



EICL LIMITED

Regd. Office : TC-79/4, Veli, Thiruvananthapuram - 695 021 (KERALA)
Corporate Office : 801-803, Tower-B, Global Business Park, M.G. Road, Gurgaon - 122 002 (Haryana)

NOTICE

The Forty Ninth Annual General Meeting of the members of the Company will be held at its registered office at TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA) on Wednesday, 12th June, 2013 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend on 11% Preference Shares and Equity Shares.
3. To appoint a Director in place of Mr. Karan Thapar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. J.K. Jain, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint the Auditors and to fix their remuneration :-

M/s Walker, Chandiok & Co., Chartered Accountants, the present Auditors of the Company retire and are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the

Company, Dr. Venkatesh Padmanabhan be and is hereby appointed as a Director of the Company and his office will not be subject to retirement by rotation”.

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of section 269 read with schedule XIII of the Companies Act, 1956 and subject to such permissions, approvals, sanctions as may be necessary in connection with the appointment of Dr. Venkatesh Padmanabhan, unanimous consent of the Company be and is hereby given to the appointment of Dr. Venkatesh Padmanabhan as the Managing Director of the Company for a period of 5 years w.e.f. 11th March, 2013 on a total remuneration upto Rs.1,50,00,000/- (Rupees One Crore Fifty Lacs) per annum with a power to the Board to increase the amount of remuneration from time to time during the tenure of Dr. Venkatesh Padmanabhan as the Managing Director, subject to overall ceiling of 5% of net profits of the Company as calculated under sections 349 and 350 read with section 198 of the Companies Act, 1956. The detailed components of the remuneration shall be worked out by the Company in consultation with Dr. Venkatesh Padmanabhan.

"RESOLVED FURTHER that in case of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, Dr. Venkatesh Padmanabhan, the remuneration drawn by Dr. Venkatesh Padmanabhan, Managing Director shall be considered the minimum remuneration notwithstanding the fact that such remuneration is in excess of the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956 and such remuneration will be subject to

such approval of the Central Govt., as may be required".

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.
2. THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED FROM 10-06-2013 TO 12-06-2013 (BOTH DAYS INCLUSIVE)
3. THE COMPANY HAS BEEN LINKED UP WITH THE NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) TO PROVIDE MEMBERS WITH FLEXIBILITY WHEN TRADING IN THE COMPANY'S SHARES IN ELECTRONIC FORM. THE COMPANY'S SHARES ARE COMPULSORILY REQUIRED TO BE TRADED IN DEMATERIALIZED FORM AND MEMBERS ARE REQUESTED TO AVAIL THE FACILITIES.
4. AS PER COMPANIES UNPAID DIVIDEND (TRANSFER TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT) RULES, 1978, MEMBERS ARE HEREBY INFORMED THAT ANY UNPAID DIVIDEND DECLARED IN RESPECT OF THE YEAR ENDED UPTO 31ST MARCH, 2005 HAVE BEEN TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND OF THE GOVT.
5. THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR BANK ACCOUNT DETAIL / THEIR ADDRESS TO THEIR

DEPOSITORY PARTICIPANTS (DPs) IN RESPECT OF SHARES HELD IN DEMATERIALIZED FORM AND TO THE COMPANY OR ITS REGISTRAR & TRANSFER AGENTS, IN RESPECT OF THE SHARES HELD IN PHYSICAL FORM TOGETHER WITH A PROOF OF ADDRESS VIZ. COPY OF ELECTRICITY BILL/TELEPHONE BILL/RATION CARD/VOTER ID CARD/PASSPORT ETC.

6. ALL SHAREHOLDERS HOLDING SHARES IN DEMAT FORM ARE REQUESTED TO INFORM/UPDATE THEIR EMAIL ID WITH THE DEPOSITORY PARTICIPANT AND ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO INFORM THEIR EMAIL ID TO THE COMPANY AT ITS ADDRESS **801- 803, TOWER- B, GLOBAL BUSINESS PARK, M.G. ROAD, GURGAON – 122002, HARYANA** AND/OR REGISTRAR OF THE COMPANY AT ITS ADDRESS **RCMC SHARE REGISTRY PVT. LTD., B-106, SECTOR -2, NOIDA - 201301, U.P.** SO THAT, IN FUTURE COMMUNICATION CAN BE SENT THROUGH ELECTRONIC MODE.
7. THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND SERVICE AGREEMENT WITH DR. VENKATESH PADMANABHAN WOULD BE AVAILABLE FOR INSPECTION DURING 9.30 A.M. TO 5.00 P.M. DURING WORKING DAYS.

By Order of the Board
for EICL LIMITED

Sd/-
Place : Gurgaon P.S. SAINI
Date : 03-05-2013 COMPANY SECRETARY

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

ITEM NO. 6 & 7

Dr. Venkatesh Padmanabhan was appointed as an Additional Director of the Company w.e.f. 11-03-2013 and he will hold office upto the date of ensuing Annual General Meeting of the Company. A Notice U/s 257 of the Companies Act, 1956 has been received proposing his appointment as a Director of the Company.

Dr. Venkatesh Padmanabhan was also appointed as Managing Director & Chief Executive Officer of the Company for a period of 5 years w.e.f. 11-03-2013. The Company has entered into a Service Agreement

with Dr. Venkatesh Padmanabhan which incorporates the terms and conditions governing his appointment. The Profile of Dr. Venkatesh Padmanabhan seeking appointment, forms part of the Corporate Governance Report. Shareholders approval is required for his appointment and remuneration.

Hence, the resolutions are recommended for your approval.

Except Dr. Venkatesh Padmanabhan, none of the Directors of the Company is in any way concerned or interested in the resolutions.

By Order of the Board
for EICL LIMITED

Sd/-

Place : Gurgaon
Date : 03-05-2013

P.S. SAINI
COMPANY SECRETARY



EICL LIMITED

Regd. Office : TC-79/4, Veli, Thiruvananthapuram - 695 021 (KERALA)
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PROXY FORM

Folio No. / DP ID	
Client ID	
No. of Shares held	

I/We..... R/o

being a member / members of the above named Company, hereby appoint Mr./ Ms.....

..... R/o.....

as my/our proxy or failing him/ her Mr./Ms. R/o.....

..... to vote for me/us on my/our behalf at the Forty Ninth Annual General Meeting of the Company to be held on **Wednesday 12th June, 2013 at 11.00 a.m. at TC-79/4, Veli, Thiruvananthapuram - 695 021 (KERALA).**

1. 2. 3. (Signature of the Proxy/s)
--

Affix Revenue Stamp of Rs. 1/-

1. 2. 3. (Signature of the Shareholder/s)
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Signed this day of 2013

Notes : The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time fixed for holding the aforesaid Meeting.

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Company Information

CHAIRMAN

Mr. Karan Thapar

DIRECTORS

Mr. J. K. Jain
Mr. Vijay Rai
Mr. Praveen Sachdev
Mr. T. Balakrishnan

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Dr. Venkatesh Padmanabhan
(w.e.f.11.03.2013)

SR. VICE PRESIDENT CORPORATE FINANCE ACCOUNTS & ADMINISTRATION

Mr. S. K. Jain

COMPANY SECRETARY HEAD CORPORATE - LEGAL

Mr. P. S. Saini

REGISTERED OFFICE

TC-79/4, Veli
Thiruvananthapuram-695 021
(Kerala)

HEAD OFFICE

N-75, Connaught Circus
New Delhi - 110001

AUDITORS

Walker, Chandiok & Co
Chartered Accountants
L-41, Connaught Circus
New Delhi - 110001

COST AUDITORS

A. R. Narayanan & Co.
Cost Accountants
Door No. 62/5621, 1st Floor,
Prabhat Building
T.D Road, Ernakulam, Cochin- 682011

BANKERS

Axis Bank Limited
State Bank of India
Yes Bank Limited
ICICI Bank Limited
IndusInd Bank Limited

CORPORATE OFFICE

801-803, Tower-B, 8th Floor
Global Business Park,
Gurgaon-122 002 (Haryana)

WORKS

Thiruvananthapuram (Kerala)
Yamunanagar (Haryana)
Shimoga (Karnataka)

THE SHARES OF THE COMPANY ARE LISTED ON BSE LIMITED
LISTING FEE FOR THE YEAR 2013-2014 HAS BEEN PAID TO BSE LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

To,
The Members:

Your Directors have pleasure in presenting the Annual Report with audited statement of accounts for the year ended 31st March, 2013.

(₹ in Crores)

	31st March, 2013	31st March, 2012
Gross operating Profit (before interest and depreciation)	55.33	56.96
Less : Interest	19.29	19.06
Gross Profit before Depreciation	36.04	37.90
Less : Depreciation	14.89	13.37
Profit before tax and exceptional items	21.15	24.53
Less : Exceptional Items	1.29	2.22
Tax Expenses :		
Current Tax	5.96	4.96
Short (Excess) Provision adjusted	0.76	0.08
Deferred Tax	1.27	2.44
Profit after Tax	11.87	14.83
To which is added :		
- Balance brought forward from the previous year	61.78	54.02
Leaving a balance of	73.65	68.85
Which your Directors recommend to be appropriated as under :		
Interim Dividend Paid		
- ₹ 5.50 per Preference Share on 30,00,000 11% Preference Shares of Rs.100/- each (last year ₹ 5.50 per Preference Share)	1.65	1.65
- ₹ Nil per Equity Share of ₹ 2/- each (last year ₹ 0.30 per Equity Share of ₹ 2/- each)	-	1.51
Proposed Dividend		
- @ ₹ 5.50 on 30,00,000 11% Preference Shares of ₹ 100/- each (last year ₹ 5.50 per Preference Share)	1.65	1.65
- @ ₹ 0.20 per Equity Share of ₹ 2/- each (last year Nil)	1.00	-
Tax on Dividend	0.72	0.78
Transfer to General Reserve	1.19	1.48
Carried forward to next year's account	67.44	61.78

DIVIDEND

Your Directors are pleased to recommend a final dividend @ ₹ 0.20 per Equity Share on 5,02,76,013 Equity Shares, face value of Rs.2/- each, amounting to ₹ 1,00,55,203/- and ₹ 5.50 per Preference Share on 30,00,000 11% Cumulative Redeemable Preference Shares, face value of ₹ 100/- each, amounting to ₹ 1,65,00,000/-.

During the year, the Company had declared and paid an interim dividend @ ₹ 5.50 per preference share on 30,00,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each for the year ended 31st March, 2013 amounting to ₹ 1,65,00,000/-.

The total outgo on account of dividend including dividend tax of ₹ 71,89,770/- will be ₹ 5,02,44,973/-.

OPERATIONS

Your Company registered an overall growth of about 11% in its net sales turnover from ₹ 378 Crores in the previous year to ₹ 421 Crores in the current year. However, the EBIDTA of ₹ 55.33 Crores was almost at the same level as in the previous year of ₹ 56.96 Crores. The profit after tax declined by about 24% from ₹ 14.83 Crores in the previous year to ₹ 11.87 Crores in the year under review.

The net sales from clay business increased from ₹ 205 Crores to ₹ 235 Crores (an increase of about 14%) over the previous year. However, the operating margins were under pressure mainly due to increase in the cost of fuel and power without any corresponding increase in sales realization and the operating profit remained at ₹ 39 Crores as against ₹ 40 Crores in the previous year.

The starch business has shown a marginal growth in sales of 8% from ₹ 172.75 Crores in the previous year to ₹ 186.37 Crores for the year ended 31-03-2013. The starch division as a whole suffered a loss of Rs.3.32 Crores in the current year as against a profit of ₹ 3.90 Crores in the previous year, essentially on account of steep hike in maize price, in case of Yamunanagar unit, which could not be passed on to the customers. However, Yamunanagar unit recorded an operating profit (EBIT) of ₹ 1.78 Crores for the year 2012-13. Specialty starch plant established in Shimoga with a capital outlay of ₹ 45 Crores has not achieved its full capacity and is working at a level of 30% of its capacity and has largely contributed to the dismal performance of the starch business. This unit recorded an operating loss of ₹ 5.10 Crores during the year under review. Overall, the operations of the Company were also affected due to slow down in the growth of the economy.

The proposed clay project at Bhuj, Gujarat, charges for which the Company had acquired 10.50 hectares land has been put on hold and company is closely watching the economic changes.

The detailed review of the operations and performance of the Clay and Starch businesses is contained in the Management Discussion and Analysis Report which is appended to the Directors' Report and form part of it.

EXPORTS

The continued global economic slow down impacted the growth in exports particularly in starch. Your Company's total exports were at ₹ 28 Crores in the year under review as compared to ₹ 25 Crores in the previous year.

RESEARCH & DEVELOPMENT ACTIVITIES

The continued emphasis on R&D activities and strong research orientation has played a stellar role in new product development, application support to the customers as well as technical support to plant operations.

Particulars with respect to R&D activities carried out, benefits derived, and the expenditure incurred thereon during the year under review are provided in Form B annexed to this report and form part of this report.

FIXED DEPOSITS

On 31st March, 2013 fixed deposits amounting to ₹ 36,38,000/- which became due for repayment had remained unclaimed by 17 depositors.

CORPORATE GOVERNANCE

The Company has complied with the code on corporate governance as prescribed under Clause 49 of the Listing Agreement with Bombay Stock Exchange. A compliance report alongwith Auditor's Certificate confirming the compliance is appended herewith and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy in respect of Starch Division and detail of Technology absorption in respect of Starch and Clay Divisions are annexed herewith in Form A.

The company has recorded export earnings of ₹ 28 Crores and remittance of foreign currency equivalent to ₹ 6.76 Crores towards various purposes details of which have been incorporated in the Notes to Accounts No. 35 to 37.

DIRECTORS

Mr. Karan Thapar and Mr. J.K. Jain, Directors being longest in the office, are liable to retire by rotation and are eligible for reappointment. Their appointments are recommended for your approval. The profile of Mr. Karan Thapar and Mr. J.K. Jain seeking reappointment, forms part of the Corporate Governance Report.

Dr. Venkatesh Padmanabhan was appointed as an Additional Director of the Company and as the Managing Director and Chief Executive Officer of the Company for a period of 5 years w.e.f. 11-03-2013. As an Additional Director Dr. Venkatesh Padmanabhan will hold office upto the date of ensuing Annual General Meeting of the Company. A notice U/s 257 of the Companies Act, 1956, proposing his candidature as a Director of your Company, has been received. His appointment as a Director and as the Managing Director is recommended for your approval. The Profile of Dr. Venkatesh Padmanabhan seeking appointment, forms part of the Corporate Governance Report.

Mr. Rahul Gupta Executive Director of the Company ceased to be the Executive Director/ Director w.e.f. 31-12-2012. Mr. Rahul Gupta had been associated with the Company from 2nd March, 2009. The Board place on record its appreciation for the invaluable service rendered by Mr. Rahul Gupta during his association with the Company.

DELISTING

The Company has received a proposal from M/s DBH International Pvt. Ltd. (DBH) one of the Promoters of the Company, to voluntarily delist the equity shares of the Company from Bombay Stock Exchange, the only stock exchange where the Equity Shares of the Company are listed, in terms of SEBI (Delisting of Equity Shares) Regulations, 2009. DBH has given the floor price of ₹ 41/- per Equity Share. DBH has requested the Company to seek the shareholders approval by way of Postal Ballot in accordance with SEBI (Delisting of Equity Shares) Regulations, 2009 by way of Special Resolution and get in principle approval of Bombay Stock Exchange. Your Company is taking necessary steps in this matter.

PROMOTER GROUP

The Promoter Group holding in the Company currently is 77.92% of the Company's Equity Capital. The Members

may note that the promoter group companies, are controlled by Mr. Karan Thapar, comprising of the following Companies 1) Greaves Cotton Ltd., (2) Premium Transmission Ltd., (3) Pembril Industrial & Engineering Company Pvt. Ltd., (4) DBH International Pvt. Ltd. (5) Karun Carpets Pvt. Ltd., (6) Greaves Leasing Finance Ltd., (7) Dee Greaves Ltd., (8) Bharat Starch Products Ltd., (9) DBH Global Holdings Ltd., (10) DBH Investments Pvt. Ltd., (11) Greaves Farymann Diesel GmbH (12) DBH Consulting Ltd. (13) Greaves Auto Ltd. (14) Greaves Cotton Netherlands B.V., (15) Ascot International FZC, (16) Premium Transmission Cooperatie UA, (17) DBH Stephan Ltd. and (18) Premium Stephan B.V.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Statement of particular of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended upto date are attached herewith and form part of Directors' Report, as Annexure 'A'.

AUDITORS

M/s Walker, Chandio & Co., Chartered Accountants, the existing Auditors retire and are eligible for reappointment. Their appointment and remuneration is recommended for your approval.

RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed;

- a) That the Company has followed the applicable accounting standards in the preparation of the Annual Accounts for the year ending 31-03-2013 and there is no material deviation from the previous year.
- b) That the Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31st March, 2013 and of the profit of the year ended 31.03.2013.
- c) That the Company has taken proper and sufficient care 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 for preventing and detecting fraud and other irregularities and;