

ANNUAL REPORT 2021



Board of Directors

Mr. Martin Babilas - Chairman
Dr. Guido Forstbach
Mr. Stefan Genten - Alternate Director to Mr. Martin Babilas
Mr. Suresh Talwar
Mrs. Kishori Udeshi
Mr. Ravindra Kulkarni
Mr. Ranjal L. Shenoy
Mr. Nandkumar Dhekne
Mr. Srikumar Ramakrishnan - Managing Director
Mr. Milind Talathi -Whole Time Director

Executive Management

Mr. Srikumar Ramakrishnan
Managing Director

Mr. Milind Talathi
Director-Manufacturing

Mr. Sanjay Kulkarni
CFO, VP-IT & Procurement

Mr. Abhijit Tikekar
Head Legal & Company Secretary

Dr. Yogaraj Nabar
VP-Market & Technology Development

Mr. Nirmalkumar Simon
VP-Sales

Chief Financial Officer

Mr. Sanjay Kulkarni

Company Secretary

Mr. Abhijit Tikekar

Registered & Corporate Office and R&D centre

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

Works

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

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

Regional Offices

Bengaluru, New Delhi, Kolkata

Website

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

CIN

L24222PN1956PLC134746

Statutory Auditors

Price Waterhouse Chartered Accountants LLP,
7th Floor, Tower A -Wing 1,
Business Bay, Airport Road,
Yerwada, Pune 411006.

Internal Auditors

Mahajan & Aibara
1 Chawla House,
62 Woodhouse Road, Colaba,
Mumbai 400005.

Secretarial Auditors

Prajot Tungare & Associates
Practicing Company Secretaries,
2 floor, Shraddha Chambers,
Sinhgad Road, Pune 411030

Cost Auditors

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

Solicitors

Talwar Thakore & Associates
3 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, 2 Floor, Akshay Complex,
Off Dhole Patil Road,
Pune 411001.
Tel.: (020) 26160084/1629
Telefax: (020) 26163503
E-mail: rnt.helpdesk@linkintime.co.in

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Directors' Report

To the Members,

ELANTAS Beck India Ltd.

Your Directors have pleasure in presenting the Company's Sixty Sixth Annual Report and the Audited Financial Statements for the financial year ended 31 December 2021.

Financial Results:

(Rs. In Lakhs)

	Year ended 31.12.2021	Year ended 31.12.2020
Revenue from operations	52,213.10	38,313.35
Other income	1,633.28	2,179.43
Total income	53,846.38	40,492.78
Profit before exceptional items and tax	8,223.48	8,021.33
Exceptional Items	914.28	-
Profit before tax	9,137.76	8021.33
Income tax expense	2,449.59	1,844.94
Other comprehensive income	16.22	(23.64)
Profit for the year	6,704.39	6,152.75
Retained earnings brought forward	36,491.74	30,735.37
Less: Dividend paid	396.38	396.38
Retained earnings at the end of the year	42,799.75	36,491.74

Performance

The Company posted a turnover of Rs.52,066.99 Lakhs for the year ended 31 December 2021 against the turnover of Rs. 38,067.28 Lakhs achieved in the previous year ended 31 December 2020. In terms of sales quantity, the tonnage sold during the year ended 31 December 2021 increased by 16.45% over the previous year. The profit before exceptional items and tax stood at Rs. 8,223.48 Lakhs, an increase over the profit before tax posted last year i.e. Rs.8,021.33 Lakhs. The Profit before Tax net of other comprehensive income and Profit after Tax were Rs.9,153.98 Lakhs and Rs. 6,704.39 Lakhs respectively.

Share Capital

Share Capital Audit as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) 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 2021, there was no change in the issued and subscribed capital of the Company, the outstanding capital as on 31 December 2021 was Rs.79,276,820 comprising of 7,927,682 shares of Rs.10/- each.

Dividend

After taking into consideration the capital expenditure on the proposed project and to conserve the resources for that purpose, the Directors are pleased to recommend a dividend of Rs. 5.00/- per equity share of Rs.10/- each, subject to the deduction of tax as applicable, for the year ended 31 December 2021 (previous year Rs. 5.00/- per equity share). The dividend is payable subject to Members' approval at the ensuing Annual General Meeting (AGM). The dividend pay-out, if approved by the Members in the ensuing AGM, will be Rs. 396.38 Lakhs.

The Company has adopted its Dividend Distribution Policy during the year 2020, which is available on the Company's website at https://www.elantas.com/fileadmin/elantas/companies/elantas_beck_india/financial_documents/compliance_with_corporate_governance/dividend_distribution_policy_approved_on_05.05.2020.pdf

Reserves

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

State of the Company's affairs:

Please refer Management Discussion & Analysis Report which forms part of this Report.

Capital Expenditure:

Capital expenditure incurred during the year aggregated to Rs. 1,109.98 Lakhs.

Corporate Governance

Pursuant to the provisions of Regulation 34 (2) & (3) and 53(f), read with Schedule V to the Listing Regulations, Management Discussion and Analysis Report, Report on Corporate Governance, Business Responsibility Report and Compliance Certificate on Corporate Governance form part of this Report.

Directors

During the year under review, Members in the 65th AGM, approved the re-appointment of Mr. Milind Talathi (DIN: 07321958) as Whole Time Director of the Company for a further period of 2 (two) years w.e.f. 27 February 2021 by passing Special Resolution.

Pursuant to the recommendation of the Nomination & Remuneration Committee, the Board in its Meeting held on 27 July 2021 appointed Mr. Nandkumar Dhekne (DIN 02189370) as Additional Director in the capacity of an Independent Director for a period of five years w.e.f. 27 July 2021 to 26 July 2026 constituting the first term.

Members approved appointment of Mr. Nandkumar Dhekne as Director and also as an Independent Director by passing a Special Resolution by way of ballot through electronic voting concluded on 24 September 2021 the result of which was declared on 27 September 2021.

Mr. Ranjal L. Shenoy (DIN: 00074761) will be attaining age of 75 years on 16 January 2023. Pursuant to the provisions of Regulation 17(1A) of Listing Regulations, it is necessary to seek Members' approval by way of Special Resolution for continuation of Mr. Ranjal L. Shenoy as Director. Pursuant to the recommendation of Nomination & Remuneration Committee, the Board in its Meeting held on 22 February 2022 has, subject to the approval of Members, approved continuation of appointment of Mr. Ranjal L. Shenoy as Independent Director.

The approval of the Members for the continuation of appointment of Mr. Ranjal L. Shenoy as an Independent Director has been sought in the Notice convening the AGM of your Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, Board in its Meeting held on 22 February 2022 re-appointed Mr. Srikumar Ramakrishnan (DIN : 07685069) as Managing Director for a term of 5 (Five) Years w.e.f. 1 August 2022 to 31 July 2027 subject to the approval of Members in ensuing AGM.

The approval of the Members for re-appointment of Mr. Srikumar Ramakrishnan as Managing Director has been sought in the Notice convening the AGM of your Company.

Mr. Martin Babilas, (DIN: 00428631), retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 (The Act), 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 re-appointment.

The approval of the Members for the re-appointment of Mr. Martin Babilas has been sought in the Notice convening the AGM of your Company.

Particulars in pursuance of Regulation 36 of Listing Regulations read with Secretarial Standard-2 on General Meetings relating to Mr. Martin Babilas, Mr. Ranjal L. Shenoy and Mr. Srikumar Ramakrishnan are given in the Notice convening the AGM.

None of the Directors is disqualified from being appointed as or holding office as Director, as stipulated under Section 164 of the Act.

Declaration from Independent Directors

All Independent Directors have given Declaration that;

- a. They meet the criteria for independence as laid down under Section 149 (6) of the Act, and Regulation 25 (8) read with 16(1)(b) of the Listing Regulations.
- b. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act

And in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

Further there has been no change in the circumstances affecting their status as Independent Directors of the Company.

Statement on Compliance with Code of Conduct for Directors and Senior Management;

Please refer page 51 of the Report on Corporate Governance annexed to this Report.

Composition of Key Managerial Personnel (KMP)

Pursuant to provisions of Section 203 of the Act, the Company has the following KMPs as on the date of the report:

Name of the KMP	Designation	Date of Appointment
Mr. Srikumar Ramakrishnan	Managing Director	1 August 2019
Mr. Milind Talathi	Whole Time Director	27 February 2018
Mr. Sanjay Kulkarni	CFO and VP- IT & Procurement	18 August 2008
Mr. Abhijit Tikekar	Head Legal & Company Secretary	31 October 2018

Separate Meeting of Independent Directors

The Independent Directors are fully kept informed of the Company's business activities in all areas. A separate Meeting of Independent Directors was held on 22 February 2022 in which the Independent Directors reviewed the performance of (i) non- Independent Directors, (ii) the Board as a whole and iii) Chairperson of the Company for the year under review.

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 Directors to effectively and reasonably perform their duties. Independent Directors expressed their satisfaction on the working of the Company, Board deliberation and contribution of the Chairman and other Directors in the growth of the Company. All the Independent Directors were present at the Meeting.

Composition of Audit Committee and Nomination & Remuneration Committee

For details, kindly refer the Corporate Governance Report forming part of this Report.

Nomination and Remuneration Policy

The Nomination & Remuneration Committee 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 Members and the Company.

In accordance with the requirements under Section 178 of the Act and also as per Listing Regulations, 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), (iii) Senior Management and (iv) other employees of the Company.

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

Board Evaluation

Pursuant to the provisions of the Companies Act and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the performance of Independent Directors and other Directors individually, as well as the evaluation of the working of its Committees for the Year 2021. The evaluation has been carried out on the basis of criteria defined by the Nomination & Remuneration Committee in its Meeting dated 29 July 2014 and as amended from time to time.

Based on the evaluation, Company expects the Board and the Directors to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

Number of Board Meetings held

During the year 2021, five Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this Report. The intervening gap between any two Meetings was within the period prescribed by the Act and the Listing Regulations.

Related Party Transactions

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

All RPT are placed before the Audit Committee for its review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. Pursuant to the provisions of the Listing Regulations as well as the Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, Audit Committee, by passing Resolution in its Meeting held on 3 November 2020, had granted omnibus approval for the proposed RPT to be entered into by the Company during the year 2021. Since there are no material RPT and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions are required to be reported in Form AOC – 2. In compliance with the Indian Accounting Standards (IND AS) 2015 RPT are shown in Note no. 36 of Financial Statements forming part of this Report.

The Board of Directors of the Company, at its Meeting held on 26 February 2019, on the recommendation of the Audit Committee, reframed a policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and Regulation 23 of the Listing Regulations, as amended. The Policy as approved by the Board is uploaded and can be viewed on the Company's website <http://www.elantas.com/beck-india>.

The Non-Executive Directors have no pecuniary relationship or transaction with the Company other than commission and sitting fees paid to them. For details, kindly refer the Corporate Governance Report which forms part of this Report.

Details of Loans, Guarantees and Investments

The Company has not entered into any transaction during the year under review.

Corporate Governance

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

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism named as 'Whistle Blower Policy' within the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The policy of such mechanism which has been circulated to all employees within the Company, provides a framework to the employees for guided & proper utilization of the mechanism. Under the said Policy, provisions have been made to safeguard persons who use this mechanism from victimization. The Policy also provides access to the Chairman of the Audit Committee by any person under certain circumstances. The Whistle Blower Policy has been uploaded on the Company's website <http://www.elantas.com/beck-india.html>

Corporate Social Responsibility (CSR)

In the last 7 years, Company has been successful in creating an image of a socially responsible and a vigilant corporate citizen in the minds of the community at large, it serves. There were number of projects and programs undertaken, pursued and sustained very well by the Company as part of CSR initiatives.

The Company considers it as its economic and social responsibility to foster sustainable local development. As a part of such responsibility, it has focused amongst others, on building of educational infrastructure and helping in mitigation of environmental issues in local areas in which it operates. However, due to Covid -19 pandemic, focus of the Company was shifted to health and safety and accordingly has taken necessary steps by contributing generously to the funds set up by the Central Government i.e. Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund and Prime Minister's National Relief Fund for Covid -19 relief measures.

The Company officials are diligently monitoring the implementation of CSR projects through frequent site visits, meeting officials, checking records etc.

The CSR Policy Statement and Report on the activities undertaken during the year is incorporated in 'Annexure B'.

Business Responsibility Report

Report on Business Responsibility as stipulated under the Listing Regulations and any other applicable law for the time being in force describing the initiatives taken by the Management from an environmental, social and governance perspective, forms an integral part of this Report attached as 'Annexure F'.

Risk Management Policy

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to the Company. Company's future growth is linked to general economic conditions prevailing in the market.

Management has taken appropriate measures for identification of risk elements related to the Industry in which the Company is engaged and is always trying to reduce the impact of such risks. The Board in its Meeting held on 02 November 2021 adopted revised Risk Management Policy which is available on the Website of the Company i.e. <http://www.elantas.com/beck-india>. The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks including the risks associated with cyber security.

Internal Financial Controls and their adequacy

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and entity level controls. The framework is reviewed regularly by the Management and tested by the global internal audit team and also the Internal Auditors appointed by the Company 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.

Annual Return

As required under Section 92(3) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at <http://www.elantas.com/beck-india>.

Directors' Responsibility Statement

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

- a) in the preparation of Annual Accounts for the Year ended 31 December 2021, the applicable accounting standards have been followed along with proper explanations 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 2021 and of the profit of the Company for the year ended 31 December 2021.
- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 laid down proper Internal Financial Controls and they are adequate and are operating effectively.
- f) the Directors have devised proper systems and processes to ensure compliance with the provisions of all applicable laws and such systems and processes are adequate and operating effectively.

Compliance with Secretarial Standards

The Company has ensured compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Auditors

a) Internal Auditors

The Internal Auditors, Mahajan & Aibara, Chartered Accountants, Mumbai conduct internal audits periodically and submit their reports to the Audit Committee. Their Reports have been reviewed by the Audit Committee from time to time.

b) Statutory Auditors

The Members, in the 60th AGM held on 3 June 2016, appointed Price Waterhouse, Chartered Accountants LLP, Pune as Statutory Auditors of the Company for the financial year 2016. Further, the Members in the 61st AGM held on 10 May 2017 appointed them as Statutory Auditors for the remaining period of four years forming part of the first term of five years i.e. up to the conclusion of AGM for the year 2020.

During the year under review, in the 65th Annual General Meeting held on 4 May 2021, Members passed Resolution approving appointment of Price Waterhouse, Chartered Accountants LLP, Pune as the Auditors of the Company for a second term of five years from the conclusion of the 65th AGM till the conclusion of the 70th AGM.

There are no qualifications, reservations or adverse remarks or disclaimer made in the audit report for the Financial Year 2021.

c) Cost Auditors

In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government.

Pursuant to Section 148(1) of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, as amended, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Dhananjay V Joshi & Associates, Cost Accountants, to audit the cost records of the Company for the financial year 2021 on a remuneration to be ratified by the Members, in the forthcoming AGM. Accordingly, a Resolution for ratification of payment of remuneration to Dhananjay V. Joshi & Associates, Cost Auditors, is included in the Notice convening the AGM for approval of Members.

The Cost Audit Report for the financial year ended 31 December 2020 was filed with the Ministry of Corporate Affairs on 31 May 2021 i.e. within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014 as amended.

d) Secretarial Auditors

Prajot Tungare & Associates, Practicing Company Secretaries, Pune were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2021, as required under Section 204 of the Act, read with rules framed thereunder. The Secretarial Audit Report for FY 2021 forms part of this Report as '**Annexure A**'.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their report.

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

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