
| Investments in mutual funds (Unquoted) : valued at lower of cost and market value | | |
| 'Nil units (previous year 1,182,292.32) of Birla Sun Life Saving Fund-Daily Dividend of face value ₹ 100 per unit. | - | 1,190.51 |
| Nil units (previous year 83,075.70) of HDFC Liquid Fund-DDR_2 of face value ₹ 1000 per unit. | - | 847.22 |
| Nil units (previous year 8,042.45) of IDFC Cash Fund - Regular Plan-DDR of face value ₹ 1000 per unit. | - | 80.46 |
| 17,068,958.39 units (previous year 10,500,554.4) of IDFC UST Fund - Regular Plan-DDR of face value ₹ 10 per unit. | 1,715.54 | 1,054.02 |
| 82,651.20 units (previous year 9,896.17) of Reliance Liquid Fund-TP-DDR of face value ₹ 1000 per unit. | 1,263.52 | 151.29 |
| Nil units (previous year 8,732,314.07) of Reliance Short Term Fund-MDR of face value ₹ 10 per unit. | - | 960.24 |
| Nil units (previous year 15,975.06) of ICICI Prudential Liquid RP DDR of face value ₹ 100 per unit. | - | 15.99 |
| Nil units (previous year 8,883,884.73) of ICICI Prudential Short Term RP MDR of face value ₹ 10 per unit. | - | 1,078.05 |
| 131,802.41 units (previous year 81,808.58) of DSP Liquid Fund-Inst-DDR of face value ₹ 1000 per unit. | 1,319.09 | 818.75 |
| Nil units (previous year 10,781,034.76) of KOTAK Bond-ST-MDR of face value ₹ 10 per unit. | - | 1,090.15 |
| 30,343.43 units (previous year 2,736.1) of KOTAK Liq. Scheme Plan A-DDR of face value ₹ 1000 per unit. | 371.05 | 33.46 |
| 7,815,554.76 units (previous year 7,650,785.77) of TATA Short Term Bond Fund - Plan A of face value ₹ 10 per unit. | 1,094.69 | 1,070.04 |
| 179,552.70 units (previous year 132,110.69) of UTI Treasury Adv. Fund-IP-DDR of face value Rs.1000 per unit, | 1,799.69 | 1,324.60 |
| Nil units (previous year 120,617.93) of SBI Short Term Debt Fund-Regular Plan-DDR of face value Rs.1000 per unit. | - | 1,214.53 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

14. Non trade Investments (Continued)

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| 1,456,352.65 units (previous year Nil) of Birla Sun Life Cash Plus-RP-Daily Dividend face value Rs.100 per unit. | 1,459.19 | - |
| 6,389,203.55 units (previous year Nil) of 'DHFL Pramerica Ust Fund -DDR face value Rs.10 per unit | 640.22 | - |
| 1,497,382.58 units (previous year Nil) of 'ICICI Prudential Money Market Fund- DDR face value Rs.100 per unit. | 1,499.32 | - |
| 15,302,780.23 units (previous year Nil) of 'KOTAK Treasury Advantage Fund-DDR face value Rs.10 per unit. | 1,542.49 | - |
| 106,742.78 units (previous year Nil) of 'L&T Liquid Fund - DDR face value Rs.1000 per unit. | 1,080.00 | - |
| | 13,784.80 | 10,929.31 |

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|----------|----------|
| Raw materials (including Goods in transit ₹ 131.84 lakhs (previous year ₹ 437.71 lakhs) | 2,550.73 | 2,568.02 |
| Intermediates and work-in-progress | 274.22 | 390.28 |
| Packing materials | 140.99 | 127.31 |
| Stores | 116.15 | 121.80 |
| Stock in trade | 7.86 | 2.98 |
| Finished goods | 1,398.76 | 2,410.34 |
| | 4,488.71 | 5,620.73 |

16. Trade receivables

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|----------|----------|
| <i>(unsecured)</i> | | |
| Over six months : from the date they became due for payment | | |
| Considered good | 52.75 | 82.37 |
| Considered doubtful | 55.52 | 24.04 |
| Less : Provision for doubtful receivables | (55.52) | (24.04) |
| | 52.75 | 82.37 |
| Other debts : | | |
| Considered good | 7,260.25 | 5,231.42 |
| Considered doubtful | 2.95 | 1.00 |
| Less : Provision for doubtful receivables | (2.95) | (1.00) |
| | 7,260.25 | 5,231.42 |
| | 7,313.00 | 5,313.79 |

17. Cash and bank balances

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|----------|----------|
| Cash and cash equivalents | | |
| Cash in hand | 1.66 | 0.95 |
| Balances with banks | | |
| Balance on current accounts | 543.32 | 374.20 |
| | 544.98 | 375.15 |
| Other bank balances | | |
| Unpaid dividend (restricted) | 85.19 | 88.03 |
| Balance on deposit accounts | 1,565.00 | 1,257.39 |
| (With original maturity of more than 3 months but less than 12 months) | | |
| | 2,195.17 | 1,720.57 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|--------|
| To parties other than related parties | | |
| Advance for supply of goods and services | 164.94 | 66.37 |
| Prepaid expenses | 136.36 | 125.20 |
| Current maturities of housing loans to employees | 0.66 | 1.09 |
| Other employee advances | 4.25 | 4.98 |
| Unutilised DEPB licenses | 7.62 | 17.59 |
| Balances with government authorities | 44.24 | 147.22 |
| To related parties | | |
| Current maturities of long term housing loans to employees | | |
| Mr Sanjay Kulkarni | 3.01 | 2.88 |
| Mr Shirish Dabir | 1.18 | 1.15 |
| | 362.26 | 366.48 |

19. Other current assets

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|--------|
| Assets held for sale (refer note no. 43) | 521.08 | 521.08 |
| Interest accrued but not due | 27.17 | 17.69 |
| Other receivables | 39.45 | 88.68 |
| | 587.70 | 627.45 |

20. Revenue from operations

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|------------------|-----------|
| Sale of products | | |
| Finished goods | 40,353.58 | 40,796.20 |
| Traded goods | 36.77 | 74.82 |
| Sale of products (gross) | 40,390.35 | 40,871.02 |
| Less : Excise duty # | 2,344.00 | 4,449.12 |
| Sale of products (net) | 38,046.35 | 36,421.90 |
| Other operating revenue | | |
| Sale of raw materials | 24.66 | 17.99 |
| Sale of scrap | 185.45 | 85.26 |
| | 210.11 | 103.25 |
| | 38,256.46 | 36,525.15 |
| Break up of sale of products (net) | | |
| Wire enamels and Impregnating varnishes | 27,975.44 | 26,969.32 |
| Synthetic resins | 10,034.14 | 9,377.76 |
| Trading - Synthetic resins | 36.77 | 74.82 |
| Total | 38,046.35 | 36,421.90 |

In accordance with requirements of Accounting Standard 9 - Revenue recognition and Schedule III (I) of Companies Act 2013, sale of products (gross) for the year ended December 2017 is net of Goods & Services Tax (GST). However sale of products (gross) for six months ended June 2017 and year ended December 2016 is inclusive of Excise duty.

Notes to the financial statements for the year ended 31 December 2017 (Continued)

21. Other Income

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|---------------|
| Interest Income | 108.21 | 87.24 |
| Dividend Income on current investments | 532.19 | 449.43 |
| Gain (net) on sale of current investments | 12.82 | - |
| Net gain on account of foreign exchange fluctuations | 31.45 | - |
| Rental income from letting out of property | 56.30 | 60.12 |
| Export benefits (including Deemed Exports) | 11.91 | 27.83 |
| Gain on DEPBB license | 23.70 | 16.52 |
| Profit on sale of fixed assets (net) | 3.31 | 2.94 |
| Royalty and commission | 18.14 | 15.46 |
| Provisions no longer required written back | - | 5.08 |
| Miscellaneous income | 58.75 | 99.11 |
| | 856.78 | 763.73 |

22. Cost of materials consumed

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|------------------|------------------|
| Consumption of raw materials: | | |
| Inventory at the beginning of the year | 2,568.02 | 2,021.00 |
| Purchases | 21,086.46 | 20,996.60 |
| Inventory at the end of the year | 2,550.73 | 2,568.02 |
| | 21,103.75 | 20,449.58 |
| Consumption of packing materials | | |
| Inventory at the beginning of the year | 127.31 | 116.54 |
| Purchases | 1,632.22 | 1,501.43 |
| Inventory at the end of the year | 140.99 | 127.31 |
| | 1,618.54 | 1,490.66 |
| | 22,722.29 | 21,940.24 |
| Break up of cost of raw materials consumed | | |
| Consumption value | | |
| Synthetic resins | 3,391.62 | 3,232.46 |
| Solvents | 7,417.55 | 7,358.71 |
| Organic chemicals | 9,184.73 | 8,883.79 |
| Others | 1,109.85 | 974.62 |
| | 21,103.75 | 20,449.58 |
| Break-up of inventory-raw materials | | |
| Synthetic Resins | 486.76 | 385.95 |
| Solvents | 612.34 | 718.63 |
| Organic Chemicals | 1,176.01 | 1,234.72 |
| Others | 275.62 | 228.72 |
| | 2,550.73 | 2,568.02 |

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|------------------------------------|-----------------|-----------------|
| Opening stock : | | |
| Intermediates and work-in-progress | 390.28 | 449.16 |
| Stock in trade | 2.98 | 6.87 |
| Finished goods | 2,410.34 | 2,346.76 |
| | 2,803.60 | 2,802.79 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

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

| | 2017 | 2016 |
|--|----------|----------|
| Closing stock : | | |
| Intermediates and work-in-progress | 274.22 | 390.28 |
| Stock in trade | 7.86 | 2.98 |
| Finished goods | 1,398.76 | 2,410.34 |
| | 1,680.84 | 2,803.60 |
| Add: Excise duty on increase / (decrease) in Inventories | (380.71) | 10.78 |
| | 742.05 | 9.97 |
| Changes in inventory of finished goods, work-in-progress and stock in trade | | |
| Finished goods | | |
| Opening stock | | |
| Wire enamels and Impregnating varnishes | 1,693.09 | 1,715.19 |
| Synthetic resins | 717.25 | 631.57 |
| Total | 2,410.34 | 2,346.76 |
| Closing stock | | |
| Wire enamels and Impregnating varnishes | 835.33 | 1,693.09 |
| Synthetic resins | 563.43 | 717.25 |
| Total | 1,398.76 | 2,410.34 |
| | | |
| Intermediates and work-in-progress | | |
| Opening stock | | |
| Wire enamels and Impregnating varnishes | 237.44 | 332.71 |
| Synthetic resins | 152.84 | 116.45 |
| Total | 390.28 | 449.16 |
| Closing stock | | |
| Wire enamels and Impregnating varnishes | 123.48 | 237.44 |
| Synthetic resins | 150.74 | 152.84 |
| Total | 274.22 | 390.28 |
| | | |
| Stock in trade | | |
| Opening stock | | |
| Synthetic resins | 2.98 | 6.87 |
| Total | 2.98 | 6.87 |
| Closing stock | | |
| Synthetic resins | 7.86 | 2.98 |
| Total | 7.86 | 2.98 |

24. Employee benefit expenses

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|----------|----------|
| Salaries, wages and bonus | 1,850.84 | 1,720.05 |
| Contribution to provident and other funds | 186.90 | 171.19 |
| Staff welfare expenses | 168.89 | 157.18 |
| Compensated absences | 14.55 | 66.97 |
| Other employee benefits | 3.97 | 109.26 |
| | 2,225.15 | 2,224.65 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

25. Other expenses

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------------|-----------------|
| Consumption of stores and spare parts | 181.33 | 168.26 |
| Power and fuel | 738.63 | 628.04 |
| Delivery charges | 1,069.20 | 1,064.16 |
| Rent | 10.59 | 12.86 |
| Rates and taxes | 128.45 | 151.83 |
| Insurance | 62.44 | 65.63 |
| Repairs to Bulding | 2.19 | 2.97 |
| Repairs to Machinery | 296.48 | 243.33 |
| Repairs others | 30.73 | 34.75 |
| Repacking charges | 95.04 | 110.44 |
| Royalty | 143.20 | 142.10 |
| Travelling | 163.51 | 149.48 |
| IT allocation charges | 192.08 | 131.76 |
| Sharing of Global R & D expenses | 86.19 | 64.48 |
| Sitting fees to Directors | 14.94 | 14.46 |
| Bad debts and advances written off | 9.85 | 5.69 |
| Provision for doubtful debts | 33.43 | - |
| Commission on sales | 5.03 | 14.80 |
| Legal and professional charges * | 275.17 | 251.67 |
| Net loss on account of foreign exchange fluctuations | - | 19.77 |
| Corporate social responsibility expenses (refer note no. 44) | 122.73 | 91.31 |
| Miscellaneous expenses | 1,012.25 | 1,079.37 |
| | 4,673.46 | 4,447.16 |
| | | |
| * include Payment to auditors | | |
| As auditors | | |
| Statutory audit | 21.00 | 17.00 |
| Limited review of quarterly results | 10.50 | 5.00 |
| In other capacity | | |
| Other audit services | 3.50 | 3.50 |
| Reimbursement of expenses | | |
| As auditors | 3.48 | 2.00 |
| In other capacity | 0.18 | 0.46 |
| | 38.66 | 27.96 |

26. Finance costs

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------------|--------------|
| Interest to bank on cash credit facilities | 0.01 | 0.06 |
| Other interest | 20.88 | 20.48 |
| | 20.89 | 20.54 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

27. Contingent liabilities not provided for

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|--------|
| a) Excise duty matters | 278.10 | 127.28 |
| b) Sales tax matters | 19.46 | 183.93 |
| Note: | | |
| 1. During the year, the Company has 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. The Company is in the process of evaluating further action in respect of the same and does not expect a significant impact on the financial statements on account of the matter. | | |
| 2. The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for cases where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. | | |

28. Capital and Other Commitments

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|--------|
| Estimated amounts of contracts remaining to be executed on capital account (net of advances) | 890.03 | 297.36 |

29. Value of imports on CIF basis

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|------------------|----------|----------|
| a) Raw material | 5,205.84 | 5,655.65 |
| b) Capital goods | 219.22 | - |
| c) Traded goods | - | 16.20 |
| | 5,425.06 | 5,671.85 |

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| Sourcewise breakup of raw materials, stores and spare parts consumed | | |
| a) Raw Materials (value) | | |
| Imported (including High Sea purchases) | 6,651.82 | 7,427.57 |
| Indigenously procured | 14,451.93 | 13,022.01 |
| | 21,103.75 | 20,449.58 |
| Raw Materials (%) | | |
| Imported | 32% | 36% |
| Indigenously procured | 68% | 64% |
| | 100% | 100% |
| b) Packing Materials (value) | | |
| Indigenously procured | 1,618.54 | 1,490.66 |
| | 1,618.54 | 1,490.66 |
| Packing Materials (%) | | |
| Indigenously procured | 100% | 100% |
| | 100% | 100% |
| c) Stores and spare parts (value) | | |
| Indigenously procured | 181.33 | 168.26 |
| | 181.33 | 168.26 |
| Stores and spare parts (%) | | |
| Indigenously procured | 100% | 100% |
| | 100% | 100% |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

31. Expenditure in foreign currencies (on accrual basis)

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--------------------------------------|---------------|--------|
| a) Royalty | 143.20 | 142.10 |
| b) Commission on exports | 5.03 | 14.80 |
| c) IT allocation charges | 192.08 | 131.76 |
| d) Sharing of Global R&D expenses | 86.19 | 64.48 |
| e) Consultancy charges (Capitalised) | 172.74 | - |
| f) Others | 179.22 | 125.49 |
| | 778.46 | 478.63 |

32. Dividend remittances in foreign currency

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| a) Number of non-resident shareholders to whom remittance was made | 1 | 1 |
| b) Number of shares on which remittance was made | 59,45,761 | 59,45,761 |
| c) Net amount remitted | | |
| Dividend for 2015 | - | 297.28 |
| Dividend for 2016 | 267.56 | - |

33. Earnings in foreign currencies (on accrual basis)

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|------------------------------------|---------------|-----------------|
| On account of exports at FOB value | 846.34 | 1,003.46 |
| Royalty | 6.66 | 6.87 |
| Commission | 11.48 | 8.59 |
| | 864.48 | 1,018.92 |

34. Research and development expenses

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------------|--------|
| a) Expenses of revenue nature (debited to Statement of profit and loss) | 363.53 | 337.91 |
| b) Expenses of capital nature (shown as addition to fixed assets and CWIP) | 840.12 | 74.09 |
| | 1,203.65 | 412.00 |

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

35. Segment reporting

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

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

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

Notes to the financial statements for the year ended 31 December 2017 (Continued)

35.1 Primary Business Segments

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|------------------|------------------|
| 1. Segmentwise revenue | | |
| a) Electrical Insulations | 31,185.73 | 30,121.06 |
| b) Engineering and Electronic Resins and Materials | 7,177.41 | 6,563.67 |
| Total | 38,363.14 | 36,684.73 |
| 2. Other unallocable income | 750.10 | 604.15 |
| Net sales / Income from operations (including other income) (1 + 2) | 39,113.24 | 37,288.88 |
| 3. Segment results Profit (+) / Loss (-) before tax and interest | | |
| a) Electrical Insulations | 6,285.32 | 6,390.38 |
| b) Engineering and Electronic Resins and Materials | 1,489.40 | 1,415.18 |
| Total | 7,774.72 | 7,805.56 |
| 4. Interest | 20.89 | 20.54 |
| 5. Other unallocable expenditure | 357.47 | 300.00 |
| 6. Profit before tax | 8,146.46 | 8,089.17 |
| Tax expense | 2,613.97 | 2,640.35 |
| 7. Profit after tax | 5,532.49 | 5,448.82 |
| Other information | | |
| 8. Segment assets | | |
| a) Electrical Insulations | 14,698.31 | 13,619.79 |
| b) Engineering and Electronic Resins and Materials | 3,551.44 | 2,693.39 |
| c) Other unallocable | 16,469.56 | 12,825.95 |
| Total | 34,719.31 | 29,139.13 |
| 9. Segment liabilities | | |
| a) Electrical Insulations | 5,076.55 | 4,797.91 |
| b) Engineering and Electronic Resins and Materials | 1,147.11 | 964.86 |
| c) Other unallocable | 774.26 | 1,187.46 |
| Total | 6,997.92 | 6,950.23 |
| 10. Capital expenditure | | |
| a) Electrical Insulations | 642.69 | 140.00 |
| b) Engineering and Electronic Resins and Materials | 250.27 | 52.59 |
| c) Other unallocable | 988.55 | 526.47 |
| Total | 1,881.51 | 719.06 |
| 11. Depreciation / Amortisation | | |
| a) Electrical Insulations | 408.97 | 372.52 |
| b) Engineering and Electronic Resins and Materials | 109.66 | 99.50 |
| c) Other unallocable | 40.10 | 46.63 |
| Total | 558.73 | 518.65 |

35.2 Secondary Business Segments

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|------------------|------------------|
| 1. Revenue | | |
| India | 37,516.52 | 35,617.25 |
| Outside India | 846.62 | 1,067.48 |
| Total | 38,363.14 | 36,684.73 |
| 2. Segment assets (only trade receivables) | | |
| India | 7,191.74 | 5,132.06 |
| Outside India | 121.26 | 181.73 |
| Total | 7,313.00 | 5,313.79 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

36. Employee benefits :

a) Defined contribution plans

Amount of ₹ 88.96 lacs (previous year : 81.03 lacs) is recognised as an expense towards provident fund & ₹ 97.87 lacs (previous year : 89.95 lacs) is recognised as an expense towards superannuation and included in the 'Contributions to provident and other funds' under note no 24.

b) Defined benefit plan (Gratuity)

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

c) Defined benefit plan (Cash rewards at retirement)

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

(Currency : ₹ in lakhs)

| | Gratuity | | Cash rewards | |
|---|----------------|---------------|---------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| I) Reconciliation of opening and closing balance of obligations | | | | |
| Liability at the beginning of the year | 458.44 | 408.87 | 21.82 | 20.46 |
| Current service cost | 34.45 | 27.13 | 1.06 | 0.93 |
| Past service cost | - | - | - | - |
| Interest cost | 27.39 | 29.32 | 1.25 | 1.41 |
| Benefits paid | (56.30) | (62.98) | (3.70) | (1.88) |
| Actuarial (gain) / loss on obligations | (29.49) | 56.10 | (0.66) | 0.90 |
| Liability at the end of the year | 434.49 | 458.44 | 19.77 | 21.82 |
| II) Reconciliation of opening and closing balance of fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of the year | 419.01 | 431.63 | - | - |
| Expected return on plan assets | 25.91 | 32.07 | - | - |
| Contributions by the employer (refer note no 5 below) | 33.99 | 34.00 | - | - |
| Benefits paid | (56.30) | (62.98) | - | - |
| Actuarial gain / (loss) on plan assets | 7.73 | (15.71) | - | - |
| Fair value of plan assets at the end of the year | 430.34 | 419.01 | - | - |
| III) Net actuarial (gain) / loss | | | | |
| Actuarial (gain) / loss on Obligations | (29.49) | 56.10 | (0.66) | 0.90 |
| Actuarial gain / (loss) on Plan Assets | 7.73 | (15.71) | - | - |
| Net actuarial (gain) / loss | (37.22) | 71.81 | (0.66) | 0.90 |
| IV) Amount recognised in the Balance sheet | | | | |
| Defined benefit obligation as at end of the year | 434.49 | 458.44 | 19.77 | 21.82 |
| Fair Value of plan assets at the end of the year | 430.34 | 419.01 | - | - |
| Net Liability / (Asset) | 4.15 | 39.43 | 19.77 | 21.82 |
| V) Expense recognised in Statement of Profit and loss | | | | |
| Current service cost | 34.45 | 27.13 | 1.06 | 0.93 |
| Interest cost | 27.39 | 29.32 | 1.25 | 1.41 |
| Expected return on plan assets | (25.91) | (32.07) | - | - |
| Net Actuarial (gain) / loss | (37.22) | 71.81 | (0.66) | 0.90 |
| Total expenses included in "Employee benefit expense" under Note 24 | (1.29) | 96.19 | 1.65 | 3.24 |
| VI) Actual return on plan assets | | | | |
| Expected return on plan assets | 25.91 | 32.07 | - | - |
| Actuarial gain on plan assets | 7.73 | (15.71) | - | - |
| Actual return on plan assets | 33.64 | 16.36 | - | - |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

36. Employee benefits (Continued)

(Currency : ₹ in lakhs)

| VII) Principal actuarial assumptions | | | | | |
|--|----------------|-------------|-------------|-------------|-------------|
| Discount rate | 7.10% | 6.60% | 7.10% | 6.60% | |
| Expected return on plan assets | 7.10% | 6.60% | NA | NA | |
| Salary escalation rate | 10.50% | 10.50% | 10.50% | 10.50% | |
| VIII) Other disclosures - Gratuity | 2017 | 2016 | 2015 | 2014 | 2013 |
| Liability at the end of the year | 434.49 | 458.44 | 408.87 | 485.81 | 574.46 |
| Fair value of plan assets at the end of the year. | 430.34 | 419.01 | 431.63 | 529.98 | 582.92 |
| Amount recognised in Balance Sheet | 4.15 | 39.43 | (22.76) | (44.17) | (8.46) |
| Experience adjustments on liability | (14.02) | 15.43 | 22.52 | (59.02) | 9.00 |
| Experience adjustments on plan assets | 7.73 | (15.71) | 5.29 | 3.64 | 1.22 |
| IX) Other disclosures - Cash rewards at retirement | | | | | |
| Liability at the end of the year | 19.77 | 21.82 | 20.46 | 27.26 | 29.23 |
| Experience adjustments on liability | 0.03 | (0.90) | 3.14 | (0.63) | 0.09 |
| d) Notes : | | | | | |
| 1) The plan assets comprise entirely of "Insurer Managed Funds". | | | | | |
| 2) The expected return on plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of related obligations. | | | | | |
| 3) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on a long term basis. | | | | | |
| 4) Changes enacted before the Balance Sheet date are considered while determining the obligation. | | | | | |
| 5) Expected Employer's contribution in next year ₹ 31.00 lacs (Previous year ₹ 34.00 lacs). | | | | | |

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|-------------|
| 1. The principal amount and the interest due thereon remaining unpaid to suppliers as at the end of year. | | |
| a) Principal amount due to micro and small enterprises | 254.37 | 150.71 |
| b) Interest due on above | 0.59 | 1.12 |
| 2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | | |
| a) Payments made to suppliers beyond the appointed date | 877.66 | 917.49 |
| b) Interest paid on above | - | - |
| 3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | 2.25 | 3.15 |
| 4. The amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| a) Year 2016 | - | 4.27 |
| b) Year 2017 | 2.84 | - |
| The company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/ or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006. | | |

38. Related party disclosures

38.1 A. List of related parties and relationship

Where control exists

SKion GmbH

ALTANA AG

ALTANA Chemie GmbH

ELANTAS GmbH

**Holding company of Altana AG
(Ultimate Holding Company)**

Holding company of Altana Chemie GmbH

Holding company of ELANTAS GmbH

Holding company (75.00%)

Notes to the financial statements for the year ended 31 December 2017 (Continued)

38.1 A. List of related parties and relationships (Continued)

Others

| | |
|------------------------------------|-------------------|
| BYK-Chemie GmbH | Fellow Subsidiary |
| ELANTAS PDG Inc. | Fellow Subsidiary |
| ELANTAS Europe s.r.l. | Fellow Subsidiary |
| ELANTAS Tongling Co Ltd | Fellow Subsidiary |
| ELANTAS Zhuhai Co., Ltd. | Fellow Subsidiary |
| BYK Chemie Asia Pacific PTE Ltd | Fellow Subsidiary |
| ELANTAS Europe GmbH | Fellow Subsidiary |
| ELANTAS Malaysia Sdn Bhd | Fellow Subsidiary |
| BYK Asia Pacific Singapore Pte Ltd | Fellow Subsidiary |
| Eckart Asia Ltd | Fellow Subsidiary |

B. Transactions with related parties

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|--------|
| 1. Summary of transactions | | |
| a) Sale of goods | 302.87 | 299.33 |
| b) Commission (Income) | 11.48 | 8.59 |
| c) Commission (Paid) | 5.40 | 9.42 |
| d) Reimbursements received | 392.76 | 313.78 |
| e) Purchases of raw material | 19.31 | 29.16 |
| f) Services received | 445.32 | 225.92 |
| g) Rental income | 56.12 | 54.72 |
| h) Royalty expense | 137.82 | 142.10 |
| i) Royalty income | 6.66 | 6.87 |
| j) IT allocation charges | 192.08 | 131.76 |
| k) Dividend payable | - | 267.56 |
| 2. Related party- wise transactions | | |
| a) ALTANA AG | | |
| Services received | 39.98 | 36.29 |
| Reimbursements received | 10.66 | - |
| b) ELANTAS GmbH | | |
| Reimbursements received | 68.98 | 46.45 |
| Services received | 353.24 | 152.67 |
| Dividend payable | - | 267.56 |
| Royalty expense | 58.90 | 55.50 |
| c) ELANTAS Europe s.r.l. | | |
| Commission (Income) | 11.48 | 8.59 |
| Reimbursements received | 1.00 | 0.44 |
| Purchases of raw material | 7.40 | 17.94 |
| Services received | 9.24 | 16.13 |
| Royalty expense | 62.95 | 64.84 |
| d) ELANTAS PDG Inc. | | |
| Reimbursements received | 0.78 | - |
| Purchases of raw material | - | 6.17 |
| Services received | 16.44 | 15.71 |
| Royalty expense | 15.97 | 21.76 |
| e) BYK-Chemie GmbH | | |
| Reimbursements received | 0.78 | - |
| Services received | 26.42 | - |
| IT allocation charges | 192.08 | 131.76 |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

38. Related party disclosures (continued)

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|---------------|---------------|
| f) BYK Chemie Asia Pacific PTE Ltd | | |
| Reimbursements received | 5.25 | 6.19 |
| Rental income | 56.12 | 54.72 |
| g) ELANTAS Tongling Co Ltd | | |
| Sale of goods | 235.41 | 194.49 |
| Purchases of raw material | 2.54 | 5.05 |
| h) ELANTAS Zhuhai Co., Ltd. | | |
| Sale of goods | 52.22 | 96.06 |
| Royalty income | 6.66 | 6.87 |
| i) Eckart Asia Ltd | | |
| Reimbursements received | 249.25 | 212.08 |
| j) ELANTAS Europe GmbH | | |
| Purchases of raw material | 9.37 | - |
| Reimbursements received | 0.78 | - |
| Services received | - | 5.12 |
| k) ELANTAS Malaysia Sdn Bhd | | |
| Sale of goods | 15.24 | 8.78 |
| Commission (Paid) | 5.40 | 9.42 |
| Reimbursements received | 0.78 | - |
| l) BYK Asia Pacific Singapore Pte Ltd | | |
| Reimbursements received | 54.50 | 48.62 |
| | | |
| 3. Outstanding balances | | |
| i) <u>Trade Receivables</u> | | |
| ELANTAS GmbH | 77.23 | 47.11 |
| ELANTAS Europe GmbH | - | 0.78 |
| BYK Asia Pacific Singapore Pte Ltd | - | 4.16 |
| ELANTAS Zhuhai Co., Ltd. | 3.53 | 31.56 |
| ELANTAS Tongling Co Ltd | - | 27.96 |
| ELANTAS Malaysia Sdn Bhd | 6.06 | - |
| Total | 86.82 | 111.57 |
| ii) <u>Trade Payables</u> | | |
| ELANTAS Europe s.r.l. | 10.29 | 13.36 |
| ELANTAS GmbH | 284.66 | 134.42 |
| ELANTAS Europe GmbH | 9.38 | 0.70 |
| BYK-Chemie GmbH | 23.82 | 4.48 |
| ELANTAS Malaysia Sdn Bhd | - | 2.05 |
| Total | 328.15 | 155.01 |
| iii) <u>Other Long Term Liabilities</u> | | |
| BYK Chemie Asia Pacific PTE Ltd | 41.29 | 41.29 |
| Total | 41.29 | 41.29 |

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

Key management personnel :

Mr Ravindra Kumar
 Mr. Milind Talathi
 Mr Sanjay Kulkarni
 Mr Shirish Dabir

Notes to the financial statements for the year ended 31 December 2017 (Continued)

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|--------|--------|
| a) Remuneration | | |
| Mr Ravindra Kumar | 146.18 | 123.18 |
| Mr Milind Talathi | 72.33 | 66.14 |
| Mr Sanjay Kulkarni | 56.29 | 53.56 |
| Mr Shirish Dabir | 33.70 | 33.31 |
| Total | 308.50 | 276.19 |
| b) Increase / (decrease) in loan balance | | |
| Mr Sanjay Kulkarni | (2.96) | (2.86) |
| Mr Shirish Dabir | (1.15) | (1.11) |
| Total | (4.11) | (3.97) |
| c) Interest received on loans given | | |
| Mr Sanjay Kulkarni | 0.65 | 0.75 |
| Mr Shirish Dabir | 0.16 | 0.19 |
| Total | 0.81 | 0.94 |
| d) Outstanding balances | | |
| (i) <u>Loans given</u> | | |
| Mr Sanjay Kulkarni | 16.61 | 19.57 |
| Mr Shirish Dabir | 3.81 | 4.96 |
| Total | 20.42 | 24.53 |
| (ii) <u>Other current liabilities</u> | | |
| Mr. Ravindra Kumar | 45.80 | 44.07 |
| Mr Milind Talathi | 19.47 | 19.82 |
| Mr Sanjay Kulkarni | 15.42 | 15.84 |
| Mr Shirish Dabir | 7.98 | 8.27 |
| Total | 88.67 | 88.00 |
| e) Maximum amount outstanding during the year | | |
| <u>Loans and advances</u> | | |
| Mr Sanjay Kulkarni | 19.57 | 22.43 |
| Mr Shirish Dabir | 4.96 | 6.07 |

39. Earnings per share - Basic and Diluted

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|-----------|-----------|
| a) Net profit for the year after tax | 5,532.49 | 5,448.82 |
| Calculation of weighted average number of equity shares: | | |
| Number of shares at the beginning and end of the year | 79,27,682 | 79,27,682 |
| b) Weighted average number of equity shares | 79,27,682 | 79,27,682 |
| c) Earnings per share (a)/(b) | 69.79 | 68.73 |
| Nominal value per share ₹ 10 (Previous year - ₹ 10) | | |

Notes to the financial statements for the year ended 31 December 2017 (Continued)

40. Unhedged Foreign currency exposures

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|--------|
| The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below. There are no hedged foreign currency exposures at the year end. | | |
| a) Foreign currency receivables representing debtors | | |
| Indian Rupees | 78.80 | 42.30 |
| Foreign currency ('in lacs) : Euro | 1.07 | 0.59 |
| Indian Rupees | 42.46 | 139.43 |
| Foreign currency ('in lacs) : US\$ | 0.67 | 2.06 |
| b) Foreign currency payables representing creditors and other payables | | |
| Indian Rupees | 348.01 | 155.25 |
| Foreign currency ('in lacs) : Euro | 4.63 | 2.17 |
| Indian Rupees | 350.52 | 509.44 |
| Foreign currency ('in lacs) : US\$ | 5.48 | 7.51 |
| Indian Rupees | 5.87 | 0.47 |
| Foreign currency ('in lacs) : GBP | 0.07 | 0.01 |
| c) Foreign currency bank balance | | |
| Indian Rupees | - | 55.47 |
| Foreign currency ('in lacs) : US\$ | - | 0.82 |

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. Proposed Dividend

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|--|--------|--------|
| The final dividend proposed for the year is as follows | | |
| On equity shares of Rs 10 each | | |
| Amount of proposed dividend | 356.75 | 356.75 |
| Dividend per equity share | 4.50 | 4.50 |
| Until the previous year, the dividend proposed by the Board of directors after the balance sheet date but before the approval of the financial statements was recognized as a liability. Consequent to the amendment to AS 4 - Contingencies and Events Occurring after the Balance Sheet date, effective from the current year, such dividend is recognized when the same is approved by the shareholders in the general meeting. The board of directors have proposed a final dividend of Rs. 4.50 per share for the year ended December 31, 2017. | | |

43. Pursuant to the Board of Directors' in principle approval in previous year for the sale of the surplus office space ("Beck House") admeasuring approximately 2,238.25 square meters, at Pune, the Company had classified the written down value of the property amounting to ₹ 521.08 lacs as 'Asset held for sale' under 'Other current assets' in FY 2016. The Company has executed sale deed for the said property on January 5, 2018 for a consideration of ₹ 2,500 lacs

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

(Currency : ₹ in lakhs)

| | 2017 | 2016 |
|---|--------|-------|
| A. Gross amount required to be spent by the Company during the year | 122.73 | 93.79 |
| B. Amount spent during the year | | |
| i) Construction of assets charged to Statement of Profit and Loss | 73.69 | 69.63 |
| ii) Others | 49.04 | 21.68 |
| Total | 122.73 | 91.31 |

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

In terms of 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

CIN: L24222PN1956PLC134746

Amit Borkar

Partner

Membership Number.: 109846

Mumbai, 27 February 2018

Shirish Dabir

Company Secretary

R.L. Shenoy

Director

DIN: 00074761

Ravindra Kumar

Managing Director

DIN: 06755402

Sanjay Kulkarni

Chief Financial Officer

Mumbai, 27 February 2018

NOTICE

Notice is hereby given that the Sixty Second Annual General Meeting of the members of ELANTAS Beck India Ltd.(CIN: L24222PN1956PLC134746) will be held on Thursday, 10 May 2018, at 2.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2017 along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year 2017.
3. To appoint Director in place of Mr. Martin Babilas (DIN: 00428631) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of Price Waterhouse, Chartered Accountants LLP, having Firm Registration No. 012754N/N500016, registered with ICAI for the Year 2018 be and is hereby ratified as the Statutory Auditors of the Company on such remuneration plus applicable tax, out of pocket expenses as may be agreed upon between the Board of Directors and the Auditors of the Company.”

SPECIAL BUSINESS:

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

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

“RESOLVED THAT Mr. Milind Talathi be and is hereby appointed as a Director of the Company.

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with the provisions of Schedule V of the Companies Act, 2013, Companies (Meetings of Board) Rules, 2014, other applicable provisions of the Articles of Association of the Company, Mr. Milind Talathi, Director, be and is hereby appointed as Whole Time Director of the Company for a period of Three years effective from 27th February 2018 to 26th February 2021 on such remuneration and terms & conditions as set out in the Explanatory Statement annexed to this Notice of this Meeting and upon terms, conditions and stipulations contained in the Agreement entered into between Mr. Milind Talathi and the Company.

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

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

6. **Payment of remuneration to the Cost Auditors of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or amendments or re-enactments thereof for the time being in force), Dhananjay V Joshi & Associates, Cost Accountants, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31 December 2017, be paid a remuneration not exceeding ₹ 1,25,000 (Rupees One Lakh Twenty Five Thousand only) per annum plus applicable service tax and reimbursement of out of pocket expenses that may be incurred by them during the course of audit.

RESOLVED FURTHER THAT Mr. Shirish Dabir, Head Legal & Company Secretary be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

7. Payment of remuneration by way of Commission to the Non- Executive, Independent Directors.

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

“RESOLVED THAT pursuant to the provisions of Section 198 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the payment of commission of a sum not exceeding one percent of the annual net profits of the Company computed in accordance with the provisions of Section 197 read with Section 198 of the Act, in addition to sitting fees payable, to such Directors of the Company (other than Executive & Non Executive Non-Independent Directors) in such proportion and manner as may be directed by the Board of Directors, for a period of Five (5) years and such payment shall be made in respect of the profits of the Company for the financial years commencing from 1st January, 2018 to 31st December, 2022.”

By order of the Board of Directors

Place: Pune
Date : 10.04.2018

Shirish Dabir
Head Legal & Company Secretary

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

NOTES :

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

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

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

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

- Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
- 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.
- Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the venue of Meeting.
- 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.
- Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the share certificates to the Company's Registrar and Transfer Agent i.e. Link Intime India Pvt. Ltd. so as to enable the Company to consolidate their holdings into one folio.

7. Details of Directors seeking appointment/ re-appointment:

| Particulars | Mr. Martin Babilas | Mr. Milind Talathi |
|--|-------------------------------------|--------------------|
| Date of Birth | 23 September 1971 | 27 May 1961 |
| Appointed on | 06 May 2014 | 27 February 2018 |
| Qualifications | MBA, Diplom – Kaufmann | BE (Chemical) |
| Expertise in specific area | Accounting and Management expertise | Chemical Industry |
| Directorships held in other Public Limited Companies | Nil | Nil |
| Memberships/ Chairmanships of Committees other than ELANTAS Beck India Limited | Nil | Nil |
| Shareholding in the Company as on 31 December 2017 | Nil | Nil |

8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business at item Nos. 5, 6 & 7 of the Notice is annexed.
9. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 2 May 2018 to Thursday 10 May, 2018 (both days inclusive), for the purpose of payment of Dividend.
10. Pursuant to Section 123, 124 and 125 of the Companies Act, 2013, the Company will be transferring in June 2018, the unclaimed dividend and shares, if any for the financial year ended 31 December 2010 to the Investor's Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the financial year ended 31 December 2010 or any subsequent financial years are requested to make their claims addressed to: The Company Secretary, ELANTAS Beck India Ltd., 147, Mumbai-Pune Road, Pimpri, Pune 411018.

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

11. Request to the Members:

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

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

- c. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), 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 Companies Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

12. Voting Options:

- (1) E-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013 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-into 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 use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) 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 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 not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to atevoting@nsdl.co.in

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

- (iv) Duly completed and signed Ballot Forms shall reach the Scrutinizer before the AGM date. Alternatively, the Ballot form can also be deposited in the box to be made available at the venue during the AGM. The Ballot Forms received after the AGM date shall be strictly treated as if the reply from the Member has not been received.
 - (v) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
 - (vi) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on Shirish.Dabir@altana.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than the AGM date.
 - (vii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (3) Voting at AGM:** The Members who have not casted their vote either electronically or through Ballot Form, can exercise their voting rights through Ballot Paper at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

Other Instructions:

- (i) The e-voting period commences from Monday 7 May 2018 at 9.00 a.m. and ends on Wednesday 09 May 2018 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 2 May 2018.
- (iii) Mr. Prajot Tungare, (Membership No. FCS 5484), Partner of Prajot Tungare and Associates, Pune, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him shall declare the results of the voting forthwith.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.elantas.com/beck-india>, 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 and also communicated to BSE Limited.

Annexure to the Notice

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

Item No. 5

The Board of Directors in its meeting held on 27 February 2018, appointed Mr. Milind Talathi as Additional Director in the capacity of Whole-time Director. Mr. Milind Talathi is currently heading Manufacturing functions of the Company.

On the basis of recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 27 February 2018 has passed the resolution for the appointment of Mr. Talathi as Whole Time Director with effect from 27 February 2018 for the period of Three years pursuant to Section 196, 197 and 198 read with Schedule V of the Companies Act, 2013. The appointment is subject to the approval of the Members in the ensuing Annual General Meeting.

Mr. Milind Talathi, Age 56 years, has done his graduation in Chemical Engineering from UDCT Mumbai.

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

Details of Remuneration of Mr. Milind Talathi as follows:

A. Salary:

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

B. Performance Salary:

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

C. Perquisites:

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

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

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

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

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

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

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

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

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

Annexure to the Notice

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of Dhananjay V Joshi & Associates, Cost Accountants, in its meeting held on 27 February 2018, to conduct the audit of the cost records of the Company for the financial year ending 31 December 2017. The Board also approved the remuneration of the Cost Auditors not exceeding ₹ 1.25 Lakh for the Financial Year 2017, subject to the approval of the Members in the ensuing Annual General Meeting.

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

The Board therefore recommends passing of the resolution for your approval

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

Item No. 7

At the Annual General Meeting of the Company held on 29 April 2013, a Special Resolution authorizing payment of remuneration to Non-Wholetime Directors by way of commission, of an amount not exceeding one per cent of the net profits of the Company per Financial Year, was passed. The net profits are to be computed in the manner referred in the Section 198 of the Companies Act, 2013. The said resolution authorized payment of such commission in respect of a period upto Financial Year ending on 31 December 2017. In addition, the Non-Wholetime Directors are also entitled to remuneration by way of a fee for each meeting of the Board or a committee thereof, attended by them as per the Articles of Association of the Company read with Section 197 of the Companies Act, 2013.

The Board considers that it is desirable to continue the practice of payment of remuneration to the Non-Wholetime Directors by way of commission in the coming years also. Such payment is required to be authorized by a Special Resolution in terms of Articles of Association of the Company and Section 197 of the Companies Act, 2013. The Special Resolution is therefore being proposed to enable the Company to continue to pay commission to its Non-Wholetime Directors for a period upto Financial Year ending on 31 December 2022.

Mr. Ravindra Kulkarni, Mr. Suresh Talwar, Mr. Ranjal Shenoy and Ms. Kishori Udeshi are deemed to be concerned or interested in the Special Resolution.

Your Directors recommend the resolution for your approval.

By order of the Board of Directors

Place: Pune
Date : 10.04.2018

Shirish Dabir
Head Legal & Company Secretary

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

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 Second Annual General Meeting of the Company, being held at Hall No.4, 'A' Wing, 5th Floor, MCCA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Thursday, 10 May 2018 at 2.30 p.m.

Member's / Proxy's Signature : _____

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

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

No. of Shares : _____

**PROXY FORM**

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

I / We _____

of _____

being a member of ELANTAS Beck India Ltd. hereby

appoint _____

of _____ or failing him / her _____

_____ of _____

as my / our proxy to vote for me / us on my / our behalf at the Sixty Second Annual General Meeting of the Company to be held on Thursday, 10 May 2018 at 2.30 p.m.

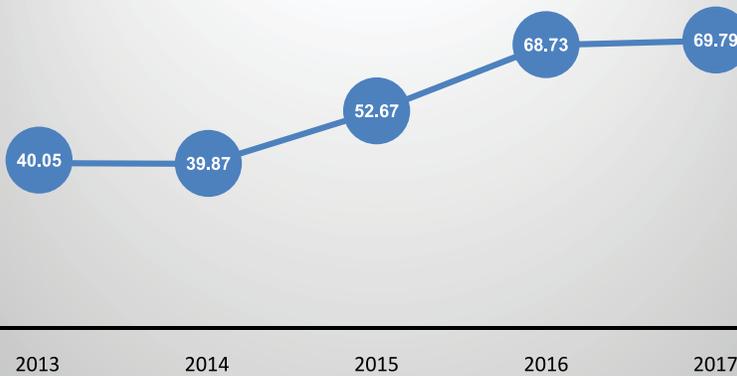
Signed this..... day of 2018 Signature

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

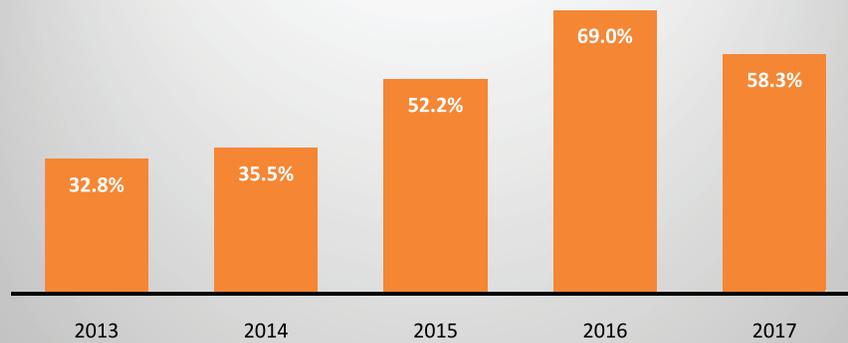
Sales & Pre tax profit

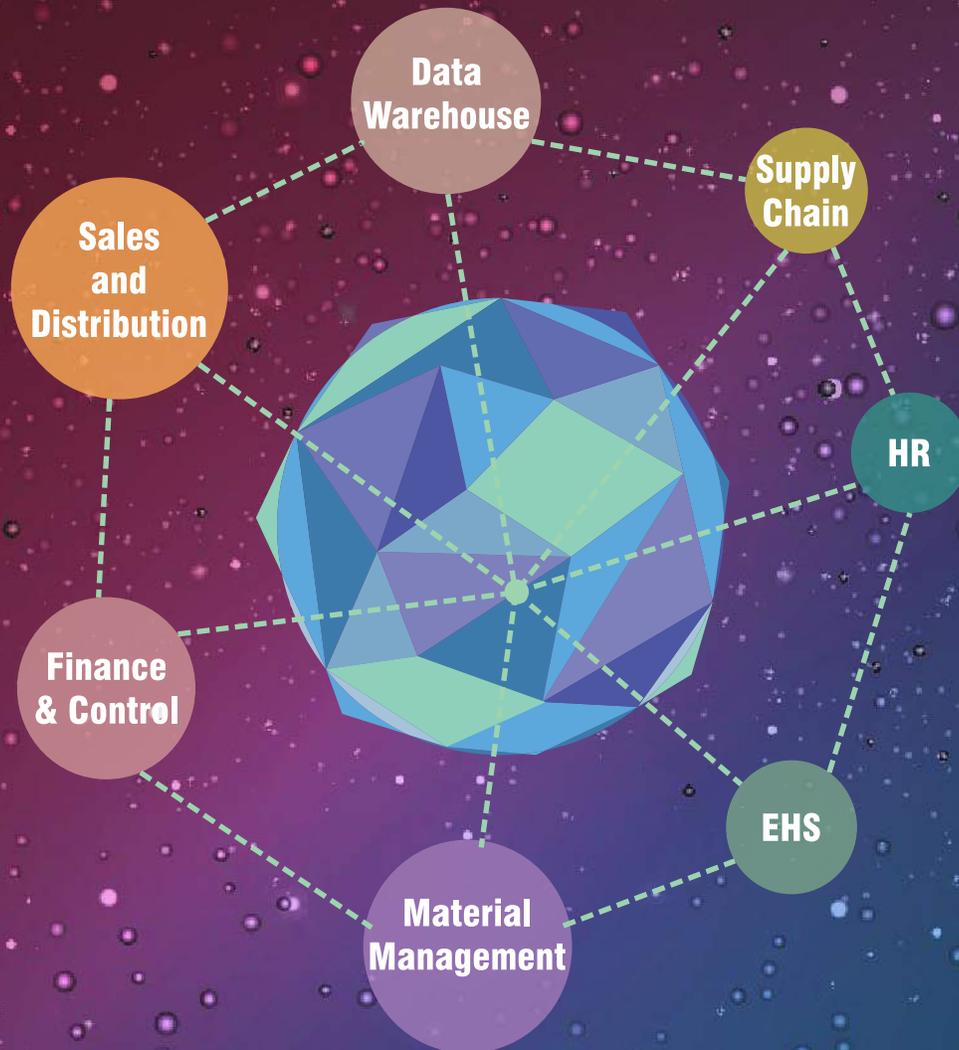


Earning per share



Return on capital employed





Journey to POLARIS, successful launch of new ERP Solution on SAP Business Suite

- Most Advanced Solution powered by SAP HANA.
- Help the business into real time data driven enterprise.
- Strengthen the 'end to end' business processes.
- Platform set for Digital Business Solutions.
- Fastest successful implementation.

ELANTAS Beck India Ltd.

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

A member of 