

ELANTAS Beck India Ltd.

ELANTAS
Electrical Insulation



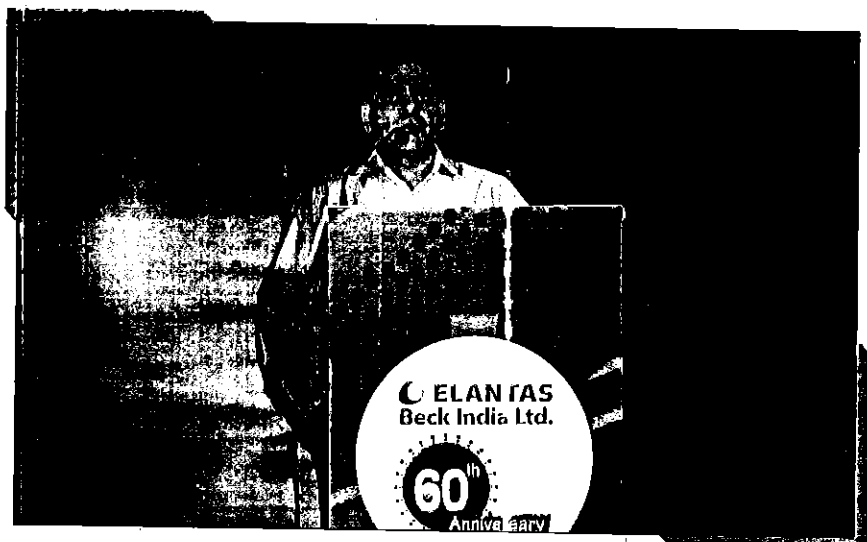
Annual Report 2015

Inauguration of Epoxy Storage Tank by Mr. Martin Babilas, Chairman of the Board and CEO of ALTANA AG.



CSR Initiatives – Supported Balajinagar Slum, Pune, with 'One Home - One Toilet'. Dr. Guido Forstbach, Director and Mr. Ravindra Kumar, MD at site.

Mr. Ravindra Kumar, MD, delivering speech on Company's 60th Anniversary



Board of Directors

Dr. Matthias Wolfgruber
Chairman (retired w.e.f. 31 December 2015)

Mr. Martin Babilas
Chairman (appointed w.e.f. 1 January 2016)

Dr. Guido Forstbach

Mr. Suresh Talwar

Mr. Ravindra Kulkarni

Mr. Ranjal Laxmana Shenoy

Mrs. Kishori Udeshi

Mr. Ravindra Kumar
Managing Director

Mr. Stefan Genten
(appointed w.e.f. 1 January 2016)

Mr. Milind Talathi
(Alternate to Dr. Guido Forstbach)
(appointed w.e.f. 28 October 2015)

Executive Management

Mr. Ravindra Kumar
Managing Director

Mr. Milind Talathi
Director-Manufacturing

Mr. Sanjay Kulkarni
CFO & VP-IT & Procurement

Mr. Shirish Dabir
AVP-Legal & HR & Company Secretary

Mr. Joy Ghosh
VP-Market & Technology Development

Mr. P. Srinivasan
VP-Sales

Dr. Vinayak Bhanu
AVP - Research and MTD PI & SI

Chief Financial Officer

Mr. Sanjay Kulkarni

Company Secretary

Mr. Shirish Dabir

Registered Office & Corporate Office

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

Works

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

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

Regional Offices

Bengaluru, Kolkata, New Delhi

Website

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

CIN

L24222PN1956PLC134746

Auditors

BSR & Co. L.L.P.

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

Internal Auditors

Mahajan & Albara
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

Link Intime India Pvt. Ltd.
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune - 411001

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Directors' Report

To the Members,
of ELANTAS Beck India Ltd.

The Directors have pleasure in presenting the Sixtieth Annual Report and the Audited Accounts for the financial year ended 31 December 2015.

Financial Highlights

(₹ in lacs)

	Year ended 31.12.2015	Year ended 31.12.2014
Income from operations	34,976.89	34,992.44
Profit before Interest, Depreciation & Tax	6,786.53	5,062.87
Depreciation	594.43	542.17
Interest	18.79	23.98
Profit Before Tax	6,173.31	4,496.72
Provision for tax	1,997.75	1,336.09
Net Profit	4,175.56	3,160.63
Profit & Loss Account brought forward	6,727.41	4,310.92
Profit available for appropriation	10,902.97	7,471.55
Appropriations:		
Proposed dividend	396.38	356.75
Tax on Dividend distributed	80.69	71.33
Transfer to General Reserve	417.56	316.06
Carried to Profit & Loss Account	10,008.34	6,727.41
	10,902.97	7,471.55
Earnings Per Share of Rs.10/- each.		
Basic and diluted EPS before extra-ordinary items (not annualized): ₹	52.67	39.87
Basic and diluted EPS after extra-ordinary items (not annualized): ₹	52.67	39.87

Performance

The sales at ₹ 34,299.60 lacs for the year ended 31 December 2015 registered 1 % growth over the sales of ₹ 34,008.15 lacs achieved in the previous year ended 31 December 2014. In terms of sales quantity, the tonnage sold during the year ended 31 December 2015 increased by 5 % over the previous year. The profit before tax, showed marginal increase of ₹ 1,676.59 lacs over the profit before tax posted last year.

The Profit before Tax and Profit after Tax were ₹ 6,173.31 lacs and ₹ 4,175.56 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 2015, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2015 was ₹ 792.77 lacs comprising of 79.28 lacs shares of ₹ 10/- each.

Dividend

The Directors are pleased to recommend a dividend of ₹ 5.00 per equity share of ₹ 10/- each, for the year ended 31 December 2015.

Directors and Key Managerial Personnel

Dr. Matthias Wolfgruber, Chairman retired at the end of the year 2015 as CEO of ALTANA AG, Company's ultimate holding Company. Consequently, he resigned as Chairman of the Company with effect from 31 December, 2015. The Directors place on record their deep appreciation towards the visionary contribution of Dr. Matthias Wolfgruber, during his tenure as the Chairman of the Company, which immensely helped the Company in delivering profitable performance all these years.

ALTANA AG management decided to appoint Mr. Martin Babilas as the new CEO of the group with effect from 1 January, 2016 in place of Dr. Wolfgruber. The Board of Directors of the Company in its meeting held on 28 October, 2015 noted these developments. Accordingly, it was proposed to appoint Mr. Babilas as Chairman of the Company effective 1 January 2016 by the Board.

As a part of this transition, Mr. Stefan Genten was appointed as Chief Financial Officer of ALTANA AG and accordingly, Mr. Genten was also appointed as Additional Director on the Board of the Company effective 1 January 2016. Mr. Genten will hold the office upto the date of the ensuing Annual General Meeting and thereafter his appointment will be subject to retirement by rotation.

Dr. Guido Forstbach, Director, being tied up with his other assignments pertaining to ALTANA AG, the Board in its meeting held on 28 October, 2015, with the consent of Dr. Forstbach appointed Mr. Milind Talathi, Director-Manufacturing, as his alternate Director for attending the meetings of the Board during his absence.

Further to said appointment, Mr. Milind Talathi was appointed as Occupier for the plants of the Company located at Pimpri and Ankaleshwar.

The Board of Directors in its meeting held on 23 February, 2016, has resolved to renew the contract of appointment of Mr. Ravindra Kumar as Managing Director of the Company for a further period of five years from 1 January 2017 which will be subject to approval of the Members at the ensuing Annual General Meeting. In the said Board meeting, the Board also resolved to appoint Mr. Milind Talathi as Whole Time Director subject to the approval of the Members in the ensuing Annual General Meeting of the Company.

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

At the last Annual General Meeting held on 6 May 2015, the members had appointed Mr. Suresh Talwar and Mrs. Kishori Udeshi as Independent Directors under the Companies Act, 2013 each for a term of 5 years with effect from 6 May 2015. All Independent Directors have given Declaration that they meet criteria for independence as laid down under Section 149 (6) of the Companies Act, 2013.

No Key Managerial Personnel resigned during the year under review.

Separate meeting of Independent Directors

The Independent Directors were fully kept informed of the Company's activities in all its spheres. During the year under review, a separate meeting of Independent Directors was held on 24 February 2015 and the Independent Directors reviewed the performance of (i) non- Independent Directors and (ii) the board as a whole.

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

Nomination and Remuneration Policy

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

In accordance with the requirements under Section 178 of the Act 2013, the Committee formulated a Nomination and Remuneration Policy to govern the terms of nomination /appointment and remuneration of (i) Directors, (ii) Key Managerial Personnel (KMPs) and (iii) Senior Management Personnel of the Company. The same was approved by the Board at its meeting held on 29 July 2014.

The process of appointing a director / KMPs/ Senior Management Personnel is, that when a vacancy arises, or is expected, the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the board / company, and the balance of skills added to that of which the existing members hold. The Committee will review the profile of persons and the most suitable person is recommended for appointment by the board. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. The Committee will ensure that any person(s) who is / are appointed or continues in the employment of the Company as its Director or Key Managerial Person shall comply with the conditions as laid out under the Companies Act 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the then Listing Agreement, the Board during the Year 2015 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 Committee for the Year 2014. The evaluation has been

carried out on the basis of criteria defined by the Nomination and Remuneration Committee in its meeting held on 29 July 2014. Independent Directors in their separate meeting held on 24 February 2015 reviewed and evaluated performance of the Board for the Year 2014.

Number of Meetings held

During the year 2015, four Board Meetings and four Audit Committee Meetings were convened and held. Details of the same are given in the Corporate Governance Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Prajot Tungare & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of the Company. The Secretarial Audit Report issued by them is annexed to this Report as 'Annexure A'.

The Secretarial Audit Report carries the following 2 observations :

1. There were few instances of delay in issuing duplicate share certificates beyond the prescribed period;
2. Compliance Report on Corporate Governance for the quarter ending on 30 June 2015 was filed after the due date;

Justification for first observation - The delay in issue of duplicate Share Certificate has occurred due to administrative delay at R&T Agent's end. The Company has taken note of the same & will ensure due compliance of this requirement in future.

Justification for second observation - There has been a delay of only one day due to the technical issue in the system.

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 RPT 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. Pursuant to the provisions of Clause 49 of then Listing Agreement, Audit Committee in its meeting held on 24 February 2015 had granted omnibus approval for the proposed Related Party Transactions to be entered into during the year 2015. Since there are no material Related Party Transactions and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions need to be reported in AOC - 2.

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

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

Details of Loans, Guarantees and Investments

The Company has not entered into any transaction relating to Loan, Guarantee or Investments which attracts the provisions of Section 186 of the Companies Act, 2013.

Corporate Governance

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

Vigil Mechanism/Whistle Blower Policy

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

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

Corporate Social Responsibility (CSR)

The Company is fully conscious about its changing responsibilities towards the society and has in fact undertaken many Corporate Social Responsibility initiatives in the Year 2015 in a systematic and structured manner. It has mainly focused on activities falling under 'educational development' and 'Swachh Bharat Mission'. Particularly the projects that are undertaken under 'Swachh Bharat Mission' are of large magnitude and will span from months to years. The Company has undertaken these projects by partnering with reputed Pune based NGO's which are famous for their contribution. Company has funded

and supported them at various intervals during the implementation of these projects. Also, the Company officials are very strictly monitoring the project implementation through frequent site visits, meeting officials, checking records etc.

The CSR Policy Statement and Report on the activities undertaken during the year including reasons for lesser spending is annexed to the Board's Report in 'Annexure B'

Risk Management Policy

The Board has established a Risk Management Committee which formalizes the Company's approach to overview and manage material business risks. The Company has its own Risk Management Manual and Risk Management Policy to identify, assess, monitor and manage key risks across the Company's business units. Risks and effectiveness of their management are internally reviewed and reported regularly to the Board. The management has reported to the board that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects. The board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

Internal Financial Controls and its adequacy

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and anti-corruption framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the audit committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Subsidiary, Associates and Joint Venture

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

Extract of Annual Return

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

Listing on Bombay Stock Exchange

The Company's shares are listed on BSE Ltd.

Directors' Responsibility Statement

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

- a) in the preparation of Annual Accounts for the Year ended 31 December 2015, the applicable accounting standards and Schedule III of the Companies Act, have been followed along with proper explanation relating to material departures, if any.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31 December 2015 and of the profit of the Company for the year ended 31 December, 2015.
- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Company has proper Internal Financial Controls in place and they are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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 in the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year ended 31 December 2014 which was due for filing on 29 June 2015, was filed with MCA on 5 June 2015.

Auditors

Consequent to the present Auditors, BSR & Co. L.L.P. expressing their desire of not to be reappointed, it is proposed to appoint Ms. Price Waterhouse, Chartered Accountants L.L.P. (PWC) as Statutory Auditors of the Company for the financial year 2016,

on a remuneration to be mutually decided between the Board of the Company and the Auditors. PWC have expressed their willingness to get appointed as statutory auditors of the Company vide their letter addressed to the Company. They have also declared their eligibility pursuant to the provisions of Section 139 of the Companies Act, 2013, to act as statutory auditors of the Company. The Company has received their letter addressed in this regard.

The said appointment of PWC in place of BSR & Co. L.L.P. is recommended by the Audit Committee and the Board and shall be subject to the approval of shareholders in the ensuing Annual General Meeting.

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

Green Initiative

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

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

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. The internal committee is set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2015.

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

Particulars of Employees

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

Compliance Certificate

Compliance Certificate pursuant to Regulation 17 (8) of the Listing Regulations 2015 is given in Annexure F to this report.

Deposits

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

Industrial Relations

During the year under review, industrial relations continued to remain cordial. Discussions and negotiations have commenced for reaching amicable settlement with Company's workmen at Pimpri and Ankleshwar. These wage settlements which are for a three year period from 1 January 2016 to 31 December 2018 will be concluded separately for the two sites on the basis of 'Region cum Industry' principle.

General

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

1. No material changes or commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 December 2015 and the date of this report.
2. No Company has become or ceased to be Subsidiary, Associate, Joint Venture of the Company during the year under review.
3. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgements

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.

For and on behalf of the Board

Mumbai
23 February 2016

Suresh Talwar Ravindra Kumar
Director Managing Director

Annexure A

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER, 2015

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

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

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

Management is responsible for the preparation and filling of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and all the laws and regulations listed hereinafter and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Audit for the Company is conducted as a process of verification of records and documents on sample basis to check secretarial compliances with the provisions of laws, rules and procedures. The procedure for Secretarial Audit is selected on the Secretarial Auditor's judgment of material facts of the documents submitted. Our responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. We have conducted the audit solely on the basis of secretarial compliances and filling done by the Company, under the below mentioned laws.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby make our report on the basis of our opinion during the audit conducted covering the financial year ended on 31 December, 2015, on various secretarial compliances with statutory provisions listed hereunder and on Board processes and compliance mechanism to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2015, according to the provisions of:

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

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

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

- (a) Inflammable Substances Act, 1952;
- (b) Petroleum Act, 1934 read with Petroleum Rules, 2002;
- (c) The Hazardous Waste (Management Handling & Transboundary Movement) Rules, 2008; and
- (d) Manufacture, Storage and Import of hazardous Chemical Rules, 1989.

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

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

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. there were few instances of delay in issuing duplicate share certificates beyond the prescribed period;
2. Compliance Report on Corporate Governance for the quarter ending on 30 June 2015 was filed after the due date;

We further report that:

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

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

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

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CPNo: 4449

Place: Pune
Date: 23 February 2016