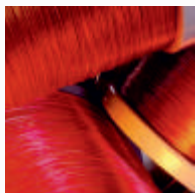


**ELANTAS Beck India Ltd.**



## Annual Report 2014



Opening of QC Laboratory at the auspicious hands of Dr. Matthias Wolfgruber, Chairman of the Board and CEO of ALTANA AG



Active Participation in INSULEC 2015, an International Conference organized by IEEMA.  
Theme: Reliable Insulation Materials + Systems Vision 2020

Enthusiasm at its best: Participation in Pune International Marathon 2014 'Run for Peace'



## Board of Directors

Dr. Matthias Wolfgruber  
Chairman

Dr. Guido Forstbach

Mr. Martin Babilas  
(appointed w.e.f. 06 May 2014)

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Ranjal Laxmana Shenoy

Mrs. Kishori Udeshi  
(appointed w.e.f. 06 May 2014)

Mr. Ravindra Kumar  
Managing Director

Mr. Sharadkumar Shetye  
(retired w.e.f. 27 May 2014)

## Executive Management

Mr. Ravindra Kumar  
Managing Director

Mr. Sanjay Kulkarni  
General Manager – Finance & Materials (CFO)

Mr. Shirish Dabir  
DGM - Legal, HRM & Company Secretary

Mr. Milind Talathi  
Vice-President- Manufacturing

Mr. Joy Ghosh  
Head- Market & Technology Development

Dr. Vinayak Bhanu  
General Manager- Research & Development

## DGM - Legal, HRM & Company Secretary

Mr. Shirish Dabir

## Registered Office & Corporate Office

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

## Works

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

## Regional Offices

Bengaluru, Kolkata, New Delhi

## Website

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

## CIN

L24222PN1956PLC134746

## Auditors

BSR & Co. LLP  
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 400005.

## Cost Auditors

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

## Solicitors

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

## Bankers

The Bank of Nova Scotia  
HDFC Bank Ltd.

## Registrars & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.  
Sam Hita Warehousing Complex,  
Warehouse No 52 & 53, Plot No 13AB,  
2nd Floor, Sakinaka, Andheri (East),  
Mumbai 400072.

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# Directors' Report

To the Members,

The Directors have pleasure in presenting the Fifty-ninth Annual Report and the Audited Accounts for the financial year ended 31 December 2014.

## Financial Highlights

(₹ in lacs)

	Year ended 31.12.2014	Year ended 31.12.2013
Income from operations	<b>34,992.44</b>	31,522.68
Profit before Interest, Depreciation & Tax	<b>5,062.87</b>	5,016.25
Depreciation	<b>542.17</b>	538.04
Interest	<b>23.98</b>	17.79
Profit Before Tax	<b>4,496.72</b>	4,460.42
Provision for tax	<b>1,336.09</b>	1,285.31
Net Profit	<b>3,160.63</b>	3,175.11
Profit & Loss Account brought forward	<b>4,310.92</b>	6,610.91
Profit available for appropriation	<b>7,471.55</b>	9,786.02
Appropriations:		
Proposed dividend	<b>356.75</b>	4,360.23
Tax on Dividend distributed	<b>71.33</b>	797.36
Transfer to General Reserve	<b>316.06</b>	317.51
Carried to Profit & Loss Account	<b>6727.41</b>	4,310.92
	<b>7,471.55</b>	9,786.02
Earnings Per Share of Rs. 10/- each.		
Basic and diluted EPS before extra-ordinary items(not annualized): ₹	<b>39.87</b>	40.05
Basic and diluted EPS after extra-ordinary items (not annualized): ₹	<b>39.87</b>	40.05

## Performance

The sales at ₹ 34,008.15 lacs for the year ended 31 December 2014 registered 12.2% growth over the sales of ₹ 30,311.52 lacs for the previous year ended 31 December 2013. In terms of sales quantity, the tonnage sold during the year ended 31 December 2014 increased by 8.4% over the previous year. This, alongwith sales price alignments, stronger rupee for most part of the year, also softening of input costs towards end of the year, helped the Company to report better operating profits. The profit before tax, however showed marginal increase of ₹ 36.30 lacs over the profit before tax posted last year, mainly on account of the lower income from investments which were reduced after the payment of dividends last year.

The Profit before Tax and Profit after Tax were ₹ 4,496.72 lacs and ₹ 3,160.63 lacs respectively.

## Share Capital

Share Capital Audit as per the directives of the Securities and Exchange Board of India is conducted on a quarterly basis by V.R. Associates, Practicing Company Secretaries. The Share Capital & Audit Reports are duly forwarded to BSE Ltd. where the equity shares of the Company are listed. During the year ended 31 December 2014, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2014 was ₹ 792.77 lacs comprising of 79.28 lacs shares of ₹10/- each.

## Dividend

The Directors are pleased to recommend a dividend of ₹ 4.50 per equity share of ₹ 10/- each, for the year ended 31 December 2014.

## Directors

Mr. Sharadkumar Shetye retired from the position of Executive / Wholetime Director with effect from 27 May 2014. The Directors place on record their appreciation of the valuable contribution of Mr. Shetye during his tenure as the Wholetime director of the Company.

Mr. Martin Babilas and Mrs. Kishori Udeshi were appointed as Additional Directors with effect from 06 May 2014. Both Mr. Babilas and Mrs. Udeshi hold the office upto the date of the ensuing Annual General Meeting. The Directors propose the appointment of Mr. Suresh Talwar and Mrs. Kishori Udeshi as Independent Directors for a period of five years from the date of

approval of the Members in the forthcoming Annual General Meeting. The Directors also propose the appointment of Mr. Martin Babilas as a Director, liable to retire by rotation. Dr. Guido Forstbach is liable to retire by rotation, but being eligible, offers himself for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms and conditions of appointment of the Independent Directors are incorporated on the website of the Company at <http://www.elantas.com/beck-india>.

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.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

#### **Remuneration Policy**

The Board, on recommendation of Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The Policy is also available on the website of Company i.e. <http://www.elantas.com/beck-india>.

#### **Corporate Governance**

Report on Corporate Governance and the Auditors' Report thereon, as stipulated under Clause 49 of the Listing Agreement, is given separately in this Annual Report.

#### **Whistle Blower Policy**

The Company has established a vigil mechanism named as Whistle Blower Policy within the Company.

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

#### **Corporate Social Responsibility Committee**

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

The Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, in the current year 2015.

#### **Related Party Transactions**

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

All RPT are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature.

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

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

#### **Listing on Bombay Stock Exchange**

The Company's shares are listed on BSE Ltd.

#### **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 2014, 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

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules 2014, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the financial year 2015 on a remuneration to be fixed by the Members, in the forthcoming Annual General Meeting. Accordingly, a resolution for payment of remuneration to Dhananjay V Joshi & Associates, Cost Accountants, is included at Item No. 8 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year ended 31 December 2013 which was due for filing on 29 June 2014, was filed with MCA on 27 June 2014.

#### Auditors

BSR & Co. LLP, Chartered Accountants, Pune, have been appointed as the Statutory Auditors, by the Members of the Company in its Annual General Meeting held on 06 May 2014 to hold office upto the conclusion of the Annual General Meeting to be held in the year 2017. The Board and Audit Committee recommend ratification of the appointment of Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The Company has received a letter from retiring Auditors to the effect that their re-appointment, if carried out, would be within the prescribed limits under Section 224 of the Companies Act, 1956.

#### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & 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 & Outgo, is given in Annexure A to this report.

#### Green Initiative

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

#### Sexual Harassment of Women at Workplace

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### Compliance on Minimum Public Shareholding

In order to be compliant with the SEBI requirement on minimum public shareholding of 25%, the Promoters, ELANTAS GmbH made in March, 2014 an 'Offer for Sale' to the public on BSE Ltd., for 269,109 equity shares of ₹ 10 each, aggregating to 3.39% of the total paid up equity share capital of the Company, through Stock Exchange mechanism, which met with success and the shareholding of the Promoters stood reduced from 78.39% to 75%. Thus the Company is compliant with the minimum public shareholding threshold of 25%, pursuant to the provisions of the Securities Contract (Regulations) Rules, 1957 as amended, read with Clause 40 A of the Listing Agreement.

#### 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

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

## Acknowledgments

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

**The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated 4 April 2014 clarified that the Financial Statements and the documents required to be attached thereto, the Auditors' and Board Report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, Schedules and Rules made thereunder. Accordingly, the Financial Statement and the Auditors' Report as aforesaid are prepared as per the requirements of the Companies Act, 1956, and also in compliance with the disclosure requirements of Clause 49 of the Listing Agreement as revised.**

For and on behalf of the Board

Mumbai  
24 February 2015

Suresh Talwar  
Director

Ravindra Kumar  
Managing Director

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## Annexure A to the Directors' Report

### A. CONSERVATION OF ENERGY:

#### (a) Following measures were taken to conserve energy:

- Installation of a Waste Heat Recovery System from Thermic Fluid heater flue gases to produce hot water and reduce natural gas consumption at Ankleshwar
- Storage of Mesitol in molten stage thereby eliminating drumming charges and re-melting operations at Ankleshwar
- Installation of a bulk Storage Tank for Cresols to reduce external drumming costs as well as save on drum transport & handling at Ankleshwar
- Recycling of thermic fluid pumps gland cooling water instead of draining to ETP at Ankleshwar
- Installation of Oil Vacuum pumps to replace water-jet ejector vacuum pumps to save power and water consumption at Pimpri
- Installation of 8 nos. energy efficient thermic fluid circulation pumps at Pimpri
- Replacement of old chilling plant by an energy efficient chilling plant at Pimpri
- Installation of variable frequency drives for equipments at Pimpri
- Stoppage of old R & D Thermic heater & increasing occupancy of running process Thermic heater for achieving higher efficiency at Pimpri
- Stoppage of old inefficient steam boiler & transferring entire load to existing efficient boiler at Pimpri
- Installation of transparent roofing sheets for higher illumination & reduced lighting costs at both sites

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

- Re-aligning production activities including debottlenecking to save on utilities and increase in productivity at Pimpri and Ankleshwar
- Installation of 3 nos. Bulk Cresol Storage Tanks at Ankleshwar to (i) eliminate external drumming operations, (ii) reduce drum transport & handling and (iii) to increase productivity
- Installation of Bulk Storage Tank for Epoxy to reduce drumming activities, reduce re-melting activities, enable faster charging to the reactors thereby reducing overall energy requirements at Pimpri

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

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

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

	Year ended 31 December 2014	Year ended 31 December 2013
a. POWER & FUEL CONSUMPTION		
1) Electricity		
a) Purchased Unit (KWH in lacs)		
Total KWH	29.10	27.60
Total amount (₹ in lacs)	200.50	186.08
Rate / KWH (₹)	6.89	6.74
b) Own generation		
(i) Through Diesel generator		
Units (KWH in lacs)	0.81	0.62
Units per ltr. of Diesel Oil	3.42	3.37
Cost / Unit (₹)	19.20	16.96
(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.)	309.00	276.00
Total amount (₹ In lacs)	197.07	179.93
Average Rate (₹ / KL)	63,777.00	65,192.00
4) Natural Gas		
Quantity (KM3)	561.00	579.00
Total amount (₹ In lacs)	221.58	206.37
Rate (₹/ KM3)	39,497.00	35,642.00
b. CONSUMPTION PER M.T. OF PRODUCTION		
Products : Wire Enamels, Impregnating Varnishes & Synthetic Resins		
Electricity (KWH)	158.65	159.33
Furnace Oil in ltrs. (LDO/HSD)	16.38	15.56
Coal	-	-
Natural Gas	29.78	32.66
Others	-	-

## B TECHNOLOGY ABSORPTION

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

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

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

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

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

- Development of Poly amide imide and Solderable polyurethane wire enamels
- Introduction of polyurethane adhesive potting compounds for industrial air filters



- Unsaturated polyester resin for trickle impregnation of small industrial motor
- Cost reduction and process improvement in manufacturing using low cost raw materials including solvents

### 3. Future plan of action.

- Create a new team consisting of technical service and development specialist for better customer service and improved speed of product development
- Continue adaptation of new products from group companies under 'Technology Transfer' in the Company's business segments to cater to the local market
- Initiate and continue participation in new global R&D projects for the benefit of local and global customers
- Improvisation of existing products for cost reduction based on substitution of raw materials and improvement in process efficiency
- Undertake new projects under the 'Responsible Care' Initiative to avoid RoHS/REACH restricted raw materials
- To continue participation in the M.Tech training programme for students from local Institute on subjects complementary to the Company's business

### 4. Expenditure on R & D

(₹. in Lacs)

	Year ended 31.12.2014	Year ended 31.12.2013
(a) Capital	11.76	24.51
(b) Recurring	376.73	361.21
(c) Total	388.49	385.72
(d) Total R & D expenditure as a percentage of total turnover	1.02	1.14

### 5. Technology absorption, adaptation & innovation:

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

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

Technology imported	Year of import	Has the technology been fully absorbed	If not, when to be absorbed
Absorption of PAI primer wire enamel Technology from affiliate company in Italy.	2013	Yes	-
Absorption of filled solventless polyesterimide varnish technology from affiliate company in USA.	2013	Yes	-
Absorption of PAI Wire Enamel insulating technology from affiliate company, in Italy.	2014	No	2015

### 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 2014.

Name	Designation	Gross Remuneration Subject to tax (₹)	Qualifications	Age & Experience (Years)	Date of Commencement of employment	Last employment held, Designation and Organization
Mr. Ravindra Kumar	Managing Director	14,228,968	Bachelor of Chemical Technology (Oil Tech) HBTI, Kanpur.	42/18	01.01.2014	Huntsman Europe BVBA / Automotive Platform Manager - EAIME
Mr. Sharadkumar Shetye *	Director- Manufacturing	2,728,631	B.Tech.(Chemical Engg.) D.B.M., M.M.S.	65/43	20.10.1971	-

\* Retired with effect from 27 May 2014.

#### Notes:

1. The Company has agreement of employment with its Directors. The Agreements are terminable with a notice of six months on either side.
2. 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.
3. None of the above two employees is a relative of any Director of the Company.

# Management Discussion & Analysis Report

In the year 2014, the seeds of much needed sustainable economic stability were sown, with a Government enjoying clear majority coming to power at the centre, after a two decade long of coalition politics.

While with this change, the future could be viewed with a certain degree of optimism, the year 2014 proved to be as tumultuous as the preceding one, particularly against the backdrop of:

- Subdued manufacturing growth leading to overall depressed demand.
- Tweaked input costs.
- Continued suboptimal capacity utilization of the user industry.
- Increasing imports of Electrical Equipment contracting the local production of electrical equipments.
- Sharp fall in global oil price levels towards the end of 2014, leading to a mismatch between market expectations and extent of softening of input costs.

Against these odds, your Company could deliver a satisfactory financial performance in terms of top and bottom line growth. This significant achievement was possible due to combination of proactive measures such as:

- Appropriate 'value proposition' through continuous value engineering.
- Fine tuning the product offering thru favorable product mix.
- Exploiting the global synergies.
- A sharp focus on product development through a close coordination between application engineering and Research & Development.
- Timely price correction.

The above measure ensured that your Company continues to maintain its dominant market position in the business lines of Primary & Secondary Insulation while significantly improving its market position in the business line of Electronic & Engineering Materials.

## Segment wise Performance

### Electrical Insulation Systems

- The EIS Business, covering business lines PI and SI, forms a major element of Company's business contributing by over 80% to the Company's total sales revenue. This business also constitutes the core business of your Company.
- The major segments that are being catered through EIS are Magnet Wire Industry and Original Equipment Industry covering a host of electrical equipments such as rotating machines, transformers etc. besides a major chunk of repair segment.
- The year under review has been quite challenging, with majority of the end use segment which includes replacement market languishing for want of demand leading to low capacity utilization.
- At the same time, the increased incidence of imports of Electrical Equipments especially from China has not exactly helped in growth of Original Equipment Manufacturers.
- Added to this, beginning with Q4, with price of Copper going southwards, the winding wire industry resorted to production cutbacks to avoid any possible losses on inventory.
- The fall out of Crude Oil softening in excess of 50%, during 2<sup>nd</sup> half has had its impact on market sentiments leading to a virtual price war for price elastic commodity segment that your Company is dealing in, besides clamor for overall price correction. Your Company too had to go in for a selective price correction, yet without any value erosion.
- Against all these adversities, the EIS performance during 2014 stands out representing 9% sales revenue growth over 2013.
- This achievement was possible with timely introduction of new products of judicious value proposition through tradeoffs between volumes and margins.

Going forward the emerging market looks quite buoyant with:

- Government's resolve to prioritize power segment.
- Projected installed capacity of power generation by 2022, to be in the region of 400 GW.
- Per capita electricity consumption which is less than 1/3<sup>rd</sup> of Global Average is expected to go up.
- Setting up of "Smart City", a concept which is bound to push the infrastructure demand including downstream electrical equipment.

Your Company is well equipped to address the possible demand spurt in an effective fashion, ensuring in the process, sustained market leadership in the EIS segment.