ELANTAS Beck India Ltd.

Annual Report 2012

ELANTAS
Electrical Insulation

New Corporate Office Building at Pimpri

Atrium

Board of Directors

Dr. Matthias Wolfgruber
Chairman

Dr. Guido Forstbach
(appointed w.e.f. 26 October 2012)

Dr. Wolfgang Schütt
(resigned w.e.f. 26 October 2012)

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Pradeep Mallick

Mr. Sharadkumar Shetye
(Alternate to Dr. Guido Forstbach)

Mr. Rajeev Bhide
Managing Director

Executive Management

Mr. Rajeev Bhide
Managing Director

Mr. Sharadkumar Shetye
Director- Manufacturing

Mr. Sanjay Kulkarni
General Manager - Finance & Materials

Mr. Sanjay Deosthali
Business Line Manager - South Asia

Company Secretary & Head-Legal, HRM

Mr. Shirish Dabir

Registered Office & Corporate Office

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

Works

1) 147, Mumbai-Pune Road,
Pimpri, Pune 411 018

2) Plot No. 1 (A, B & C) & 122,
GIDC Industrial Area,
Ankleshwar 393 002

Regional Offices

Bengaluru, Kolkata, New Delhi

website

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

Auditors

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

Internal Auditors

Mahajan & Aibara
1 Chawla House,
62 Woodhouse Road, Colaba,
Mumbai 400 005.

Solicitors

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage,
127, M.G. Road, Fort,
Mumbai 400 001.

Bankers

The Bank of Nova Scotia
HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.

Registrars & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex,
Warehouse No 52 & 53, Plot No 13AB,
2nd Floor, Sakinaka, Andheri (East),
Mumbai 400 072.

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Directors' Report

To the Members,

The Directors have pleasure in presenting the Fifty-seventh Annual Report and the Audited Accounts for the financial year ended 31 December 2012.

Financial Highlights

(₹ in lacs)

	Year ended 31.12.2012	Year ended 31.12.2011
Income from operations	**28,517.24**	27,500.45
Profit before Interest, Depreciation & Tax	**4,186.90**	4,100.72
Depreciation	**474.46**	499.80
Interest	**10.15**	6.82
Profit Before Tax	**3,702.29**	3,594.10
Provision for tax	**944.67**	1,120.29
Net Profit	**2,757.62**	2,473.81
Profit & Loss Account brought forward	**12,605.70**	10,792.51
Profit available for appropriation	**15,363.32**	13,266.32
Appropriations:		
Proposed dividend	**7,293.47**	356.75
Tax on Dividend distributed	**1,183.18**	56.50
Transfer to General Reserve	**275.76**	247.38
Carried to Profit & Loss Account	**6,610.91**	12,605.69
	15,363.32	13,266.32

Performance

The sales at ₹ 2732 million for the year ended 31 December 2012 registered a 2 % growth over the sales of ₹ 2668 million for the previous year ended 31 December 2011. However, in terms of sales quantity, the tonnage sold during the year ended 31 December 2012 marginally decreased by 0.15% over the previous year.

Cost of inputs continued to rise substantially during the year under review, putting the Company's contribution margins under severe pressure, as a consequence. The main reasons for this increase were as follows:

a) Increase in procurement rates of raw material;
b) Weakening of the Indian Rupee during the year by 11 % making the Company's imports dearer; and
c) Huge increases in procurement rates of electricity, fuel and natural gas.

The Company continued making efforts during the year to reduce the aggregate impact of such increases through the use of innovation, R&D & procurement which were moderately successful. However, owing to a contraction of demand for its products arising as a consequence of the economic and manufacturing slowdown last year, the Company was not able to increase its selling prices during the year, to neutralize the adverse impact on its input costs.

The sales volumes were maintained at the same level during the year under review. The Company was able to report a marginal increase in both Profit Before Tax and Profit After Tax.

Dividend

The Directors are pleased to recommend a normal dividend of ₹ 4.50 per equity share and a special dividend of ₹ 87.50 per equity share, of ₹10/- each, for the year ended 31 December 2012.

Directors

During the year under review, Mr. Prashant Deshpande retired as the wholetime Director of the Company with effect from 09 July 2012 and also resigned from the position of Alternate Director to Dr. Matthias Wolfgruber from that date.

Dr. Wolfgang Schütt resigned from the position of the Director of the Company with effect from 26 October 2012 and Dr. Guido Forstbach was appointed as Additional Director with effect from that date.

Mr. Sharadkumar Shetye ceased to be an Alternate Director to Dr. Wolfgang Schütt with effect from 26 October 2012 and was appointed as Alternate Director to Dr. Guido Forstbach from that date.

Mr. Suresh Talwar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Pradeep Mallick retires by rotation at the ensuing Annual General Meeting and though eligible, has decided to retire and not offer himself for re-appointment.

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

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

Corporate Governance

Emphasizing on practicing the principles of good Corporate Governance in right earnest & true spirit, has been the motto of this Company throughout. The Board of Directors ensures that the Executive Management of the Company relies on maintaining transparency, accountability and integrity in the functioning of the Company.

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report, Report on Corporate Governance and the Auditors' Certificate regarding compliance of the same form an integral part of this Annual Report.

Change in address of Registered Office of the Company

The Company's Registered Office has been shifted from 'Beck House, Damle Path, Off Law College Road, Pune 411004' to '147, Mumbai-Pune Road, Pimpri, Pune 411018' with effect from 22 January 2013.

Corporate Social Responsibility

The Company undertook and completed the internal and external painting work for Surhudh Mandal's "Chinchwad Badhir Mook Vidyalaya", a school imparting education to the deaf and dumb, in the month of December 2012.

The Company's employees also in their individual capacities contribute voluntarily to various worthy social causes, befitting the culture of this Company.

Listing on Bombay Stock Exchange

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with appropriate explanations relating to material departures.
2. The accounting policies have been consistently applied, and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012, and the profit for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

Cost Audit

Dhananjay V Joshi & Associates, Cost Accountants, have been re-appointed for the year 2013 to conduct an audit of the cost accounting records maintained by the Company.

Auditors

The Auditors, BSR & Co., Chartered Accountants, Pune, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee recommends the re-appointment of BSR & Co., as Auditors of the Company for the year 2013. The Company has received a letter from retiring Auditors to the effect that their appointment, if carried out, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

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

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

Particulars of Employees

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

Industrial Relations

The Company has reached amicable settlements with its workmen at Pimpri and Ankleshwar in 2013. These wage settlements, which are for a three year period from 1 January 2013 to 31 December 2015, were negotiated separately for the two sites on the basis of "Region cum Industry" principle.

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

The Board wishes to place on record its appreciation to all employees for their continued contribution to the performance of the Company.

For and on behalf of the Board

Pune	Suresh Talwar	Rajeev Bhide
27 February 2013	Director	Managing Director

Annexure A to the Directors' Report

A. CONSERVATION OF ENERGY:

(a) Following measures were taken to conserve energy:

At Ankleshwar Plant

- Process Instrumentation & automation to enhance productivity and efficiency
- Energy efficient lighting for Chemical & Electrical Laboratory
- Installation of Service tank for K16 Wire Enamels Reactor to enhance energy efficiency
- Procured and put to use a Diesel Operated Forklift with Bharat Stage – III Engine
- Installed and commissioned Seal less canned pump motor for formaldehyde liquid for zero leakage

At Pimpri Plant

- Installation of pneumatic powder handling systems (two numbers) for charging solid raw materials
- Installation of Oil Vacuum pumps in place of water jet vacuum pumps to save electricity and water
- Reduction in process cycle time for products 'Becktol A23' and 'Shipal' to save electrical energy
- Installation of variable frequency drives for new equipment
- Installed one Screw compressor of higher capacity & energy efficiency to meet compressed air requirement for Process, Instruments
- Shifting of ETP closer to plant operations with improved efficiency measures resulting into energy savings

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

At Ankleshwar Plant

- Pilot Reactor 250 Liter capacity to be installed for initial trials of New products
- Fuel & energy efficient Thermopac is planned to replace old design TP10 Thermopac (Year 1987)
- Modernization of existing passenger lift with Inverter based technology for speed control
- Energy efficient equipment & lightings are planned

At Pimpri Plant

- Process Instrumentation & automation to enhance productivity and efficiency
- Installation of Pneumatic conveying system for charging of Powders
- Energy efficient street lighting
- Automatic packing system for Poly Amide Imide products

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

In the light of strong growth in the earlier years, we had invested in new higher capacity utilities equipment. However, production volumes lower than the budget resulted in a small rise in overall energy consumption per Metric Ton of production as the base consumption is higher for higher capacity equipment like compressors etc. We have succeeded in keeping the overall consumption in control despite changes in raw materials and processing parameters. Increase in rates of purchased electricity and fuel has also contributed to rise in per Tonne Energy cost.

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

	Year ended 31 December 2012	Year ended 31 December 2011
a. POWER & FUEL CONSUMPTION		
1) Electricity		
a) Purchased Unit (KWH in lacs)		
Total KWH	**28.15**	26.21
Total amount (₹ in lacs)	**190.06**	148.19
Rate / KWH (₹)	**6.75**	5.65
b) Own generation		
i) Through Diesel generator		
Units (KWH in lacs)	**0.72**	1.68
Units per ltr of Diesel Oil	**3.11**	3.16
Cost / Unit (₹)	**15.30**	14.01
ii) Through Steam turbine / generator		
Units (KWH)	**-**	-
Units per ltr of fuel oil / gas	**-**	-
Cost / Unit (₹)	**-**	-
2) Coal		
Quantity (Tonnes)	**-**	-
Total amount (₹ in lacs)	**-**	-
Average Rate (₹ / MT)	**-**	-
3) Furnace Oil (LDO/HSD)		
Quantity (K. ltrs)	**281.00**	287.00
Total amount (₹ in lacs)	**177.00**	160.43
Average Rate (₹ / KL)	**62,989.00**	55,899.00
4) Natural Gas		
Quantity (KM3)	**517.00**	474.00
Total amount (₹ in lacs)	**150.66**	95.14
Rate (₹/ KM3)	**29,141.00**	20,072.00
b. CONSUMPTION PER M.T. OF PRODUCTION		
Products : Wire Enamels, Impregnating Varnishes & Synthetic Resins		
Electricity (KWH)	**171.88**	167.93
Furnace Oil in ltrs (LDO/HSD)	**16.70**	17.28
Coal	**-**	-
Natural Gas	**30.78**	28.55
Others	**-**	-

B TECHNOLOGY ABSORPTION

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

Two new laboratories became operational in this year – one at Pimpri [Electronic & Engineering Material business] and one at Ankleshwar. The Company's commitment to R&D was further strengthened by this addition.

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

The company's R&D centre is 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 varnishes and polyurethane compounds.

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

Some of the new products introduced and process improvements carried out were:

- Development of high speed polyester and polyesterimide wire enamels.

- Eco friendly less toxic and RoHS compliant water based varnish
- Development of fast cure energy saving solventless varnish
- Introduction of four new products in the E& EM business segment
- Cost reduction and process improvement in manufacturing

3. Future plan of action

- Continue adaptation of new products from group companies under Technology Transfer in Company's business segments to cater 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.

4. Expenditure on R & D

(₹ in lacs)

	Year ended 31.12.2012	Year ended 31.12.2011
(a) Capital	**43.02**	29.56
(b) Recurring	**455.64**	365.91
(c) Total	**498.66**	395.47
(d) Total R & D expenditure as a percentage of total turnover	**1.63**	1.35

5. Technology absorption, adaptation & innovation

The technology received from 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 water based insulating varnish technology from affiliate company, in USA.	2011	Yes	-
Absorption of PU compound technology from affiliate company, in Italy	2012	No	2013

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Annexure B to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended 31 December 2012.

Name	Designation	Remuneration Subject to tax (Rs.)	Qualification	Age & Experience (Years)	Date of Commencement of employment	Last employment held,Designation and Organization
Mr. Rajeev Bhide	Managing Director	8,316,997	B.Com., F.C.A. Post Graduation D.M.M.	55/32	01.03.2000	Vice-President-Finance. International Computers (India) Ltd., Pune.
Mr. Prashant Deshpande*	Director- Marketing	4,529,234	B.E. (Elec.), M.B.A. P.G.- Power Systems	68/47	01.04.1986	Div. Marketing Manager. Crompton Greaves Ltd., Nasik.
Mr. Sharadkumar Shetye	Director- Manufacturing	5,845,101	B.Tech.(Chemical Engg.) D.B.M., M.M.S.	64/42	20.10.1971	-
* Employed for part of the year. Retired with effect from 09 July 2012.						

Notes:

1. The nature of employment is contractual.
2. Other terms and conditions: as per Company's rules.
3. Gross remuneration includes allowances, Company's contribution to provident and superannuation funds, provision for medical entitlement as per Company's rules, monetary value of perquisites calculated as per Income Tax Act / Rules and does not include provisions for leave encashment, premium for gratuity and group insurance.

Management Discussion & Analysis Report

The year under review was fraught with a series of developments and a combination of factors which, together, resulted in adversely affecting economic growth during the year under review, especially the manufacturing economy, in India. Rising energy costs, increasing raw material prices and high cost of borrowings amongst other factors had the effect of depressing industrial demand and industrial production was almost stagnant. Some sectors even showed negative growth during the year under review.

The Company was no exception to these developments and its performance too was adversely hit by the factors mentioned above during the year under review. Additionally, a weak Indian Rupee hurt imports and exerted additional pressure on the margins during the year under review. As a consequence, the Company's profitability and profits were lower when compared with the previous years.

The Company nevertheless continues to take several counter measures to mitigate the situation to the extent best possible by continuing to focus on cutting costs, creating cost effective alternatives and creating higher value added through the use of R&D, Innovation and supply chain improvements.

Manufacturing of higher quality products in all its business lines especially focused on addressing concerns of environment, safety and energy efficiency supported by strong technical services and solutions provision remain the major drivers of the Company's business activities.

Segment wise Performance

Electrical Insulation Systems

The Company's Business Lines-Primary Insulations and Secondary Insulations which constitute the Electrical Insulation Systems (EIS) business, continued to play a dominant role in the overall business activities of the Company, by accounting for 84% of total business of the Company.

The year 2012, will be marked as a watershed year in the annals of Indian Economic History, where the economic growth decelerated, while inflation remained stubbornly high during most part of the year. There was a marked economic deceleration during the year even when compared to 2008, a year during which the global economic meltdown occurred. Obviously, there are many explanations which could be attributed to this phenomenon, however, the significant decline in "Real Economy" or the manufacturing segment, is one of the major factors that can be attributed to moderation in growth. According to latest CSO estimates, the GDP growth, which is sliding back to back during FY 13, is likely to touch a new low of just about 5%. The manufacturing segment in the same period was one of the worst affected segments where the estimated growth would be much below 2%.

The Indian Electrical Industry, which is the primary user segment of our EIS products, has not remained insulated from this incongruent situation, carving out its worst performance of the last decade. According to the IEEMA statistics, the physical output across all the segments of Electrical Equipment Industry, be it rotating machines, transformers or switchgears, have come down on YoY basis, a clear sign of demand contraction. The Industry as a whole has in fact registered a negative growth of close to 4% during first half of current Fiscal with no immediate revival in sight. The order book position is also at all time low leading to sub optimal capacity utilization across various segments of Indian Electrical Industry.

The performance of your Company needs to be reviewed against the backdrop as detailed above, particularly the on-going phase of demand contraction.

During the year under review, your Company has been able to improve its already dominant position in EIS. While the volume growth is 2.6% over 2011, the corresponding value growth is close to 7%. These growth indices clearly indicate increased market penetration and improved market share of your Company. This positive performance, under the present volatile situation, was possible due to sustained market oriented timely actions taken by your Company including selective value engineering led by strong R&D. Your Company continues to be market leader in the arena of Electrical Insulation Systems.

Going forward, the chances of immediate demand revival appear to be bleak with industry experts speculating the earliest revival only by end 2013. By and large, this estimate is in sync with overall economic scenario that is being witnessed currently. Your Company however is reasonably certain of continuing its growth momentum-albeit moderated, with a blend of innovative business strategies combined with a focused market driven R&D efforts to remain ahead at market place.

Electronic & Engineering Materials

The business segment today primarily includes Electronic & Electrical (EL) Compounds & deals with Speciality Epoxy & Polyurethane products for Auto Electric & Electronic, Power & Electronic capacitors, Transformer Castings, Current & Potential Transformers, PCB Protection etc. This is an outcome of the Company having discontinued supplying speciality resins for special purpose paint applicators to a single customer.

As was seen in case of Electrical Insulations Systems, this business segment too was adversely affected during the year under review due to high raw material costs, a week rupee and a significant demand slowdown, especially in the second half of the year under review.

The business of Electronic & Electrical Compounds is a major thrust area for the Company. The Company's offerings by way of Speciality Epoxy & Polyurethane Products with excellent Thermal, Electrical & Mechanical properties for Auto & allied industries, have been well received by the markets and slowly beginning to be distinguished as speciality offerings. This will enable them to combat the competitive pressures from low-cost, commoditized product offerings also present, and enable the Company to explore appropriate value creation opportunities in this business.

Despite the gradual slowing down of automotive production from the third quarter of the year under review, which we believe is a temporary situation arising out of global concerns in response to the crisis of confidence in the Euro Zone, the Indian Auto industry is growing and India is poised to become a major hub for Auto Components manufacturing. The Company looks forward to offer world-class products in line with the global technical specifications & has geared up to meet these challenges. Company offers UL (Underwriters Laboratory) approved, RoHS & REACH compliant products to meet specific customer demand.

The Company is focusing its efforts to offer/develop import substitute particularly for Electronic Sector, targeted at attaining major growth and an improved market position for this product line. These efforts encompass technical improvements through a systematic scale-up process as well as enhancement in response time for new product and applications development. In addition, certain new products were developed and added in this market which will help create opportunities to expand our markets. The response from the customers to such new products was quite encouraging.

In order to address concerns about continuing future availability of key raw materials, efforts are being made to develop alternative sources for our inputs in addition to trying to explore Synthetic raw material alternatives in place of materials of natural origin.

Current Future & Outlook

In the wake of the Indian economy anticipated to grow only at around 4.5% to 5% during the fiscal 12/13, the business prospects for the coming years do not look extremely encouraging. Not only have growth estimates fallen to an all-time low in the last decade, but the structural position of the Indian economy also seems weaker with a high fiscal deficit and current account deficit.

The resilience shown by the Indian economy in 2009/10 in the face of the global meltdown seems to have been weakened and a variety of problems look imminent if not addressed decisively and boldly by the government.

This situation, however, the Company believes, also means that all the potentially adverse developments have already been largely factored in and discounted by the investing community and consumers. Under such circumstances, businesses should await the right signals of growth & improvement and avail of all such growth opportunities going forward. Such positive signals will be likely to be seen with better policy implementation, more infrastructural focus and spending as well as reforms and traction on the power sector and allied activities. Considering that the nation will go to the hustings in 2014, it is inevitable that reforms-oriented policy making and decisiveness will need to be exhibited by the government in power.

The Board, therefore, considers that the Company should be managed in a lean and tight manner.

Company Performance

The Company's performance during the year under report was flat. Sales at ₹ 2732 Mio. during the year ended 31 December 2012 showed a small increase of 2% over the previous year, however, in terms of volume, sales marginally decreased by 0.15% as compared to the previous year. The Company registered a marginal growth in profitability as compared to the previous year.

Rising cost of inputs due to increase in procurement rates of raw material, electricity, fuel & natural gas and rupee devaluation leading to dearer imports marked its effect on product margins. Overall inflationary trend and economic slowdown added further woes to the declining margins.

The Company continued to focus on reducing costs of its operation and other administrative costs, which yielded positive results and helped in registering a better profit return, both before and after tax. The Profit before Tax stood at ₹ 370 Mio. and Profit after Tax was reported at ₹ 276 Mio.

Net Cash Flows from operating activities during the year at ₹ 256 Mio. were however lower as compared to ₹ 341 Mio. during the previous year.

Internal Control Systems

The Company has put in place an adequate system of internal controls. Detailed procedures have been developed, documented and implemented which encompass all the financial and operating functions within the Company. These controls have been designed based on a system of checks and balances, to provide a reasonable assurance with regard to appropriate accounting controls, monitoring of operations, protection of Company's assets from unauthorized use, ensuring compliance with applicable regulations as well as reliability of financial reporting.

Some salient features of the Internal Control systems are:

(i) Corporate policies on accounting and major processes.

(ii) Well defined processes for formulating and receiving annual and long term business plans.

(iii) Preparation, review and monitoring of annual budgets for all operating functions.

(iv) Monthly meetings of the Executive Management Committee at the apex level to review operational performance and business plans in key business areas.

(v) Audit Committee of the Board of Directors comprising independent directors, which regularly reviews the audit plans, significant audit observations, adequacy of internal controls, compliance with applicable Accounting Standards as well as reasons for changes, if any, in accounting policies and practices.

(vi) A comprehensive information security policy and periodic upgrades to the Company's IT Infrastructure.

Technical Management and Infrastructure Development

In keeping with its belief that significant growth potential exists over a long term in its product segments, the Company has strived to upgrade the infrastructure at its manufacturing sites in order to be in readiness to manufacture and supply the demanded volumes of products to the market. Such upgradation includes completion of projects for reorganization of production at both its sites. This has paved the way for a cost effective and efficient position at both the factories.

The Company believes that its leadership in the electrical insulations industry is an outcome of its long standing reputation, both, in India and overseas, for excellence in product quality coupled with technical services of high standards.

Such a reputation has been gradually built over many decades of satisfied customer and the Company works hard to maintain it even today through technological superiority, operational excellence and cost effectiveness.

At Ankleshwar, the steps taken last year in terms of infrastructural modifications and additions have resulted in decongestion and optimization of the Resin Plant, thereby enhancing production capacity of varnishes and thinners. This has helped considerably in experimenting with and establishing processes using alternative raw materials.

Various steps were initiated at both plants to enhance production capacity in order to cater to the market potential for our current and future products. 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 / ELANTAS, Germany, devote their efforts exclusively for ensuring optimization of the production methods & processes in terms of cost energy conservation and safety. The Company regularly participates in the deliberations of these focused groups.

The Company thus continuously strives to reduce running costs, lower energy consumption, enhance plant effectiveness, improve EH &S Standards and raise product performance.

The modified waste treatment plant at Pimpri was fully operational during the year at a location adjacent to the production facilities. This was coupled with technological improvements such that the efficiency and treatment capability of the ETP has improved significantly. Energy consumption for the ETP is lowered as expected, as a consequence. Towards the end of the year we have also installed a Reverse Osmosis plant to further improve the quality of the treated water to enable recycling of the same at the Pimpri Works.

Quality, Environment Management and Occupational Health & Safety.

Quality, Safety & Occupational Health and Environment Stewardship are the core values of the Company, which continue to form the basis for all its decisions and actions.

The Company's accredited Integrated Management System (IMS), which encompasses the management of Quality, Environmental and Occupational Health & Safety was subjected to a surveillance audit by TÜV NORD during the year under report and the IMS certification was successfully renewed.

The Company is fully committed to strengthen the process of Quality, Environment, Occupational Health and Safety Management. It implements reasonable and practicable steps to protect the health and safety of its employees and the community, as well as to ensure that its products and processes do not cause any adverse impact on environment. It believes that sustainable development is possible only through conscious steps taken to reduce energy consumption, adopt eco-friendly processes and avoid wasteful use of scarce natural resources.

Research & Development

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

The process of innovation is vital to the Company's operations. R&D is that vital element in the business of Specialty Chemicals which creates value through continuous development, as well as improvement of new products & solutions that meet customer requirements. This is achieved by adopting a problem solving approach and by taking up joint projects with customers, external business partners and research institutions. The Company's active contribution to ALTANA's Global R&D initiatives also enable it to have access to recent technological developments in the processing, application and end-use of speciality insulation products.

In line with the ALTANA's drive to improve mobility between divisions, we are exploring developmental project with R&D of BYK division.

Human Resources/ Industrial Relations

The Company believes that the key to its success lies in creating and nourishing a pool of talent within its people whose skills, expertise and experience provide the essential impetus towards market leadership. Also, the dedication, commitment and aspirations of its employees provide the fuel for excellence in performance. The Company's Human Resources Management Team continuously endeavors to understand some of the useful HR management practices being followed locally as well as to adapt HR management practices followed overseas by ALTANA AG., for implementation within the Company.

During the year, the Company began working on creating a solid foundation to start an active dialogue with its workmen in the interest of reaching a sound mutual understanding, an essential basis for reaching a mutually amicable and trust-based long term wage settlement which will fall due in 2013. During the year under review, the Company continued to function in a harmonious and positive industrial relations environment.

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

Pune	Suresh Talwar	Rajeev Bhide
27 February 2013	Director	Managing Director

Report on Corporate Governance

ELANTAS Beck India Ltd.

1. ELANTAS Beck's Philosophy on Corporate Governance:

The Company firmly believes that good corporate governance practices always ensure sustainability of the Company and earns it unrivalled reputation in local as well as global market. It ensures that risk of failure is reduced and shareholders & other stakeholders get value for their money. The realization of this comes from the fact that effectiveness of an organization is always linked to the Corporate Governance quality, efficiency and effectiveness of the Board. The Company constantly strives to improve its Governance standards and disclosures.

2. Board of Directors

(a) Composition and functioning:

During the year under review, Mr. Prashant Deshpande retired as the Wholetime Director of the Company with effect from 09 July 2012 and also resigned from the position of Alternate Director to Dr. Matthias Wolfgruber from that date.

Dr. Wolfgang Schütt resigned from the position of the Director of the Company with effect from 26 October 2012 and Dr. Guido Forstbach was appointed as an Additional Director with effect from that date.

Mr. Sharadkumar Shetye ceased to be an Alternate Director to Dr. Wolfgang Schütt with effect from 26 October 2012 and was appointed as an Alternate Director to Dr. Guido Forstbach from that date.

Consequent to this, the Board now comprises six Directors. Dr. Matthias Wolfgruber is the Non-Executive Chairman and Mr. Rajeev Bhide is the Managing Director. Dr. Guido Forstbach is Non-Executive Overseas Director. Mr. Suresh Talwar, Mr. Ravindra Kulkarni and Mr. Pradeep Mallick are Non-Executive Independent Directors. Mr. Sharadkumar Shetye, while being Executive Director in the wholetime employment of the Company, is also Alternate Director to Dr. Guido Forstbach.

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

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

Name of Director	Other Directorships	Other Committee Memberships (including Chairmanships) #	Other Committee Chairmanships #
Dr. Matthias Wolfgruber *	-	-	-
Dr. Guido Forstbach *	-	-	-
Mr. Suresh Talwar **	43	7	3
Mr. Ravindra Kulkarni **	10	5	-
Mr. Pradeep Mallick **	9	8	1
Mr. Rajeev Bhide ***	-	-	-
Mr. Sharadkumar Shetye *** (Alternate to Dr. Guido Forstbach)	-	-	-
Note: Dr. Wolfgang Schütt resigned from the position of Director of the Company with effect from 26 October 2012. He held no other directorships.			

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

\# Memberships of Audit Committee and Share Transfer cum Investors' Grievance Committee of all Public Limited Companies have been considered.

(b) Meetings and Attendance:

(i) During the financial year ended 31 December 2012, four Board meetings were held on 21 February, 18 April, 27 July, and 26 October.

(ii) The Directors attended the meetings as follows:

Name of Director	Meetings held during the tenure of Director	Meetings attended	Last AGM
Dr. Matthias Wolfgruber	4	1	No
Dr. Wolfgang Schütt *	4	1	No
Dr. Guido Forstbach **	0	N.A.	N.A.
Mr. Suresh Talwar	4	4	Yes
Mr. Ravindra Kulkarni	4	4	Yes
Mr. Pradeep Mallick	4	3	Yes
Mr. Rajeev Bhide	4	4	Yes
Mr. Prashant Deshpande @	4	2 #	Yes
Mr. Sharadkumar Shetye	4	4 #	Yes

* Retired with effect from 26 October 2012
** Appointed with effect from 26 October 2012
@ Retired with effect from 09 July 2012
\# Attended by invitation on 21 February 2012

(c) Information placed before the Board:

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

- annual operating business plans, Capital & Revenue budgets and updates thereto
- business performance and financial results on a quarterly basis
- business environment and relevant industry analysis
- investment of operating surpluses in mutual funds & bank deposits and the performance of such investments
- quarterly results of the Company including its segment-wise break-up
- appointment of statutory, internal and cost auditors
- observations of the internal auditor and issues related to internal controls and business process improvement
- minutes of the Audit Committee Meetings and of other committees
- position of accounts receivable, inventories and other significant items of working capital
- any materially significant default in discharge of financial obligations by and towards the Company
- status of pending litigations by and against the Company and position of contingent liabilities
- materially important show cause, demand and penalty notices
- significant developments in the area of human resources management and industrial relations
- details of the insurance programme implemented by the Company
- related party transactions for approval
- issue / revocation of Power of Attorney
- significant capital expenditure projects
- business risks with focus on specific risks faced by the Company as laid down in its Risk Management Manual and also risks in general
- information on other relevant matters requiring the approval of the Board

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

(d) Remuneration Policy:

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

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

Details of remuneration of Executive Directors for the year ended 31 December 2012:

(₹ in lacs)

Name and Designation	Salary	Perquisites	Performance Salary	Retirement benefits	Total	Term of Appointment
Mr. Rajeev Bhide (Managing Director)	24.39	23.40	28.80	6.58	83.17	5 Years from 1 August 2011
Mr. Prashant Deshpande (Director-Marketing) *	10.87	21.60	10.00	2.82	45.29	1 Year from 28 May 2012
Mr. Sharadkumar Shetye (Director-Manufacturing)	21.14	13.83	18.00	5.48	58.45	1 Year from 28 May 2012
Total	**56.40**	**58.83**	**56.80**	**14.88**	**186.91**	
*Employed for part of the year. Retired with effect from 09 July 2012.						

Notes:

(1) The above excludes accrual for employee benefits as the amount pertaining to the Directors is not separately ascertainable as the accrual / contribution is done for the Company as a whole on the basis of an actuarial valuation.

(2) The Company does not have a Stock Option Scheme.

(3) Notice period for severance of agreement with the Executive Directors & Managing Director is six months. However, no severance fees are payable.

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

Details of remuneration of Non-Executive Directors for the year ended 31 December 2012:

Name	Sitting fees (₹)	Commission (₹)
Mr. Suresh Talwar	80,000	300,000
Mr. Ravindra Kulkarni	80,000	300,000
Mr. Pradeep Mallick	60,000	300,000
Total	**220,000**	**900,000**

3. Board Committees:

The Board currently has two committees: the Audit Committee and the Share Transfer cum Investors' Grievance Committee. The Board is responsible for constituting, assigning and co-opting the Members of the Committees.

(a) Audit Committee:

During the financial year ended 31 December 2012, four Audit Committee meetings were held on 21 February, 18 April, 27 July, and 26 October.

During the year under review, Dr. Wolfgang Schütt resigned from the position of the Member of the Audit Committee of the Company with effect from 26 October 2012 and Dr. Guido Forstbach was appointed as Member of the Audit Committee with effect from that date.

The Audit Committee comprises Mr. Ravindra Kulkarni (Chairman), Dr. Guido Forstbach, Mr. Suresh Talwar and Mr. Pradeep Mallick. All members of the Audit Committee are Non-Executive Directors.

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

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

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

- financial reporting system, internal control systems and internal control procedures in the Company,
- reports of both Statutory Auditors and Internal Auditors,

- Internal Audit Programme & procedures and its approval and implementation,
- status report of 'Actions taken' on the findings and recommendations of the Internal Auditors, agreed and accepted by the Management,
- compliance with regulatory guidelines,
- compliance with respect to Clause 49 of the Listing agreement,
- position of overdue / doubtful book debts and action plans for collection,
- other activities included in the scope of the Audit Committee and forming part of the Terms of Reference approved by the Board of Directors,
- details, if any, of cheques bounced and consequent action taken.

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. Wolfgang Schütt (resigned with effect from 26 October 2012)	4	1
Dr. Guido Forstbach (appointed with effect from 26 October 2012)	0	N.A.
Mr. Suresh Talwar	4	4
Mr. Pradeep Mallick	4	3

(b) Share Transfer cum Investors' Grievance Committee:

(i) Composition: The Share Transfer cum Investors' Grievance Committee (STIGC) comprises Mr. Ravindra Kulkarni (Chairman), Mr. Rajeev Bhide and Mr. Sharadkumar Shetye. STIGC deals with all matters relating to shareholders / investors complaints in addition to the approval of transfer / transmission of shares, issue of duplicate certificates and issuance of certificates after split / consolidation / renewals thereof. In the absence of the Chairman, the members present elect one amongst themselves to chair the meeting of the Committee. During the year ended 31 December 2012, seventeen STIGC meetings were held. As of 31 December 2012, there were no unresolved investor complaints pending and no shares pending transfer.

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

(ii) Complaints:

Number of Investor Complaints received during the period 1 January 2012 to 31 December 2012:	2
Number of Investor Complaints resolved during the period 1 January 2012 to 31 December 2012:	2
Number of Investor Complaints pending at the end of the period 1 January 2012 to 31 December 2012:	0
Number of SEBI registered Investor Complaints pending unresolved as at 31 December 2012:	0

4. Other Information:

(a) Code of Conduct:

The Company has drawn up a Code of Conduct for Executive Directors and Senior Management which has been adopted by the Board and posted on the Company's website as well as the Company's intranet for the ready reference of employees.

(b) Risk Management:

The Company reviews its risk management systems and processes from time to time. The findings are discussed from time to time at the meetings of the Audit Committee and the Board of Directors. The Company has put in place a comprehensive Enterprise Risk Management Manual which contains an in-depth evaluation and assessment of the adequacy of its risk management systems in various areas of risks. The Company has categorized its risks into three major categories viz. Financial, Strategic, and Operational risks. The Company also periodically reviews the risks like Fire & Explosion, Effluent/Gas leakages, Use of Wrong Materials, Accidents and Liability Suits.

(c) General Body Meetings:

(I) Location & time of Annual General Meetings:

Financial Year ended	Date	Time	Place
31 December 2009	6 May 2010	2.30 p.m.	Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016.
31 December 2010	19 April 2011	3.00 p.m.	
31 December 2011	18 April 2012	3.30 p.m.	

(ii) There were no Special Resolutions passed at the Annual General Meetings held in the past 3 years.

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

(d) Postal Ballot

During the year, no special resolutions on matters requiring Postal Ballot, as recommended under Clause 49 of the Listing Agreement have been passed.

(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 the notes to accounts forming part of the Balance Sheet as at 31 December 2012. There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives during the year that might have potential conflict with the interests of the Company.

There were no instances of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets, during the last three years.

There have been no instances of any personnel seeking access to the Audit Committee.

The Company is complying with the mandatory requirements and adoption of the non-mandatory requirements under Clause 49.

(f) 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.

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) 57th Annual General Meeting:

Day, Date & Time	Monday, 29 April 2013 at 3.30 p.m.
Place	Hall No. 4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune – 411016.
Dates of Book Closure	From Tuesday, 23 April 2013 to Monday, 29 April 2013 (both days inclusive).
Dividend payment date	On 24 May 2013, if declared in the Annual General Meeting on 29 April 2013, within the stipulated statutory period.

(c) Unclaimed dividends:

I) Pursuant to Sections 205A and 205C of the Act, 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.

ii) Following table gives information relating to outstanding dividend account and date when it becomes due for transfer to IEPF in the year 2013.

Financial Year	Dividend payment date	Proposed date for transfer to IEPF *
Y 2005	21.06.2006	21.06.2013
* Indicative date and actual date may vary.		

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

(d) Company's financial year:

01 January to 31 December

(e) Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the period 1 April 2012 to 31 March 2013.

(f) Stock Performance:

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

Year 2012	Price of Equity Shares of the Company			Sensex		
Months	High (₹)	Low (₹)	Close (₹)	High	Low	Close
January	1,670.00	1,380.00	1,558.70	17,258.97	15,358.02	17,193.55
February	1,720.00	1,508.00	1,687.55	18,523.78	17,061.55	17,752.68
March	2,410.00	1,675.00	2,140.90	18,040.69	16,920.61	17,404.20
April	2,599.95	2,077.05	2,111.90	17,664.10	17,010.16	17,318.81
May	2,150.00	1,652.00	1,839.25	17,432.33	15,809.71	16,218.53
June	1,892.65	1,599.90	1,609.70	17,448.48	15,748.98	17,429.98
July	1,689.95	1,341.10	1,398.85	17,631.19	16,598.48	17,236.18
August	1,670.00	1,380.00	1,541.90	17,972.54	17,026.97	17,429.56
September	1,548.00	1,381.00	1,406.05	18,869.94	17,250.80	18,762.74
October	1,485.00	1,375.00	1,416.05	19,137.29	18,393.42	18,505.38
November	1,475.00	1,365.00	1,372.45	19,372.70	18,255.69	19,339.90
December	1,419.55	1,090.10	1,167.10	19,612.18	19,149.03	19,426.71

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

(h) Registrars and Share Transfer Agents:

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

(i) Dematerialisation:

As of 31 December 2012, 7771610 shares i.e. 98.03 % of the Company's total issued, subscribed and paid-up capital were held in demateralised form.

(j) Distribution of Shareholding as of 31 December 2012:

Shareholding	No. of shareholders	No. of shares	% to total
Less than 500	4438	384623	4.85
501 to 1000	71	52879	0.67
1001 to 2000	37	54002	0.68
2001 to 3000	10	25317	0.32
3001 to 4000	3	9829	0.12
4001 to 5000	4	17574	0.22
5001 to 10000	4	30102	0.38
10001 and above	12	7353356	92.76
Total:	**4579**	**7927682**	**100.00**

(k) Shareholders' Profile as on 31 December 2012:

Class of Shareholder	No. of shares	% to total
Promoters' Group	7020316	88.55
Mutual Funds and UTI	600	0.01
Banks, Financial Institutions, Insurance Companies (including Foreign institutional investors: 98588 shares)	98638	1.24
Private corporate bodies	175241	2.21
Individuals (including NRIs: 26349 shares)	632887	7.99
Total:	**7927682**	**100.00**

(l) Compliance with the Minimum Public Shareholding Requirement:

In line with the requirement specified by SEBI/Ministry of Finance for the existing Listed Companies to have a minimum public shareholding of 25% of its paid up capital, the promoters of the Company viz. ELANTAS GmbH have initiated appropriate steps to comply with the same before 4 June 2013.

(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) 30610777]
- Plot No.1 (A, B & C) & 122, GIDC Industrial Area, Ankleshwar – 393002
  Dist: Bharuch, Gujarat. [Tel: (02646) 304736]

(ii) Registered Office:

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

  (Registered Office shifted from 'Beck House, Damle Path, Off Law College Road, Pune 411004 to this place with effect from 22 January 2013)

(iii) Address for correspondence:

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

In respect of any other matter:
ELANTAS Beck India Ltd.
147, Mumbai-Pune Road, Pimpri, Pune 411018.
Tel: (020) 30610800

For and on behalf of the Board

Pune
27 February 2013

Suresh Talwar
Director

Rajeev Bhide
Managing Director

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

To the Members of
ELANTAS Beck India Limited

We have examined the compliance of conditions of corporate governance by ELANTAS Beck India Limited ("the Company") for the year ended 31 December 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

For B S R & Co.
Firm Registration No. 101248W
Chartered Accountants

Juzer Miyajiwala
Partner
Membership No.: 047483

Pune
27 February 2013

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31 December 2012 and that to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
   (i) significant changes in internal control over financial reporting during the year;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ELANTAS Beck India Ltd.

Pune	Rajeev Bhide	Sanjay Kulkarni
27 February 2013	Managing Director/ CEO	General Manager- Finance & Materials / CFO

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

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 December 2012.

For ELANTAS Beck India Ltd.

Rajeev Bhide
Managing Director

Pune
27 February 2013

Auditors' Report

To the Members of
ELANTAS Beck India Limited

We have audited the attached Balance Sheet of ELANTAS Beck India Limited ('the Company') as at 31 December 2012, the related Statement of Profit and Loss and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to above, we report that:
   a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors of the Company, as on 31 December 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 December 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
   f) in our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2012;
      ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
      iii) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & Co.
Firm Registration No. 101248W
Chartered Accountants

Pune
27 February 2013

Juzer Miyajiwala
Partner
Membership No.: 047483

Annexure to the Auditors' Report - 31 December 2012

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the Members of the Company on the financial statements for the year ended 31 December 2012, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.

   (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of resins (excluding natural resins) and varnishes and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Sales-tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues have been regularly deposited by the Company with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 December 2012 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs Duty and Excise duty other than the dues listed in Appendix I, which have not been deposited by the Company on account of disputes.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

11. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

Annexure to Auditors' Report – 31 December 2012 (Continued)

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The Company did not have any term loans outstanding during the year.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

18. The Company has not made any preferential allotment of shares to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.

19. The Company did not have any outstanding debentures during the year.

20. The Company has not raised any money by public issues during the year.

21. According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

For B S R & Co.
Firm Registration No. 101248W
Chartered Accountants

Pune
27 February 2013

Juzer Miyajiwala
Partner
Membership No.: 047483

Appendix I to the Auditors' Report

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

* Forms have been submitted along with the appeal

Balance Sheet as at 31 December 2012

(Currency : ₹ in lacs)

	Note	2012	2011
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	**792.77**	792.77
Reserves and surplus	3	**12,020.04**	17,739.06
		12,812.81	18,531.83
Non-current liabilities			
Deferred tax liability (net)	4	**149.89**	128.81
Other long term liabilities	5	**149.53**	57.01
Long term provisions	6	**357.41**	306.79
		656.83	492.61
Current liabilities			
Trade payables	7	**2,546.46**	2,116.67
Other current liabilities	8	**940.47**	802.77
Short term provisions	9	**8,528.64**	511.22
		12,015.57	3,430.66
		25,485.21	22,455.10
ASSETS			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		**4,701.46**	2,972.92
(ii) Intangible assets		**219.51**	356.88
(iii) Capital work-in-progress		**27.89**	1,361.26
		4,948.86	4,691.06
Non-current investments	11	**14.69**	9.91
Long term loans and advances	12	**289.25**	406.20
Other non current assets	13	**18.99**	1.26
		5,271.79	5,108.43
Current assets			
Current investments	14	**9,999.12**	8,025.76
Inventories	15	**4,471.47**	3,836.99
Trade receivables	16	**3,849.12**	3,780.99
Cash and bank balances	17	**1,480.91**	1,220.24
Short term loans and advances	18	**314.70**	429.57
Other current assets	19	**98.10**	53.12
		20,213.42	17,346.67
		25,485.21	22,455.10
Significant accounting policies	1		
Notes to the accounts	2-42		

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

For B S R & Co.
Chartered Accountants
Firm Registration No : 101248W

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

Juzer Miyajiwala
Partner
Membership No.: 047483
Pune, 27 February 2013

Shirish Dabir
Company Secretary

Suresh Talwar
Director

Dr Matthias Wolfgruber
Chairman

Ravindra Kulkarni
Director

Dr Guido Forstbach
Director

Rajeev Bhide
Managing Director

Statement of Profit and Loss for the year ended 31 December 2012

(Currency : ₹ in lacs)

	Notes	2012	2011
Revenue from operations	20		
Sale of products (gross)		**30,508.46**	29,295.26
Less : Excise duty		**3,186.58**	2,614.16
Sale of products (net)		**27,321.88**	26,681.10
Other operating revenues		**124.18**	215.69
		27,446.06	26,896.79
Other income	21	**1,071.18**	603.66
Total revenue		**28,517.24**	27,500.45
Expenses			
Cost of materials consumed	22	**19,238.49**	19,001.87
Purchases of stock-in-trade		**43.83**	69.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**22.69**	36.14
Employee benefit expenses	24	**1,646.65**	1,508.46
Finance costs		**10.15**	6.82
Depreciation and amortisation expenses	10	**474.46**	499.80
Other expenses	25	**3,378.67**	2,783.52
Total expenses		**24,814.94**	23,906.35
Profit before tax		**3,702.30**	3,594.10
Tax expenses			
Current tax expense	26	**978.00**	1,150.00
Short / (excess) provision for tax for earlier years		**(54.40)**	(17.23)
Deferred tax charge / (release)		**21.07**	(12.48)
		944.67	1,120.29
Profit for the year		**2,757.63**	2,473.81
Basic and diluted earnings per share (₹)	38	**34.78**	31.20
Significant accounting policies	1		
Notes to the accounts	2-42		

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

For B S R & Co.
Chartered Accountants
Firm Registration No : 101248W

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

Juzer Miyajiwala
Partner
Membership No.: 047483
Pune, 27 February 2013

Shirish Dabir
Company Secretary

Suresh Talwar
Director

Dr Matthias Wolfgruber
Chairman

Ravindra Kulkarni
Director

Dr Guido Forstbach
Director

Rajeev Bhide
Managing Director

Cash Flow Statement for the year ended 31 December 2012

(Currency : ₹ in lacs)

	Particulars	2012	2011
A.	**Cash flow from operating activities :**		
	Profits before tax	**3,702.30**	3,594.10
	Adjustments for:		
	Depreciation / Amortisation	**474.46**	499.80
	Interest income	**(95.96)**	(90.41)
	Loss / (profit) on assets sold / scrapped (net)	**10.49**	4.56
	Unrealised loss / (gain) on current investments	**(1.46)**	1.42
	Loss / (profit) on sale of investments	**(548.93)**	(138.08)
	Finance cost	**10.15**	6.82
	Dividend income	**(201.74)**	(201.78)
		(352.99)	82.33
	Operating profits before working capital changes	**3,349.31**	3,676.43
	Changes in working capital		
	(Increase)/ decrease in trade receivables	**(68.13)**	(296.86)
	(Increase) / decrease in inventories	**(634.48)**	997.42
	(Increase) / decrease in loans and advances	**129.35**	(158.31)
	Increase / (decrease) in current liabilities (other than unclaimed dividends)	**656.37**	305.58
	Increase /(decrease) in provisions (other than taxation and dividends)	**41.92**	16.89
	Net changes in working capital	**125.03**	864.72
	Cash generated from operations	**3,474.34**	4,541.15
	Taxes paid	**(914.60)**	(1,133.52)
	Net cash flow from / (used in) operating activities	**2,559.74**	3,407.63
B.	**Cash flow from investing activities :**		
	Purchase of fixed assets	**(746.20)**	(1,625.06)
	Sale of fixed assets	**3.46**	5.91
	Purchase of investments	**(16,712.95)**	(12,265.72)
	Sale of investments	**15,285.20**	10,311.41
	Fixed deposits placed	**(1,688.97)**	(1,424.60)
	Fixed deposits matured	**1,768.43**	1,631.43
	Interest received	**107.42**	71.56
	Dividend received	**201.74**	201.78
	Net cash generated from / (used in) investing activities	**(1,781.87)**	(3,093.29)
C.	**Cash flow from financing activities :**		
	Interest paid	**(9.32)**	(6.96)
	Dividend paid (including tax on dividend)	**(411.79)**	(416.13)
	Net cash generated from / (used in) financing activities	**(421.11)**	(423.09)
D.	**Net increase / (decrease) in cash and cash equivalents**	**356.76**	(108.75)
	Cash and cash equivalents		
	At the beginning of the year	**262.84**	371.59
	At the end of the year	**619.60**	262.84

Fixed deposits with banks having original maturity of more than three months aggregating to ₹ 861.31 (Previous year ₹ 957.40) are not readily liquid and have been excluded from Cash and cash equivalents. (Refer note 17 & note 42)

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

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

For B S R & Co.
Chartered Accountants
Firm Registration No : 101248W

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

Juzer Miyajiwala
Partner
Membership No.: 047483
Pune, 27 February 2013

Shirish Dabir
Company Secretary

Suresh Talwar
Director

Dr Matthias Wolfgruber
Chairman

Ravindra Kulkarni
Director

Dr Guido Forstbach
Director

Rajeev Bhide
Managing Director

Notes to the financial statements for the year ended 31 December 2012

1. **Significant accounting policies**

1.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) issued by the Companies (Accounting Standard) Rules , 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lacs.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

1.2 Accounting estimates

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

1.3 Current–non-current classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current

Liabilities

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

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

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

Operating cycle

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

1.4 Fixed assets and depreciation

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

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

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

1.5 Intangible assets and amortization

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

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

1.6 Impairment of assets

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

1.7 Investments

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

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

1.8 Inventories

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

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

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

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

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

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

1.9 Revenue recognition

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

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

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

1.10 Employee benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

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

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

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

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

(c) Long term employee benefits

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

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

1.11 Foreign exchange transactions

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

A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

1.12 Taxes on Income

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

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

1.13 Earnings per Share ('EPS')

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

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

1.14 Provisions and Contingencies

Provisions

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

Contingencies

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

1.15 Contingent Liabilities and Contingent Assets

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

1.16 Leases

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

2. Share capital

(Currency : ₹ in lacs)

	2012	2011
Authorised :		
15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each	**1,500.00**	1,500.00
Issued, subscribed and fully paid-up :		
7,927,682 (previous year: 7,927,682) equity shares of ₹ 10 each	**792.77**	792.77
Rights , preferences and restrictions attached to equity shares:		
The Company has a single class of equity shares. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time.		
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.		
Equity shares held by Holding / Ultimate holding company and / or their subsidiaries:		
7,020,316 (Previous year 7,020,316) equity shares of ₹ 10 each held by ELANTAS GmbH (Holding Company)		
Particulars of shareholders holding more than 5% of equity shares:		
7,020,316 (Previous year 7,020,316) equity shares of ₹ 10 each held by ELANTAS GmbH. (percentage of holding 88.56 %(previous year 88.56%))		

3. Reserves and surplus

(Currency : ₹ in lacs)

	2012	2011
Capital reserve (At the commencement and at the end of the year)	**40.00**	40.00
Share premium (At the commencement and at the end of the year)	**695.18**	695.18
General reserve		
At the commencement of the year	**4,398.19**	4,150.81
Add : Amount transferred from surplus	**275.76**	247.38
	4,673.95	4,398.19
Surplus (Profit and loss balance)		
At the commencement of the year	**12,605.69**	10,792.51
Profit for the current year	**2,757.63**	2,473.81
Amount available for appropriations	**15,363.32**	13,266.32
Less :Appropriations		
Proposed dividend (final) (₹ 92 per equity share (Previous year ₹ 4.5 per equity share))	**7,293.47**	356.75
Dividend distribution tax	**1,183.18**	56.50
Transfer to general reserve	**275.76**	247.38
Net surplus in the statement of profit and loss	**6,610.91**	12,605.69
	12,020.04	17,739.06

4. Deferred tax liability (net)

(Currency : ₹ in lacs)

	2012	2011
Deferred tax liability :		
Difference between book and tax depreciation/ amortisation	**283.16**	262.19
Accrual for lease rental income (straightlining effect)	**13.91**	-
	297.07	262.19
Deferred tax asset :		
Provision for doubtful trade receivables	**22.44**	22.24
Provision for compensated absences and other employee benefits	**124.74**	111.14
	147.18	133.38
	149.89	128.81

5. Other long term liabilities

(Currency : ₹ in lacs)

	2012	2011
Security deposits received	**149.53**	57.01
	149.53	57.01

6. Long term provisions

(Currency : ₹ in lacs)

	2012	2011
Provision for employee benefits		
Compensated absences	**295.47**	260.32
Service awards	**40.00**	35.69
Gratuity (Refer note no 35)	**11.95**	-
Termination benefits (Refer note no 35)	**9.99**	10.78
	357.41	306.79

7. Trade payables

(Currency : ₹ in lacs)

	2012	2011
Dues to micro and small enterprises #	**9.70**	17.83
Dues to creditors other than micro and small enterprises	**2,536.76**	2,098.84
	2,546.46	2,116.67
# The Company has made above disclosure on the basis of available information received from the vendors and has computed the interest liability as per Micro, Small and Medium Enterprises Development Act, 2006. However in the view of the management, the impact of interest that may be payable in accordance with the provisions of the Act is not material.		

8. Other current liabilities

(Currency : ₹ in lacs)

	2012	2011
Unpaid dividends	**22.22**	19.38
TDS payable	**11.89**	16.24
PF / ESI payable	**11.98**	11.39
Sales tax payable	**55.53**	31.43
Octroi payable	**18.04**	17.60
Payable on account of purchase of fixed assets	**19.07**	79.77
Excise duty payable	**189.36**	168.79
Security deposit from customers	**117.50**	80.90
Payable to employees	**408.86**	344.82
Advance from customers	**70.87**	16.13
Other liabilities	**15.15**	16.32
	940.47	802.77

9. Short term provisions

(Currency : ₹ in lacs)

	2012	2011
Provision for employee benefits		
Compensated absences	**23.27**	30.47
Service awards	**0.67**	3.02
Termination benefits	**3.12**	2.26
Provision for income tax (net of advance tax)	**24.29**	60.20
Proposed dividend	**7,293.47**	356.75
Dividend distribution tax	**1,183.18**	57.87
Provision for wealth tax	**0.64**	0.65
	8,528.64	511.22

10. Fixed assets

(Currency : ₹ in lacs)

10.1 Tangible fixed assets

	Freehold land	Leasehold land	Building and roads	Plant and equipment	Computers	Furniture and fixtures	Motor vehicles	Total
Balance as at 1 January 2011	354.83	11.27	935.43	3,112.70	386.74	89.22	187.53	5,077.72
Additions	-	-	241.23	329.97	22.35	3.08	29.81	626.44
Disposals	-	-	-	2.66	1.41	0.46	21.53	26.06
Balance as at 31 December 2011	354.83	11.27	1,176.66	3,440.01	407.68	91.84	195.81	5,678.10
Balance as at 1 January 2012	**354.83**	**11.27**	**1,176.66**	**3,440.01**	**407.68**	**91.84**	**195.81**	**5,678.10**
Additions	**-**	**-**	**1,224.59**	**420.61**	**70.69**	**333.77**	**28.32**	**2,077.98**
Disposals	**-**	**-**	**-**	**7.94**	**-**	**-**	**26.52**	**34.46**
Balance as at 31 December 2012	**354.83**	**11.27**	**2,401.25**	**3,852.68**	**478.37**	**425.61**	**197.61**	**7,721.62**
Depreciation :								
Balance as at 1 January 2011	-	2.25	269.59	1,929.29	106.89	72.31	60.71	2,441.04
Depreciation for the year	-	0.14	23.28	200.25	33.20	4.78	18.08	279.73
Accumulated depreciation on disposals	-	-	-	1.70	1.41	0.46	12.02	15.59
Balance as at 31 December 2011	-	2.39	292.87	2,127.84	138.68	76.63	66.77	2,705.18
Balance as at 1 January 2012	**-**	**2.39**	**292.87**	**2,127.84**	**138.68**	**76.63**	**66.77**	**2,705.18**
Depreciation for the year	**-**	**0.14**	**47.67**	**223.89**	**31.09**	**13.54**	**19.17**	**335.50**
Accumulated depreciation on disposals	**-**	**-**	**-**	**3.79**	**-**	**-**	**16.73**	**20.52**
Balance as at 31 December 2012	**-**	**2.53**	**340.54**	**2,347.94**	**169.77**	**90.17**	**69.21**	**3,020.16**
Capital work in progress:								
Balance as at 1 January 2011	-	-	209.94	0.18	-	-	-	210.12
Additions	-	-	946.59	485.73	-	291.13	-	1,723.45
Assets capitalised during the year	-	-	241.23	329.97	-	1.11	-	572.31
Balance as at 31 December 2011	-	-	915.30	155.94	-	290.02	-	1,361.26
Balance as at 1 January 2012	**-**	**-**	**915.30**	**155.94**	**-**	**290.02**	**-**	**1,361.26**
Additions	**-**	**-**	**317.32**	**257.39**	**-**	**19.95**	**-**	**594.66**
Assets capitalised during the year	**-**	**-**	**1,224.59**	**393.47**	**-**	**309.97**	**-**	**1,928.03**
Balance as at 31 December 2012	**-**	**-**	**8.03**	**19.86**	**-**	**-**	**-**	**27.89**
Net Block as on 31 December 2011	354.83	8.88	883.79	1,312.17	269.00	15.21	129.04	2,972.92
Net Block as on 31 December 2012	**354.83**	**8.74**	**2,060.71**	**1,504.74**	**308.60**	**335.44**	**128.40**	**4,701.46**

10.2 Intangible fixed assets

(Currency : ₹ in lacs)

	Goodwill	Technical Know-How	Trademarks	Computer Software	Total
Balance as at 1 January 2011	105.36	743.71	222.32	37.41	1,108.80
Additions	-	-	-	0.42	0.42
Disposals	-	-	-	-	-
Balance as at 31 December 2011	105.36	743.71	222.32	37.83	1,109.22
Balance as at 1 January 2012	**105.36**	**743.71**	**222.32**	**37.83**	**1,109.22**
Additions	**-**	**-**	**-**	**1.60**	**1.60**
Disposals	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2012	**105.36**	**743.71**	**222.32**	**39.43**	**1,110.82**
Amortisation:					
Balance as at 1 January 2011	66.91	326.87	112.83	25.68	532.29
Amortisation for the year	21.08	148.74	44.47	5.76	220.05
Amortisation on disposals	-	-	-	-	-
Balance as at 31 December 2011	87.99	475.61	157.30	31.44	752.34
Balance as at 1 January 2012	**87.99**	**475.61**	**157.30**	**31.44**	**752.34**
Amortisation for the year	**7.15**	**101.61**	**25.06**	**5.15**	**138.97**
Amortisation on disposals	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2012	**95.14**	**577.22**	**182.36**	**36.59**	**891.31**
Net Block as on 31 December 2011	17.37	268.10	65.02	6.39	356.88
Net Block as on 31 December 2012	**10.22**	**166.49**	**39.96**	**2.84**	**219.51**

11. Non-current investments
Non trade investments

(Currency : ₹ in lacs)

	2012	2011
Unquoted: (at cost)		
146,365 (previous year : 98,576) equity shares of ₹ 10 each fully paid up in Narmada Clean Tech Ltd (previously known as Bharuch Eco Aqua Infrastructure Limited)	**14.64**	9.86
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: (lower of cost and market value)		
50 (previous year 50) equity shares of State Bank of India of ₹ 10 each fully paid-up at a premium of ₹ 90 per equity share (Market value ₹ 1.19 - previous year ₹ 0.81)	**0.05**	0.05
	14.69	9.91
Quoted non current investments		
Aggregate book value	**0.05**	0.05
Aggregate market value	**1.19**	0.81
Unquoted non current investments		
Aggregate book value	**16.99**	12.21
Aggregate provision for diminution in value of investments	**(2.35)**	(2.35)
Aggregate carrying amount	**14.64**	9.86

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

(Currency : ₹ in lacs)

	2012	2011
To parties other than related parties		
Capital advances	**28.28**	101.17
Security deposits	**132.27**	138.27
Advance tax (net of provisions)	**85.19**	130.11
Housing loan given to employees	**40.44**	21.87
To related parties		
Housing loan given to employees		
Mr Rajeev Bhide - Managing director	**3.07**	4.72
Mr Prashant Deshpande - Director	**-**	10.06
	289.25	406.20

13. Other non current assets

(Currency : ₹ in lacs)

	2012	2011
Fixed deposits	**17.65**	1.03
Interest accrued but not due	**1.34**	0.23
	18.99	1.26
Out of the fixed deposits mentioned above ₹ 0.65 (previous year ₹ 1.03) are given as Bank Guarantee for a period more than one year.		

14. Current investments

(Currency : ₹ in lacs)

	2012	2011
Non trade investments		
Investments in mutual funds (Quoted) : lower of cost and market value		
NIL units (previous year 67,668.548) of Birla Sun Life Floating Rate Fund - Retail - Long Term - Growth of face value ₹ NIL (previous year ₹ 100 per unit)	-	107.71
NIL units (previous year 2,320,000.000) of Birla Sun Life Fixed Term Plan Series CQ - Growth of face value ₹ NIL (previous year ₹ 10 per unit)	-	232.00
NIL units (previous year 1,000,000.000) of Birla Sun Life Fixed Term Plan Series CT - Growth of face value NIL (previous year ₹ 10 per unit)	-	100.00
NIL units (previous year 1,000,000.000) of Birla Sun Life Fixed Term Plan Series DB - Growth of face value NIL (previous year ₹ 10 per unit)	-	100.00
5,542,163.077 units (previous year 1,183,144.131) of Birla Sun Life Dynamic Bond Fund - Retail - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**989.64**	200.00
NIL units (previous year 1,353,497.548) of Birla Sun Life Income Fund - Monthly Dividend - Reinvestment of face value NIL (previous year ₹ 10 per unit)	-	155.39
NIL units (previous year 2,096,686.856) of HDFC Cash Management Fund -Treasury Advantage Plan - Retail - Growth of face value NIL (previous year ₹ 10 per unit)	-	420.21
NIL units (previous year 1,619,028.675) of HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth of face value NIL (previous year ₹ 10 per unit)	-	350.00
NIL units (previous year 2,033,288.640) of HDFC Short Term Plan - Dividend of face value NIL (previous year ₹ 10 per unit)	-	209.89
4,212,191.140 units (previous year 512,886.269) of HDFC Short Term Plan - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**897.85**	100.00
NIL units (previous year 3,981,342.516) of DWS Ultra Short Term Fund Institutional Daily Dividend - reinvest of face value NIL (previous year ₹ 10 per unit)	-	398.85
1,935,227.781 units (previous year 3,559,080.453) of DWS Short Maturity Fund-Monthly Dividend Plan - reinvest of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**227.40**	412.78

14. Current investments (continued)

(Currency : ₹ in lacs)

	2012	2011
3,188,813.302 units (previous year NIL) of DWS Premier Bond Fund Growth of face value ₹ 10 per unit (previous year NIL).	**600.00**	-
NIL units (previous year 51,761.395) of SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend Reinvestment of face value NIL (previous year ₹ 10 per unit)	-	517.92
134,755.838 units (previous year NIL) of SBI Premier Liquid Fund- Super IP - Daily Dividend Reinvestment of face value ₹ 1000 per unit (previous year NIL)	**1,351.94**	-
NIL units (previous year 1,492,725.568) of SBI-Magnum Income Fund FR Savings Plus Bond Plan-Daily Dividend Reinvestment of face value NIL (previous year ₹ 10 per unit)	-	150.20
NIL units (previous year1,785,961.659) of IDFC Ultra Short Term Fund Weekly Dividend of face value NIL (previous year ₹ 10 per unit)	-	178.71
1,366,127.012 units (previous year 382,878.159) of IDFC Money Manager Fund - Investment Plan - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**219.90**	54.03
2,249,500.165 units (previous year NIL) of IDFC Fixed Maturity Plan -Yearly Series 63 Growth of face value ₹ 10 per unit (previous year NIL)	**224.95**	-
NIL units (previous year 2,000,000.000) of IDFC Fixed Maturity Plan - Yearly Series 39 - Growth of face value NIL (previous year ₹ 10 per unit)	-	200.00
NIL units (previous year 2,043,736.749) of IDFC Fixed Maturity Plan - Yearly Series 40 - Growth of face value NIL (previous year ₹ 10 per unit)	-	204.37
284,973.298 units (previous year Nil) of IDFC Dynamic Bond Fund - Plan A - Growth of face value ₹ 10 per unit (previous year NIL)	**61.57**	-
NIL units (previous year 2,612,381.428) of IDFC - SSIF - Short Term - Plan A - Fortnightly Dividend of face value NIL (previous year ₹ 10 per unit)	-	266.93
47,472.070 units (previous year 60,452.457) of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan of face value ₹ 1000 per unit (previous year ₹ 1000 per unit)	**475.37**	605.35
2,135,681.551 units (previous year NIL) of Reliance Regular Savings Fund - Debt plan-Growth option of face value ₹ 10 per unit (previous year NIL)	**310.00**	-
1,846,758.657 units (previous year NIL) of Reliance Regular Saving Fund - Debt - Quarterly Div Reinvestment of face value ₹ 10 per unit (previous year NIL)	**231.73**	-
NIL units (previous year 189,815.170) of ICICI Prudential Flexible Income Plan Premium - Growth of face value NIL (previous year ₹ 100 per unit)	-	350.00
1,000,000.000 units (previous year 1,000,000.000) of ICICI Prudential FMP Series 58-2Y Plan A Cumulative of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**100.00**	100.00
1,100,000.000 units (previous year NIL) of ICICI Prudential FMP Series 62-1 Year Plan B Cumulative of face value ₹ 10 per unit (previous year NIL)	**110.00**	-
6,715,971.737 units (previous year NIL) of ICICI Prudential Saving Fund Growth of face value ₹ 10 per unit (previous year NIL)	**780.70**	-
NIL units (previous year 1,000,000.000) of ICICI Prudential FMP Series 55-1Y Plan D Cumulative of face value NIL (previous year ₹ 10 per unit)	-	100.00
83,453.349 units (previous year NIL) of UTI - Treasury Advantage Fund - Institutional-Daily Dividend of face value ₹ 1000 per unit (previous year NIL)	**834.71**	-
NIL units (previous year 1,387,501.410) of UTI Dynamic Bond Fund - Growth Plan of face value NIL (previous year ₹ 10 per unit)	-	151.29
1,200,000.000 units (previous year NIL) of HSBC Fixed term Series 82 -Growth - Tenure 370 days - of face value ₹ 10 per unit (previous year NIL)	**120.00**	-
NIL units (previous year 2,023,809.179) of Tata Floater Fund - Daily Dividend of face value NIL (previous year ₹ 10 per unit)	-	203.10
NIL units (previous year 3,840,701.774) of Tata Floater Fund - Growth of face value NIL (previous year ₹ 10 per unit)	-	528.40

14. Current investments (continued)

(Currency : ₹ in lacs)

	2012	2011
38,308.303 units (previous year NIL) of TATA Floater Fund - Growth of face value ₹ 1000 per unit (previous year NIL)	**617.02**	-
NIL units (previous year 1,002,344.000) of TATA Fixed Maturity Plan Series 34 Scheme B - Growth of face value NIL (previous year ₹ 10 per unit)	**-**	100.23
1,150,000.000 units (previous year 1,150,000.000) of TATA Fixed Maturity Plan Series 38 Scheme E - Growth of face value ₹ 10 per unit (previous year ₹ 10 per unit)	**115.00**	115.00
NIL units (previous year 750,000.000) of DSP BlackRock FMP - 12M Series 17 - Growth, Maturity Date 27-Mar-2012 of face value NIL (previous year ₹ 10 per unit)	**-**	75.00
NIL units (previous year 600,000.000) of DSP BlackRock FMP - 12M Series 19 - Growth Maturity Date 10-May-2012 of face value NIL (previous year ₹ 10 per unit)	**-**	60.00
4,185,905.121 units (previous year NIL) of DSP Black Rock Short Term Fund - Growth of face value ₹ 10 per unit (previous year NIL)	**780.92**	-
NIL units (previous year 4,358,755.298) of DSP BlackRock Short Term Fund - Monthly Dividend Reinvest of face value NIL (previous year ₹ 10 per unit)	**-**	472.37
NIL units (previous year 9,694.708) of DSP BlackRock Money Manager Fund - Institutional Plan - Growth of face value NIL (previous year ₹ 1000 per unit)	**-**	135.00
850,870.331 units (previous year NIL) units of DSP Income Opportunity fund - RP - Growth of face value ₹ 1000 per unit (previous year NIL)	**154.02**	-
NIL units (previous year 1,000,000.000) of Kotak FMP Series 40 - Growth of face value NIL (previous year ₹ 10 per unit)	**-**	100.00
NIL units (previous year 3,000,000.000) of Kotak FMP 18M Series 6 - Growth of face value NIL (previous year ₹ 10 per unit)	**-**	300.00
1,135,270.000 units (previous year NIL) of Kotak FMP Series 79-Growth of face value ₹ 10 per unit (previous year NIL)	**113.53**	-
1,401,996.000 units (previous year NIL) of Kotak FMP Series 83-Growth of face value ₹ 10 per unit (previous year NIL)	**140.20**	-
NIL units (previous year 1,000,000.000) of Kotak Credit Opportunities - Growth of face value NIL (previous year ₹ 10 per unit)	**-**	100.00
627,372.563 units (previous year NIL) of Kotak Bond (Regular) - Growth of face value ₹ 10 per unit (previous year NIL)	**198.06**	-
3,418,844.291 units (previous year NIL) of Kotak Floater Long Term - DDR of face value ₹10 per unit (previous year NIL)	**344.61**	-
NIL units (previous year 1,168,493.708) of Kotak Floater Long Term - Growth of face value NIL (previous year ₹ 10 per unit)	**-**	171.03
	9,999.12	8,025.76
Quoted current investments		
Aggregate book value	**9,999.12**	8,025.76
Aggregate market value	**10,380.99**	8,399.80
Current and Non current investments		
Quoted		
Aggregate book value	**9,999.17**	8,025.81
Aggregate market value	**10,382.18**	8,400.61

15. Inventories

(Currency : ₹ in lacs)

	2012	2011
Raw materials (including Goods in transit ₹ 503.43(previous year ₹ 254.64))	**2,548.65**	1,947.33
Intermediates and work-in-progress	**456.90**	489.73
Packing materials	**95.06**	77.46
Stores	**102.77**	64.52
Purchased goods for resale	**4.20**	1.86
Finished goods	**1,263.89**	1,256.09
	4,471.47	3,836.99

16. Trade receivables

(Currency : ₹ in lacs)

	2012	2011
(unsecured)		
Over six months : from the date they became due for payment		
Considered good	**7.22**	33.54
Considered doubtful	**69.17**	68.36
Less : Provision for doubtful receivables	**(69.17)**	(68.36)
	7.22	33.54
Other debts :		
Considered good	**3,841.90**	3,747.45
Considered doubtful	**-**	0.20
Less : Provision for doubtful receivables	**-**	(0.20)
	3,841.90	3,747.45
	3,849.12	3,780.99

17. Cash and bank balances

(Currency : ₹ in lacs)

	2012	2011
Cash & cash equivalents		
Cash in hand	**0.66**	1.23
Balances with banks		
Unpaid dividend	**22.22**	19.38
Balance on current accounts	**596.72**	242.23
	619.60	262.84
Other bank balances		
Balance on deposit accounts	**861.31**	957.40
(With original maturity of more than 3 months and due to mature within 12 months of reporting date)		
	1,480.91	1,220.24
Details of Bank balances / deposits		
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'.	**596.72**	242.23
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	**861.31**	957.40
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'. (refer note 13)	**17.65**	1.03
Earmarked funds (unpaid dividend) included in 'Balances with banks'	**22.22**	19.38
	1,497.90	1,220.04

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

(Currency : ₹ in lacs)

	2012	2011
To parties other than related parties		
Advance for supply of goods and services	**42.16**	33.58
Prepaid expenses	**58.73**	67.94
Current maturities of housing loans to employees	**4.55**	2.59
Other employee advances	**1.40**	1.12
Cenvat credit receivable	**42.92**	188.01
Balance with customs authorities	**79.36**	68.97
Unutilised DEPB licenses	**63.76**	44.14
Other advances	**-**	19.29
Other deposits	**20.18**	0.01
To related parties		
Current maturities of long term housing loans to employees		
Mr. Rajeev Bhide - Managing director	**1.64**	1.58
Mr. Prashant Deshpande - Director (upto 9 July 2012)	**-**	2.34
	314.70	429.57

19. Other current assets

(Currency : ₹ in lacs)

	2012	2011
Interest accrued but not due	**27.88**	40.44
Other receivables	**70.22**	12.68
	98.10	53.12

20. Revenue from operations

(Currency : ₹ in lacs)

	2012	2011
Sale of products		
Finished goods	**30,446.34**	29,157.71
Traded goods	**62.12**	137.55
Sale of products (gross)	**30,508.46**	29,295.26
Less : Excise duty	**3,186.58**	2,614.16
Sale of products (net)	**27,321.88**	26,681.10
Other operating revenues		
Sale of raw materials	**34.95**	111.42
Sale of scrap	**89.23**	104.27
	124.18	215.69
	27,446.06	26,896.79

21. Other Income

(Currency : ₹ in lacs)

	2012	2011
Interest Income on current investments	**95.96**	90.41
Dividend Income on current investments	**201.74**	201.78
Gain / (loss) on sale of investments	**548.93**	138.07
Rental income from letting out of property	**122.45**	50.59
Hire charges	**2.54**	2.54
Fixed service charges for use of common facilities	**2.20**	3.30
Export benefits	**22.13**	46.73
Gain on DEPB license	**30.07**	28.55
Royalty and commission	**26.81**	21.06
Miscellaneous income	**18.35**	20.63
	1,071.18	603.66

22. Cost of materials consumed (Currency : ₹ in lacs)

	2012	2011
Consumption of raw materials:		
Inventory at the beginning of the year	**1,947.32**	2,890.88
Purchases	**18,588.02**	16,858.67
Inventory at the end of the year	**2,548.64**	1,947.32
	17,986.70	17,802.23
Consumption of packing materials		
Inventory at the beginning of the year	**77.46**	82.60
Purchases	**1,269.39**	1,194.50
Inventory at the end of the year	**95.06**	77.46
	1,251.79	1,199.64
	19,238.49	19,001.87
Break up of cost of raw materials consumed		
Consumption value		
Synthetic Resins	**2,819.60**	3,313.37
Solvents	**5,765.90**	4,959.12
Organic Chemicals	**8,524.23**	8,665.64
Others	**876.97**	864.10
	17,986.70	17,802.23
Break-up of inventory-materials		
Synthetic Resins	**464.19**	276.85
Solvents	**492.04**	419.75
Organic Chemicals	**1,423.08**	1,068.48
Others	**169.33**	182.24
	2,548.64	1,947.32

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

	2012	2011
Opening stock :		
Intermediates and work-in-progress	**489.73**	421.34
Traded finished goods	**1.86**	58.88
Manufactured finished goods *	**1,256.09**	1,303.60
	1,747.68	1,783.82
Closing stock :		
Intermediates and work-in-progress	**456.90**	489.73
Traded finished goods	**4.20**	1.86
Manufactured finished goods *	**1,263.89**	1,256.09
	1,724.99	1,747.68
	22.69	36.14
* Includes provision for excise duty ₹ 143.62 (previous year : ₹ 128.41)		
Changes in inventory of finished goods, work-in-progress and stock in trade Manufactured goods		
Opening stocks		
Wire enamels and Impregnating varnishes	**834.67**	818.88
Synthetic resins	**421.42**	484.72
Total	**1,256.09**	1,303.60
Closing stocks		
Wire enamels and Impregnating varnishes	**904.82**	834.67
Synthetic resins	**359.07**	421.42
Total	**1,263.89**	1,256.09

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

(Currency : ₹ in lacs)

	2012	2011
Work-in-progress		
Opening stocks		
Wire enamels and Impregnating varnishes	**346.71**	204.51
Synthetic resins	**143.02**	216.83
Total	**489.73**	421.34
Closing stocks		
Wire enamels and Impregnating varnishes	**298.82**	346.71
Synthetic resins	**158.08**	143.02
Total	**456.90**	489.73
Traded finished goods		
Opening stocks		
Wire enamels and Impregnating varnishes	**-**	50.88
Synthetic resins	**1.86**	8.00
Total	**1.86**	58.88
Closing stocks		
Wire enamels and Impregnating varnishes	**-**	-
Synthetic resins	**4.20**	1.86
Total	**4.20**	1.86

24. Employee benefit expenses

(Currency : ₹ in lacs)

	2012	2011
Salaries, wages and bonus	**1,306.10**	1,253.82
Contribution to provident and other funds	**142.20**	130.91
Staff welfare expenses	**99.37**	81.74
Compensated absences	**53.65**	28.46
Other employee benefits	**45.33**	13.53
	1,646.65	1,508.46

25. Other expenses

(Currency : ₹ in lacs)

	2012	2011
Consumption of stores and spare parts	**101.53**	116.71
Power and fuel	**586.27**	483.80
Delivery charges	**656.16**	539.81
Rent	**31.19**	30.83
Rates and taxes	**180.17**	122.61
Insurance	**41.04**	38.33
Repairs to Building	**10.42**	14.24
Repairs to Machinery	**180.93**	177.02
Repairs others	**34.46**	26.44
Repacking charges	**107.00**	85.81
Royalty	**126.01**	105.71
Travelling	**108.11**	114.03
Bad debts and advances written off	**7.45**	3.94
Provision for doubtful debts	**0.61**	9.20
Commission on sales	**0.27**	12.13
Excise duty	**-**	-

25. Other expenses (Contd.)

(Currency : ₹ in lacs)

	2012	2011
Legal and professional charges *	**134.87**	97.59
Net loss on account of foreign exchange fluctuations	**70.82**	69.90
Loss on sale of fixed assets	**10.49**	4.56
Miscellaneous expenses	**990.87**	730.86
	3,378.67	2,783.52
* include Payment to auditors		
As auditors		
Statutory audit	**9.00**	7.50
Tax audit	**3.25**	2.50
Limited review of quarterly results	**8.00**	5.15
Corporate governance certification	**1.00**	0.75
In other capacity		
Other audit services	**3.00**	2.50
Transfer pricing	**2.50**	2.50
Reimbursement of expenses		
As auditors	**0.95**	0.54
Towards services	**0.08**	0.06
	27.78	21.50

26. Current tax (net)

(Currency : ₹ in lacs)

	2012	2011
Tax provision for the current year	**978.00**	1,150.00
Additional / (reversal of) provision on assessment of earlier years (net)	**(54.40)**	(17.23)
	923.60	1,132.77

27. Contingent liabilities not provided for

(Currency : ₹ in lacs)

	2012	2011
a) Claims against the Company not acknowledged as debts	**185.74**	185.74
b) Excise duty matters	**127.15**	127.15
c) Income tax matters	**23.93**	85.49
d) Sales tax matters	**304.40**	304.40
e) Guarantee in favour of Gujarat Industrial Development Corporation	**12.24**	12.24

(Currency : ₹ in lacs)

	2012	2011
28. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	**127.77**	388.06

29. Value of imports on CIF basis :

(Currency : ₹ in lacs)

	2012	2011
a) Raw material	**5,092.08**	5,773.21
b) Capital goods	**98.87**	45.48
c) Purchase for resale	**-**	29.42
	5,190.95	5,848.11

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

(Currency : ₹ in lacs)

	2012	2011
Sourcewise breakup of raw materials, stores and spare parts consumed		
a) Raw Materials (value)		
Imported at landed cost	**6,698.12**	7,591.83
Indigenously procured	**11,288.58**	10,210.40
	17,986.70	17,802.23
Raw Materials (%)		
Imported at landed cost	**37%**	43%
Indigenously procured	**63%**	57%
	100%	100%
b) Stores and spare parts (value)		
Indigenously procured	**101.53**	116.71
	101.53	116.71
Stores and spare parts (%)		
Indigenously procured	**100%**	100%
	100%	100%

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

(Currency : ₹ in lacs)

	2012	2011
a) Royalty (gross)	**115.70**	96.75
b) Commission on exports	**0.27**	12.13
c) Global IT expenses	**103.84**	82.49
d) Global R&D expenses	**184.64**	52.41
e) Others	**48.03**	39.07
	452.48	282.85

32. Dividend remittances in foreign currency

(Currency : ₹ in lacs)

	2012	2011
a) Number of non-resident shareholders to whom remittance was made	**1**	1
b) Number of shares on which remittance was made	**7,020,316**	7,020,316
c) Net amount remitted		
Dividend for 2010	-	315.90
Dividend for 2011	**315.90**	-

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

(Currency : ₹ in lacs)

	2012	2011
On account of exports at FOB value	**745.11**	1,124.18
Royalty	**17.64**	13.73
Commission	**9.17**	7.34
	771.92	1,145.25

34. Research and development expenses

(Currency : ₹ in lacs)

	2012	2011
a) Expenses of revenue nature (debited to Statement of Profit and Loss)	**455.64**	365.91
b) Expenses of capital nature (shown as addition to fixed assets)	**43.02**	29.56
	498.66	395.47

35. Employee benefits

(Currency : ₹ in lacs)

	2012 Gratuity	2011	2012 Cash rewards	2011
a) 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.				
b) Defined benefit plan (Cash rewards at retirement)				
As per the plan, at the time of normal retirement, ₹ 0.01 is payable to employees for each year of service rendered. The scheme is unfunded.				
c) Defined contribution plans				
Amount of ₹ 142.20 (previous year : 130.91) is recognised as an expense and included in the 'Contributions to provident and other funds' under note no 24.				
I) Reconciliation of opening and closing balance of obligations				
Liability at the beginning of the year	**549.18**	518.91	**13.04**	13.56
Current service cost	**17.69**	20.09	**0.48**	0.51
Interest cost	**44.06**	39.66	**1.01**	1.00
Benefits paid	**(71.23)**	(25.48)	**(2.07)**	(1.92)
Actuarial (gain) / loss on obligations	**37.10**	(4.00)	**0.64**	(0.10)
Liability at the end of the year	**576.80**	549.18	**13.10**	13.05
II) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	**568.46**	504.44	**-**	-
Expected return on plan assets	**43.73**	36.85	**-**	-
Contributions by the employer	**10.01**	43.11	**-**	-
Benefits paid	**(71.23)**	(25.48)	**(2.07)**	(1.92)
Actuarial gain / (loss) on plan assets	**13.88**	9.54	**-**	-
Fair value of plan assets at the end of the year	**564.85**	568.46	**(2.07)**	(1.92)
III) Net actuarial (gain) / loss				
Actuarial (gain) / loss on Obligations	**37.10**	(4.00)	**0.64**	(0.10)
Actuarial gain / (loss) on Plan Assets	**13.88**	9.54	**-**	-
Net actuarial (gain) / loss	**23.22**	(13.54)	**0.64**	(0.10)
IV) Amount recognised in the Balance Sheet				
Defined benefit obligation at end of the year	**576.80**	549.18	**13.10**	13.05
Fair Value of plan assets at the end of the year	**564.85**	568.46	**-**	-
Net Liability / (Asset)	**11.95**	(19.28)	**13.10**	13.05
V) Expense recognised in Statement of Profit and Loss				
Current service cost	**17.69**	20.09	**0.48**	0.51
Interest cost	**44.06**	39.66	**1.01**	1.00
Expected return on plan assets	**(43.73)**	(36.85)	**-**	-
Net Actuarial (gain) / loss	**23.22**	(13.54)	**0.64**	(0.10)
Total expenses included in "Provision for other employee benefits" under Note 24	**41.24**	9.36	**2.13**	1.41

35. Employee benefits

(Currency : ₹ in lacs)

	2012 Gratuity	2011	2012 Cash rewards	2011
VI) Actual return on plan assets				
Expected return on plan assets	**43.73**	36.85	**-**	-
Actuarial gain / (loss) on plan assets	**13.88**	9.54	**-**	-
Actual return on plan assets	**57.61**	46.39	**-**	-
VII)Principal actuarial assumptions				
Discount rate	**8.25%**	8.50%	**8.50%**	8.50%
Expected return on plan assets	**8.25%**	8.00%	**NA**	NA
Salary escalation rate	**12.0%***	12.00%	**NA**	NA
* Refer note no 6				
VIII) Other disclosures - Gratuity	**2012**	2011	2010	2009
Liability at the end of the year	**576.80**	549.18	518.91	291.90
Fair value of plan assets at the end of the year.	**564.85**	568.46	504.44	330.20
Amount recognised in Balance Sheet	**11.95**	(19.28)	14.46	(38.30)
Experience adjustments on liability	**28.35**	4.94	33.89	(3.28)
Experience adjustments on plan assets	**(13.88)**	(9.54)	(9.95)	(4.80)
IX) Other disclosures - Cash rewards at retirement	**2012**	2011	2010	2009
Liability at the end of the year	**13.11**	13.04	13.55	16.50
Experience adjustments on liability	**0.50**	0.21	(0.72)	(0.16)

d) Notes :

1) The plan assets comprises entirely of "Insurer Managed Funds".
2) The expected return on plan assets is based on market expectations, at the beginning of the year , for returns over the entire life of related obligations.
3) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on a long term basis.
4) Changes enacted before the Balance Sheet date are considered while determining the obligation.
5) Expected Employer's contribution in next year ₹ 30.00 (Previous year ₹ 18.00) .
6) Salary escalation rate is 12 % for first 2 years and 10.50% thereafter.

36. Segment reporting

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

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

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

Notes to the financial statements for the year ended 31 December 2012 (Continued)

36.1 Primary Business Segments (Currency : ₹ in lacs)

	2012	2011
1. Segmentwise revenue		
a) Electrical Insulations	**22,977.68**	21,882.36
b) Engineering and Electronic Resins and Materials	**4,567.96**	5,132.02
Total	**27,545.64**	27,014.38
2. Other unallocable income	**971.60**	483.40
Net sales / Income from operations (1 + 2)	**28,517.24**	27,497.78
3. Segment results Profit (+) / Loss (-) before tax and interest		
a) Electrical Insulations	**2,527.91**	2,814.52
b) Engineering and Electronic Resins and Materials	**369.97**	417.51
Total	**2,897.88**	3,232.03
4. Interest	**10.15**	6.82
5. Other unallocable expenditure	**157.03**	114.51
6. Profit before tax	**3,702.30**	3,594.10
Provision for tax (net)	**923.60**	1,132.77
Provision for deferred tax (release)/ charge	**21.07**	(12.48)
7. Profit after tax	**2,757.63**	2,473.81
Other information		
8. Segment assets		
a) Electrical Insulations	**10,823.64**	9,785.95
b) Engineering and Electronic Resins and Materials	**2,390.49**	2,719.03
c) Other unallocable	**12,271.08**	9,950.12
Total	**25,485.21**	22,455.10
9. Segment liabilities		
a) Electrical Insulations	**3,130.47**	2,537.61
b) Engineering and Electronic Resins and Materials	**603.26**	596.64
c) Other unallocable	**8,938.67**	789.02
Total	**12,672.40**	3,923.27
10. Capital expenditure		
a) Electrical Insulations	**558.49**	1,325.25
b) Engineering and Electronic Resins and Materials	**80.48**	260.61
c) Other unallocable	**107.21**	192.14
Total	**746.18**	1,778.00
11. Depreciation / Amortisation		
a) Electrical Insulations	**267.98**	305.35
b) Engineering and Electronic Resins and Materials	**191.98**	189.24
c) Other unallocable	**14.50**	5.21
Total	**474.46**	499.80

36.2 Secondary Business Segments (Currency : ₹ in lacs)

	2012	2011
1. Revenue		
India	**26,756.19**	25,813.87
Outside India	**789.44**	1,200.51
Total	**27,545.63**	27,014.38
2. Segment assets		
India	**3,751.68**	3,696.52
Outside India	**97.44**	84.46
Total	**3,849.12**	3,780.98

37. Related party disclosures

37.1 A. List of related parties and relationship

SKion GmbH	**Holding company of Altana AG**
ALTANA AG	**Holding company of Altana Chemie GmbH**
ALTANA Chemie GmbH	**Holding company of ELANTAS GmbH**
ELANTAS GmbH	**Holding company (88.55%)**
BYK-Chemie GmbH	**Fellow Subsidiary**
ELANTAS UK Ltd.	**Fellow Subsidiary**
ELANTAS PDG Inc.	**Fellow Subsidiary**
ELANTAS Italia (Previously known as ELANTAS Deatech Srl)	**Fellow Subsidiary**
ELANTAS Tongling Co Ltd	**Fellow Subsidiary**
ELANTAS Camattini S.P.A.	**Fellow Subsidiary**
ELANTAS Zhuhai Co., Ltd.	**Fellow Subsidiary**
ELANTAS Isolantes Electricos Do Brasil LTDA	**Fellow Subsidiary**
BYK Chemie Asia Pacific PTE Ltd	**Fellow Subsidiary**
ECKART GmbH	**Fellow Subsidiary**

B. Transactions with related parties

(Currency : ₹ in lacs)

	2012	2011
1. Summary of transactions		
a) Sales, commission and recoveries from related parties	**486.17**	356.54
b) Purchases / other services from related parties	**363.03**	550.40
c) License fee (Income)	**45.68**	43.54
d) Royalty paid to related parties (gross)	**115.70**	96.76
e) Dividend	**6,458.37**	315.90
2. Related party- wise transactions		
a) ALTANA AG		
Purchases / other services	**3.10**	2.49
b) ELANTAS GmbH		
Sales, commission and recoveries	**11.41**	10.62
Purchases / other services	**163.00**	79.70
Dividend	**6,458.37**	315.90
Royalty paid (gross)	**34.80**	30.77
c) ELANTAS Italia (Previously known as ELANTAS Deatech Srl)		
Sales, commission and recoveries	**12.24**	15.33
Purchases / other services	**64.09**	361.56
Royalty paid (gross)	**54.29**	47.15
d) ELANTAS PDG Inc.		
Purchases / other services	**4.95**	21.12
Royalty paid (gross)	**12.07**	10.03
e) ELANTAS UK Ltd.		
Royalty paid (gross)	**-**	1.82
f) BYK-Chemie GmbH		
Purchases / other services	**103.84**	82.49
g) BYK Chemie Asia Pacific PTE Ltd		
Sales, commission and recoveries	**3.88**	3.50
License fee (Income)	**45.68**	43.54
h) ELANTAS Tongling Co Ltd		
Sales, commission and recoveries	**336.55**	287.16

37. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2012	2011
i) ELANTAS Zhuhai Co., Ltd.		
Sales, commission and recoveries	**89.78**	27.85
Purchases / other services	**3.50**	2.54
j) ELANTAS Isolantes Electricos Do Brasil LTDA		
Sales, commission and recoveries	**32.31**	12.08
k) ECKART GmbH		
Sales, commission and recoveries	**19.75**	-
l) ELANTAS Camattini S.P.A.		
Purchases / other services	**0.80**	0.50
Royalty paid (gross)	**14.54**	6.99
3. Outstanding balances		
i) Sundry debtors		
ELANTAS GmbH	**28.46**	44.45
ELANTAS Italia	**3.07**	3.29
ECKART GmbH	**4.97**	-
ELANTAS Zhuhai Co., Ltd.	**7.43**	5.53
ELANTAS Tongling Co. Ltd.	**53.03**	26.32
Total	**96.96**	79.59
ii) Current liabilities		
ALTANA AG	**2.61**	-
ELANTAS GmbH	**186.26**	76.31
ELANTAS Camattini S.P.A.	**0.57**	3.24
BYK-Chemie GmbH	**43.67**	-
ELANTAS Italia	**45.01**	-
BYK Chemie Asia Pacific PTE Ltd	**35.67**	35.67
Total	**313.79**	115.22

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

Key management personnel :

Mr. Rajeev Bhide
Mr. Prashant Deshpande (upto 9 July 2012)
Mr. Sharadkumar Shetye

Relatives of key management personnel :

Mrs. M. R. Shetye

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

(Currency : ₹ in lacs)

	2012	2011
a) Managerial remuneration		
Mr. Rajeev Bhide	**83.17**	71.07
Mr. Prashant Deshpande	**45.29**	53.64
Mr. Sharadkumar Shetye	**58.45**	48.62
Total	**186.91**	173.33
b) Rent		
Mrs. M. R. Shetye	**1.68**	1.68
c) Increase / (decrease) in loan balance		
Mr. Rajeev Bhide	**(1.59)**	(1.53)
Mr. Prashant Deshpande	**(12.40)**	(1.93)
Total	**(13.99)**	(3.46)

37. Related party disclosures (continued)

(Currency : ₹ in lacs)

	2012	2011
d) Interest received on loans given		
Mr. Rajeev Bhide	**0.19**	0.26
Mr. Prashant Deshpande	**0.20**	0.47
Total	**0.39**	0.73
e) Outstanding balances		
Loans and advances		
Mr. Rajeev Bhide	**4.71**	6.29
Mr. Prashant Deshpande	**-**	12.40
Total	**4.71**	18.69
Current liabilities		
Mr. Rajeev Bhide	**28.80**	24.00
Mr. Prashant Deshpande	**-**	16.40
Mr. Sharadkumar Shetye	**18.00**	13.25
Total	**46.80**	53.65
f) Maximum amount outstanding during the year		
Loans and advances		
Mr. Rajeev Bhide	**6.29**	7.83
Mr. Prashant Deshpande	**12.40**	14.33

38. Earnings per share - Basic and Diluted

(Currency : ₹ in lacs)

	2012	2011
a) Net profit for the year after tax	**2,757.63**	2,473.81
Calculation of weighted average number of equity shares		
Number of shares at the beginning and end of the year	**7,927,682**	7,927,682
b) Weighted average number of equity shares	**7,927,682**	7,927,682
c) Earnings per share (a) / (b)	**34.78**	31.20
Nominal value per share ₹ 10 each (Previous year - ₹ 10 each)		

39. Foreign currency exposures

(Currency : ₹ in lacs)

	2012	2011
a) Foreign currency receivables representing debtors	**97.96**	84.46
Foreign currency ('in lacs) :		
Euro	**0.53**	0.73
US$	**1.12**	0.69
b) Foreign currency payables representing creditors and other payables	**1,085.54**	762.09
Foreign currency ('in lacs) :		
Euro	**4.01**	3.41
US$	**14.52**	9.97
c) Foreign currency bank balance (US$ 0.22 (previous year :US$ .06))	**11.78**	3.37
d) Foreign currency receivables representing advances	**3.81**	8.72
Foreign currency ('in lacs) :		
Euro	**0.02**	-
US$	**0.04**	0.17

40. Management believes that the Company's international transactions with related parties post 31 March 2012 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

41. Operating Lease as lessor

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

(Currency : ₹ in lacs)

	2012	2011
Gross carrying amount	**170.31**	-
Accumulated depreciation	**45.82**	-
Net carrying amount	**124.49**	-
Depreciation for the period	**2.76**	-
The future minimum lease payments under non cancellable operating lease are as follows		
Receivable within one year	**125.28**	-
Receivable between one and five years	**479.40**	-
Total	**604.68**	-
During the year, an amount of ₹ 71.76 was recognised as rental income from above mentioned property in the Statement of Profit and Loss (Previous year: NIL)		

42. The financial statements for the year ended 31 December 2011 had been prepared as per the then applicable pre revised Schedule VI of the Company's Act 1956. Consequent to the notification of revised Schedule VI under Company's Act 1956, the financial statements for the year ended 31 December 2012 are prepared as per revised Schedule VI. Accordingly, the previous years figures have also been reclassified to conform to this years classification.

For B S R & Co.
Chartered Accountants
Firm Registration No : 101248W

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

Juzer Miyajiwala
Partner
Membership No.: 047483
Pune, 27 February 2013

Shirish Dabir
Company Secretary

Suresh Talwar
Director

Dr Matthias Wolfgruber
Chairman

Ravindra Kulkarni
Director

Dr Guido Forstbach
Director

Rajeev Bhide
Managing Director

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- Notice
- Attendance Slip / Proxy Form
- ECS Mandate
  for shareholders holding shares in physical (materialized) form.
  (to be submitted to Sharepro Services (India) Pvt. Ltd. on or before 30 April 2013)

NOTICE

Notice is hereby given that the Fifty-seventh Annual General Meeting of the members of ELANTAS Beck India Ltd. will be held on Monday, 29 April 2013 at 3.30 p.m. at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 December 2012 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Suresh Talwar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradeep Mallick who retires by rotation and though eligible, has decided to retire and not offer himself for re-appointment. It is not intended to fill up the resultant vacancy at this meeting.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 255 and any other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Dr. Guido Forstbach as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

7. Re-appointment of Mr. Sharadkumar Shetye as a Wholetime Director

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

"RESOLVED THAT subject to such consents, permissions and approvals as may be required, and pursuant to the provisions of Sections 198, 269, 309, 310 & 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act') read with Schedule XIII of the Act, the Company hereby accords its approval to the re-appointment of Mr. Sharadkumar Shetye as a Wholetime Director (Director – Manufacturing) for a period of one year, from 28 May 2013 to 27 May 2014, on such remuneration by way of salary, commission and perquisites, as set out in the Explanatory Statement annexed hereto, provided that, the total remuneration (including all perquisites) shall fall within the overall ceiling as specified under Section 198 of the Act, provided further that, in the event where in any financial year during the currency of tenure of Mr. Sharadkumar Shetye, the Company has no profits or its profits are inadequate, it may pay a remuneration to Mr. Sharadkumar Shetye, the total of which shall not exceed the ceiling limit as provided in Section II of Part II of Schedule XIII of the Act or such other amounts as may be specified by the Government from time to time by any amendment to the Act."

"RESOLVED FURTHER THAT, in the event of any relaxation by the Central Government in the guidelines or ceilings on managerial remuneration, the Board of Directors, be and is hereby authorized to increase the remuneration and / or perquisites of Mr. Sharadkumar Shetye, if they, in their absolute discretion, think fit, within such guidelines or ceilings subject to such approvals of the Central Government or any other authority wherever applicable and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to give effect to the foregoing Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Directors who are neither in the whole time employment of the Company nor Managing Director, shall in respect of a period upto Financial Year ending on 31 December 2017, be paid , in addition to the fee referred to in Section 309(2) of the Companies Act, 1956, for each meeting attended, remuneration by way of commission, of an amount not exceeding one percent of the net profits of the Company computed in the manner referred to in Section 198(1), of the Companies Act, 1956.

RESOLVED FURTHER THAT, within the maximum limit set as above, the Board of Directors may from time to time, decide the amount of the said Commission and also its proportion and distribution among the Directors.

NOTES:

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

   In order to be effective, proxies duly signed and stamped, must be deposited at the registered office of the Company not less than 48 hours before the meeting.

2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at item Nos. 6, 7 & 8 of the Notice is annexed.

3. The relevant details in respect of item Nos. 3, 4, 6 & 7 of the Notice, pursuant to Clause 49 G (i) of the Listing Agreement are as follows:

   Profile of Directors seeking appointment, re-appointment in the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement).

   A. Directors retiring by rotation:

   (i) Mr. Suresh Talwar, age 74 years, is a Commerce & Law graduate from University of Bombay. He is also an advocate & solicitor. He was a partner of Crawford Bayley & Co. till 31 March 2006 and is currently a partner of Talwar, Thakore & Associates.

   Mr. Suresh Talwar specializes in Corporate Law, Corporate Tax, Foreign Exchange Laws etc.

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

Name of the Company	Board Position held	Committee Membership
PZ Cussons India Private Ltd.	Chairman & Alternate Director	
FCI OEN Connectors Ltd.	Chairman & Alternate Director	Audit Committee - Chairman
Transwarranty Finance Limited	Chairman & Alternate Director	
Armstrong World Industries (India) Pvt. Ltd.	Chairman	
Merck Ltd.	Chairman	Audit Committee - Chairman
Sidham Finance & Investments Pvt. Ltd.	Chairman	
Samson Maritime Ltd.	Chairman	
Sunshield Chemicals Ltd.	Chairman	
Biocon Limited	Director	Audit Committee
Birla Sun Life Insurance Co. Ltd.	Director	
Birla Sun Life Trustee Co. Pvt. Ltd.	Director	Audit Committee
Blue Star Limited	Director	Audit Committee - Chairman
Blue Star Infotech Limited	Director	Audit Committee
Chowgule & Company Pvt. Ltd.	Director	
Chowgule Ports & Infrastructure Private Ltd.	Director	
Decagon Investments Pvt. Ltd.	Director	
Epitome Global Services Pvt. Ltd.	Director	
Esab India Limited	Director	
Greaves Cotton Limited	Director	Audit Committee
India Value Fund Trustee Company Pvt. Limited	Director	
IVF Trustee Company Pvt. Limited	Director	
IVF (Mauritius) PCC	Director	
IVF (Mauritius) Limited	Director	

Name of the Company	Board Position held	Committee Membership
Indium III (Mauritius) Holding Limited.	Director	
Indium III (Mauritius) Limited	Director	
Indium IV (Mauritius) Holding Limited	Director	
Indium IV (Mauritius) Limited	Director	
John Fowler (India) Pvt. Ltd.	Director	
Larsen & Toubro Ltd.	Director	
L&T Metro Rail (Hyderabad) Ltd.	Director	
Phillips Capital India Pvt. Limited	Director	
Morgan Stanley India Capital Pvt. Ltd.	Director	Audit Committee
Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd.	Director	
Sandvik Asia Pvt. Ltd.	Director	Audit Committee - Chairman
Shrenuj & Co. Ltd.	Director	
Snowcem Paints Pvt. Ltd.	Director	
Sonata Software Limited	Director	
Swiss Re Shared Services (India) Pvt. Ltd.	Director	
TTK Healthcare TPA Private Limited	Director	
Warner Bros Pictures (India) Pvt. Ltd.	Director	
Rhodia Speciality Chemicals India Ltd.	Director	
Johnson & Johnson Ltd.	Alternate Director	
Uhde India Pvt. Ltd.	Alternate Director	

(ii) The Company has decided not to fill up the resultant vacancy caused by Mr. Pradeep Mallick's not offering himself for re-appointment, in this meeting.

Mr. Pradeep Mallick, age 70 years, is a graduate of IIT, Madras (B.Tech.) and is a Fellow of the Institution of Engineering & Technology (FIET), London. He is a member of the Board since 28 March 2002, and is a Non-Executive Independent Director.

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

Name of the Company	Board Position held	Committee Membership
Automotive Stampings and Assemblies Ltd.	Chairman	Audit Committee
Blue Star Limited	Director	Audit Committee
ESAB India Ltd.	Director	Audit Committee
FOSECO India Ltd.	Chairman	Audit Committee Shreholders'/Investors Grievance Committee - Chairman
Gravitational Network Advisors (P) Ltd.	Director	
Gujarat Pipavav Port Limited	Director	Audit Committee
JRG Securities Ltd.	Director	Audit Committee
Pragati Leadership Institute Pvt. Ltd.	Director	
Tube Investment of India Ltd.	Director	Audit Committee

B. Directors seeking appointment / re-appointment

(i) Dr. Guido Forstbach is a graduate in chemistry with a doctorate. He started his professional career in the year 1987. Before taking over as President of ELANTAS GmbH, the Electrical Insulation Business Division of ALTANA, with effect from 01 November 2012, Dr. Forstbach was the President of ACTEGA GmbH, the Coatings & Sealants Business Division of ALTANA.

He does not hold Directorships/Committee Memberships of any other companies in India.

(ii) Mr. Sharadkumar Shetye, age 64 years, is B.Tech. in Chemical Engineering from IIT, Bombay. He has also obtained post-graduate degree, Master in Management Sciences (M. M. S.) from the University of Pune.

He has about 42 years of experience and has worked on various projects in the areas of Project design, execution, installation and commissioning. He has also worked in product and process design and development. He has rich experience and expertise in different areas such as Engineering and Maintenance, Process Instrumentation, Quality Assurance, Personnel and Industrial Relations, Industrial Safety, Quality & Environmental Management Systems, and practical experience in other branches of engineering such as Mechanical, Electrical and Civil Engineering.

He does not hold Directorships/Committee Memberships of any other companies in India.

4. (a) The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 23 April 2013 to Monday, 29 April 2013 (both days inclusive).

(b) Members are requested to notify immediately any change in their address to the Registrars and Share Transfer Agents of the Company viz. Sharepro Services (India) Pvt. Ltd. at the following address:

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

5. Members desirous of availing the facility of nomination in respect of shares held by them may send their nomination in the prescribed Form No. 2B, duly filled in, to the Company's Registrars and Share Transfer Agents, quoting their respective folio number/s, and giving details of share certificate number/s and distinctive number of shares.

6. Pursuant to Section 205C of the Companies Act, 1956, the Company will be transferring in June 2013, the unclaimed dividend for the financial year ended 31 December 2005 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 2005 or any subsequent financial years are requested to make their claims addressed to: The Company Secretary, ELANTAS Beck India Ltd., 147, Mumbai-Pune Road, Pimpri, Pune 411018.

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

By order of the Board of Directors

Pune
Date: 5 April 2013

Shirish Dabir
Company Secretary

Annexure to the Notice

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 6

Dr. Guido Forstbach is a graduate in chemistry with a doctorate. He started his professional career in the year 1987. Before taking over as President of ELANTAS GmbH, the Electrical Insulation Business Division of ALTANA, with effect from 01 November 2012, Dr. Forstbach was the President of ACTEGA GmbH, the Coatings & Sealants Business Division of ALTANA.

He does not hold Directorships/Committee Memberships of any other companies in India.

Dr. Guido Forstbach was appointed as an Additional Director vide a resolution passed by the Board of Directors in its meeting held on 26 October 2012, to hold the office till the next Annual General Meeting.

Dr. Guido Forstbach is concerned and interested in this resolution as it relates to his appointment. The Board therefore recommends passing of the resolution for your approval.

Item No. 7

The Board of Directors, at its meeting held on 27 February 2013, re-appointed Mr. Sharadkumar Shetye, as a Wholetime Director of the Company for a period of one year with effect from 28 May 2013 i.e. from 28 May 2013 to 27 May 2014, on the terms & conditions and remuneration set out in the agreement to be entered into with him.

The Company now proposes to seek the approval of the shareholders to consider his re-appointment from 28 May 2013 to 27 May 2014, on the following remuneration which shall be within the overall ceilings as specified in Schedule XIII of the Companies Act, 1956.

A. Salary:

Salary including special allowance not exceeding ₹ 25 lakh per annum, as may be decided by the Board of Directors from time to time.

B. Performance Salary:

Performance Salary not exceeding ₹ 22 lakh per annum, as may be decided by the Board of Directors from time to time.

C. Perquisites:

(i) Housing: Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof.

(ii) 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 ₹ 18 lakh per annum. Company's contribution to Provident Fund, Superannuation fund and benefits under the Company's pension scheme not exceeding 27% of the salary 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.

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.

Where in any financial year during the tenure of Mr. Sharadkumar Shetye, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Mr. Sharadkumar Shetye by way of salary, special allowance, performance linked incentive / bonus, perquisites and any other allowance, (such an amount not exceeding the ceiling limits of ₹ 65,00,000/- per annum or ₹ 5,41,666/- per month as the case may be), in terms of para 1 of Section II of Schedule XIII to the Companies Act, 1956. The following perquisites however, shall not be included in the computation with respect to the ceiling on remuneration:

(a) Contribution to provident fund, superannuation fund, annuity fund and benefits under the Company's pension scheme to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable at a rate not exceeding half a months salary for each completed year of service and

(c) Encashment of leave at the end of tenure.

The total remuneration payable by way of salary/special allowance, performance linked incentive / bonus, commission, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to Mr. Sharadkumar Shetye, together with the remuneration payable to the Managing Director and other Wholetime Director(s), if any, shall not exceed 10% of the net profits of the Company computed in accordance with Section 198 and Section 309 of the Companies Act,1956.

The Board of Directors may, in its discretion pay to the Wholetime Director lower remuneration than the maximum remuneration stipulated above and revise the remuneration from time to time, within the maximum limits stipulated above.

Except Mr. Sharadkumar Shetye, who is interested in the resolution and in his re-appointment, none of the other directors of the Company is interested in this resolution. The Board recommends passing of the subject resolution.

The members are requested to consider the above as an abstract of the terms of the re-appointment of Mr. Sharadkumar Shetye including a memorandum as to the nature of the concern or interest of the Director in the said re-appointment as required under Section 302 of the Companies Act, 1956.

Item No. 8

At the Annual General Meeting of the Company held on 26 May 2008, 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 to in Section 198(1) of the Companies Act, 1956. The said resolution authorized payment of such commission in respect of a period upto Financial Year ending on 31 December 2012. 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 309(2) of the Companies Act, 1956.

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 Section 309 (4) of the Companies Act, 1956. 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 2017.

Your Directors recommend the resolution for your approval.

Mr. Ravindra Kulkarni, Mr. Suresh Talwar and Mr. Pradeep Mallick (until he retires) are deemed to be concerned or interested in the Special Resolution.

ELANTAS
Electrical Insulation

ELANTAS Beck India Ltd.

ATTENDANCE SLIP

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

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

I hereby record my presence at the Fifty-seventh Annual General Meeting of the Company, held at Hall No.4, 'A' Wing, 5th Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune 411016 on Monday, 29 April 2013 at 3.30 p.m.

Member's / Proxy's Signature ____________________

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

Folio No. / DP-ID No. : ____________________

No. of Shares : ____________________

ELANTAS
Electrical Insulation

ELANTAS Beck India Ltd.

PROXY FORM

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

I / We ____________________

of ____________________

being a member of ELANTAS Beck India Ltd. hereby

appoint ____________________

of ____________________ or failing him / her ____________________

____________________ of ____________________

as my/our proxy to vote for me/us on my/our behalf at the Fifty-seventh Annual General Meeting of the Company to be held on Monday, 29 April 2013 at 3.30 p.m.

Signed this.................... day of .... 2013. Signature ....

Affix
Re. 1
Revenue
Stamp

Folio No. / DP-ID No. : ____________________

ELANTAS Beck India Ltd.

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

April 05, 2013

Dear Shareholder,

Sub: ECS Mandate for shareholders holding shares in physical (materialized) form.

We are in the process of making arrangement for effecting payment of future dividends to the members of the Company through ECS facility.

You will find the ECS mandate form on the **reverse side** of this letter. You are requested to kindly send the same, duly filled and signed by you along with a cancelled cheque (for purpose of verification of MICR No.) to our Registrars & Share Transfer Agents viz. Sharepro Services (India) Pvt. Ltd. at the following address:

Sharepro Services (India) Pvt. Limited.
Unit : ELANTAS Beck India Ltd.
13 AB, Samhita Warehousing Complex,
2nd Floor, Near Saki Naka Telephone Exchange,
Andheri Kurla Road,
Saki Naka, Andheri – East,
Mumbai – 400 072.

Kindly note that the said form alongwith a cancelled cheque should reach Sharepro Services (India) Pvt. Ltd. on or before 30 April 2013. Mandates received after 30 April 2013, though will be recorded for payment of future dividends, may not be considered for payment of dividend for the year 2012, through ECS.

Members, who do not submit the ECS mandate form or make delay in submitting the same beyond 30 April 2013, shall receive the dividend warrant/s at their respective addresses registered with the Company.

This ECS mandate form can be used by the members for recording fresh mandate, wherein the updated bank account details can be furnished.

Thanking you.

Yours faithfully,

Shirish Dabir
Company Secretary

(This being a computer generated output, no signature is required)

E.C.S MANDATE FOR SHARES HELD IN PHYSICAL MODE

To,

Sharepro Services (India) Pvt. Limited.
Unit : ELANTAS Beck India Ltd.
13 AB, Samhita Warehousing Complex,
2nd Floor, Near Saki Naka Telephone Exchange,
Andheri Kurla Road,
Saki Naka, Andheri – East,
Mumbai – 400 072.

Dear Sir,

I, the undersigned, hereby furnish the E.C.S mandate for necessary registration at your end. Kindly register the same in your records and credit the future dividend payments directly to my bank account by E.C.S., under intimation to me.

Ledger Folio :

Name of holder(s) :

Name of the Bank :

Branch :

Account No :

Account Type : SB / CA / OD / Others (please specify)

9 Digit MICR No. :

IFSC Code (as mentioned in cheque book) :

(Please provide a cancelled cheque or copy of cheque, for MICR No. verification)

Kindly do the needful.

Thanking You

Yours truly,

(Name of the Sole / First holder)

(Specimen Signature)

Date :

New Corporate Office Building at Night

Atrium at Night

ELANTAS Beck India Ltd.

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

www.elantas.com/beck-india

A member of ALTANA