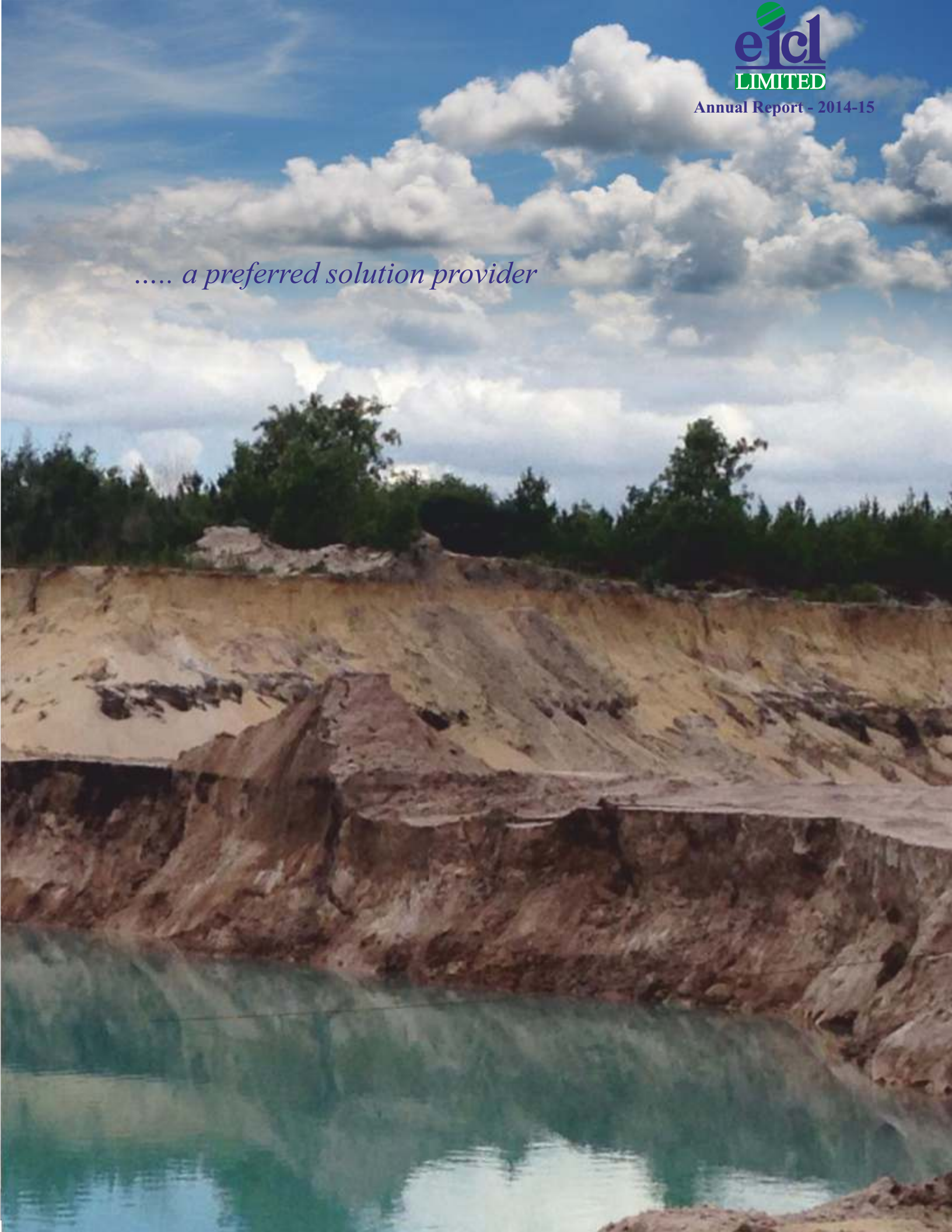


..... a preferred solution provider





Company Information

CIN : U26939KL1963PLC002039

CHAIRMAN

Mr. Karan Thapar

DIRECTORS

Mr. J. K. Jain

Mr. Vijay Rai

Mr. Praveen Sachdev

Mr. T. Balakrishnan

Mr. Vijay. K. Sharma

Ms. Shivpriya Nanda (w.e.f. 27-02-2015)

Mr. Joy Kumar Jain (w.e.f. 08-05-2015)

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Dr. Venkatesh Padmanabhan

CHIEF FINANCIAL OFFICER

Mr. M. K. Gupta

COMPANY SECRETARY & HEAD CORPORATE - LEGAL

Mr. P. S. Saini

BANKERS

Axis Bank Limited

State Bank of India

ICICI Bank Limited

IndusInd Bank Ltd.

REGISTERED OFFICE

TC-79/4, Veli

Thiruvananthapuram-695 021

Kerala

HEAD OFFICE

5th Floor, PTI Building

16/7, Miller Tank Band Area

Vasanth Nagar

Bangalore -560052 (Karnataka)

AUDITORS

Walker Chandiook & Co. LLP

Chartered Accountants

L-41, Connaught Circus A. R. Narayanan & Co.t Account

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

INTERNAL AUDITORS

T. R. Chadha & Co.

Chartered Accountants

B-30, Connaught Place

New Delhi -110 001

SECRETARIAL AUDITORS

Manju Laur & Associates

Company Secretaries

909, Chiranjiv Tower

43, Nehru Place

New Delhi -110 001

CORPORATE OFFICE

801-803, Tower-B, 8th Floor

Global Business Park, M. G. Road

Gurgaon-122 002 (Haryana)

WORKS

Thiruvananthapuram (Kerala)

Yamunanagar (Haryana)

Shimoga (Karnataka)

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2015**

To,
The Members:

Your Directors have pleasure in presenting the 51st Annual Report of the Company and the audited financial statements for the financial year ended 31st March, 2015.

FINANCIAL SUMMARY

The Company's financial performance for the financial year ended 31st March, 2015 is summarized below:-

(₹ in Crores)

	31st March 2015	31st March 2014
Gross operating Profit (before interest and depreciation)	67.99	55.43
Profit on sale of Land	2.03	-
Gross Profit before interest, depreciation & tax	70.02	55.43
Less : Interest	15.85	17.29
Gross Profit before Depreciation	54.17	38.14
Less : Depreciation	13.29	13.48
Profit before tax and exceptional items	40.88	24.66
Less : Exceptional Items	-	-
Tax Expenses :		
Current Tax	13.01	9.00
Earlier Year Tax	0.04	-
Deferred Tax	1.44	(0.44)
Profit after Tax	26.39	16.10
To which is added :		
- Balance brought forward from the previous year	76.30	67.44
Leaving a balance of	102.69	83.54
Which your Directors recommend to be appropriated as under :		
Interim Dividend Paid		
- ₹ 0.50 (25%) and ₹ 0.50 (25%) per Equity Share of ₹ 2/- each	5.02	-
- ₹ 2.75 and ₹ 5.50 per Preference Share on 30,00,000 11% Preference Shares of ₹ 100/- each (last year ₹ 5.50 per preference share)	2.48	1.65
Proposed Dividend		
- @ ₹ 0.50 per Equity Share of ₹ 2/- each (Last year ₹ 0.30 per Equity Share)	2.51	1.51
- @ ₹ 2.75 on 30,00,000 11% Preference Shares of ₹ 100/- each (last year ₹ 5.50 per preference share)	0.83	1.65
Tax on Dividend	2.07	0.82
Transfer to General Reserve	2.64	1.61
Carried forward to next year's account	87.14	76.30

RESERVES

The Directors of the Company propose to transfer a sum of ₹ 2.64 Crores to General Reserve out of the profits of the current year.

DIVIDEND

Your Directors are pleased to recommend a final dividend @ ₹ 0.50 (25%) per Equity Share on 5,02,76,013 Equity Shares, face value of Rs.2/- each, amounting to ₹ 2,51,38,006.50 and a dividend of ₹ 2.75 per Preference Share on 30,00,000 11% Cumulative Redeemable Preference Shares, face value of ₹ 100/- each, amounting to ₹ 82,50,000/-.

During the year, the Company had declared and paid two interim dividends @ ₹ 0.50 (25%) each per equity share on 5,02,76,013 equity shares of ₹ 2/- each, total amounting to ₹ 5,02,76,013/- and ₹ 2.75 and ₹ 5.50 per preference share on 30,00,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each, total amounting to ₹ 2,47,50,000/- for the year ended 31st March, 2015.

The total dividend on Equity Shares works out to ₹ 1.50 (75%) on Equity Shares of ₹ 2/- each and ₹ 11/- (100%) on Preference Shares of ₹ 100/- each.

The total outgo on account of dividend including dividend tax of ₹ 2,06,75,075/- will be ₹ 12,90,89,095/-, for the financial year ended 31st March, 2015.

STATE OF THE COMPANY AFFAIRS / CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the year under review, your Company registered a gross operating profit (EBIDTA) of ₹ 67.99 Crores as against ₹ 55.43 Crores in the previous year ended 31-03-2014, an increase of about 23% over the previous year; the profit after tax for the year ended 31-03-2015 is ₹ 26.39 Crores viz-a-viz ₹ 16.10 Crores in the previous year ended 31-03-2014, an increase of about 64% over the previous year.

The total turnover of the Company remained stagnant at ₹ 460.24 Crores for the year ended 31-03-2015 as against ₹ 462.80 Crores in the previous financial year ended 31-03-2014. The Company's strategy to opt out of the low end products where the product lines were not contributing to the profitability of the Company or causing operating loss to the Company, resulted in registering the total turnover of the Company at the same level in current year 2014-15. The low cost of raw material, chemical and fuel coupled with lower interest cost, largely contributed to the improved profitability of the Company.

During the year, there is no change in the nature of business of the Company.

There is no observation of the Statutory Auditors which requires any comments from the Board of Directors of the Company.

MATERIAL CHANGES EFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments occurred, affecting the financial position of the Company, between the end of the financial year of the Company and the date of this report.

There is no order passed by any regulator or court or tribunal against the Company, impacting the going concern concept or future operations of the Company.

JOINT VENTURE

During the year, the Company in collaboration with M/s. MAC Group of Tanzania has incorporated a Joint Venture Company M/s. EIMAC Mining & Minerals Limited in Tanzania on 3rd February, 2015. The main object of the Joint Venture Company is prospecting of minerals in Tanzania and to assess the project feasibility to set up manufacturing and mining of Clay (Kaolin) product. The Company will hold 70% shares and MAC Group will hold 30% shares in that Company.

DELISTING

The Equity Shares of the Company have been delisted from all the Stock Exchanges where the shares were listed w.e.f. 4th June, 2014. In terms of Regulation 21 of the SEBI (Delisting of Equity Shares) Regulation, 2009, the Company has provided a window period of one year i.e. upto 3rd June, 2015, so that the shareholders who have not tendered their shares to the Company, or the Share Registrar, can surrender their shares by 3rd June, 2015. The exit price accepted by the Acquirer is Rs.48/- per share.

PUBLIC DEPOSITS

The Company has not accepted or renewed any public deposits during the financial year 2014-15.

On 31st March, 2015 fixed deposits amounting to ₹ 3,01,000/- which became due for repayment had remained unclaimed by 11 depositors.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has appropriate combination of Executive and Non-Executive Directors.

The Board meets at least Four times in a year. Annual calendar for the Board meetings for the financial year is fixed at the beginning of each year. If necessary, the Board meetings are also convened beyond the four meetings. During the financial year 2014-15 the Directors met four times i.e., on 2nd May, 2014, 29th July, 2014, 31st October, 2014 and 27th February, 2015.

No Director is related to any other Director on the Board.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act, 2013 each of the Independent Directors of the Company has given his declaration in 8th May, 2015 Board meeting confirming that they meet the criteria of independence.

Majority of the Board, 5 out of 7, are Independent Directors. All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter, at the first meeting of the board in every financial year, give a declaration that they meet with the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013.

DIRECTORS/KEY MANAGERIAL PERSONNEL

Ms. Shivpriya Nanda and Mr. Joy Kumar Jain were appointed by the Board as the Additional Directors of the Company w.e.f. 27-02-2015 and 08-05-2015 respectively and they will hold office upto the date of ensuing Annual General Meeting of the Company.

Mr. T. Balakrishnan was appointed as an Independent Director subject to retirement by rotation, under the Companies Act, 1956 (Now govern with the Companies Act, 2013) and being longest in the Office, is liable to retire by rotation.

The Company has received Notices U/s 160(1) of the Companies Act, 2013 proposing the appointments of Ms. Shivpriya Nanda and Mr. T. Balakrishnan for a term upto the conclusion of the Annual General meeting of the Company in the calendar year 2018 and proposing the appointment of Mr. Joy Kumar Jain as a Director of the Company, subject to retirement by rotation.

Their appointments are submitted for your approval.

Mr. Praveen Sachdev was appointed as an Independent Director of the Company for a period of one year, till the conclusion of ensuing Annual General Meeting of the Company. As Mr. Praveen Sachdev has attained the superannuation age of 70 years, he will cease to be a Director thereafter. The Directors place on record their appreciation for the invaluable guidance and support rendered by Mr. Praveen Sachdev during his association with the Company as a Director.

Mr. Jainendar Kumar Jain, Independent Director of the Company associated with the Company since 14-04-2009 is liable to retire by rotation. Mr. Jainendar Kumar Jain would attain his age of superannuation in October, 2015, he does not seek re-election and consequently will cease to be the Director of the Company at the conclusion of the ensuing Annual General Meeting. The Directors place on record their appreciation for the invaluable guidance and support rendered by Mr. Jainendar Kumar Jain during his association with the Company as a Director.

Mr. Mahendra Kumar Gupta, G.M. (F&A) was appointed as the Chief Financial Officer of the Company w.e.f. 02-05-2014.

STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD

A formal evaluation of the Board, its Committees and of the individual Director is one potential effective way to respond to the demand for greater Board's accountability and effectiveness. The effectiveness and performance of the Board, its Committees and its members are evaluated and measured, considering the following parameters:-

1. Performance of the Board/Committee against the performance benchmark set.
2. Overall value addition by the discussions taking place at the Board meetings/Committee meetings.
3. The regularity and quality of participation of the individual Director in the deliberation of the Board and its Committees, close monitoring of the various actions taken for the implementation of the Board's decision.

The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the Directors being evaluated. A questionnaire is prepared and is being circulated amongst the Directors for their comments. Review of the performance of the Chairperson of the Company is done by taking into account

the views of Executive and Non-Executive Directors of the Company.

COMPOSITION OF AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also review the significant legal cases pending and all material developments are reported to the Board.

The Audit Committee comprises of the Independent Directors of the company under the Chairmanship of Mr. Vijay Kishore Sharma. The other Independent Directors of the Committee are:

1. Mr. Praveen Sachdev (upto 8th May, 2015)
2. Mr. Jainendar Kumar Jain (upto 8th May, 2015)
3. Mr. Joy Kumar Jain (appointed w.e.f. 8th May, 2015)
4. Ms. Shivpriya Nanda (appointed w.e.f. 8th May 2015).

Statutory Auditors and the Internal Auditors are the permanent invitees at the committee meetings. Dr.Venkatesh Padmanabhan, Managing Director & CEO and Mr. M. K. Gupta, Chief Financial Officer are also the permanent invitees at the committee meetings. Mr. P.S. Saini, Company Secretary is the Secretary of the Committee.

For the Financial year 2014-15, the Audit Committee met four times i.e., on 2nd May, 2014, 28th July, 2014, 30th October, 2014 and 26th February, 2015.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has constituted Strategy, Risk Review and Corporate Social Responsibility Committee which consist of the following Directors:-

1. Mr.Karan Thapar, Chairman
2. Mr.Vijay Rai, Independent Director
3. Mr.Vijay Kishore Sharma, Independent Director
4. Dr.Venkatesh Padmanabhan, Managing Director & CEO

The Company periodically reviews the Company's risk profile under 'PESTLE' nomenclature and management's plans to mitigate /minimize the risks.

The Committee evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Company has in place the risk identification and mitigation policy. The Committee does not foresee any material risks which may threaten the existence of the Company.

During the financial year 2014-15, the Strategy, Risk Review and CSR Committee met thrice i.e. on 29th July, 2014, 31st October, 2014 and 27th February, 2015 under the Chairmanship of Mr. Karan Thapar.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The details about the Corporate Social Responsibility policy developed and implemented by the company and the various initiatives taken during the year and other particulars are enclosed in the prescribed form as **Annexure – A**.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Pursuant to section 178 of the Companies Act, 2013, as applicable to the Company, the Company has constituted a "Nomination and Remuneration Committee" during the financial year 2014-15. The composition of the Nomination & Remuneration Committee is as under:-

1. Mr. Vijay Rai, Chairman of the Committee
2. Karan Thapar
3. Mr. T. Balakrishnan

The Committee met thrice i.e., on 20th June, 2014, 29th July, 2014 and 27th February, 2015.

The Nomination & Remuneration Committee considering the requirement of the skill sets on the Board, integrity of the persons having standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management personnel. The objectives of this policy are:

- (a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- (b) encourage people to perform to their highest level;
- (c) allow the Company to compete in each relevant employment market;
- (d) provide consistency in remuneration throughout the Company;
- (e) align the performance of the business with the performance of key individuals and teams within the Company;
- (f) long term value creation; and
- (g) attract and retain the best professionals.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

SHARE TRANSFER / SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has constituted a "Share Transfer / Shareholders' Grievance Committee" which consist of the following Directors:-

1. Mr. Praveen Sachdev, Chairman of the Committee (upto 8th May, 2015)
2. Mr. Karan Thapar
3. Mr. Vijay Rai, Chairman of the Committee (appointed w.e.f. 8th May, 2015)
4. Dr. Venkatesh Padmanabhan, Managing Director & CEO.

During the financial year 2014-15, the Share Transfer/ Shareholders' Grievance Committee met four times i.e. 06-05-2014, 04-07-2014, 21-07-2014 and 01-08-2014, for the approval of transfer of shares and redressal of the shareholders' grievances.

STATUTORY AUDITOR

M/s. Walker Chandiook & Co. LLP, Chartered Accountants, the Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting. The Board of Directors recommends for your approval the appointment and remuneration of M/s. Walker Chandiook & Co. LLP as Statutory Auditors for 5

years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting held in the calendar year 2020.

INTERNAL AUDITOR

The Company has appointed M/s T.R. Chadha & Co., Chartered Accountants, as the Internal Auditors of the Company pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, for one year to conduct the internal audit for the financial year 2015-16.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been appointed as Cost Auditors for the financial year 2015-16 to conduct the cost audit of the accounts maintained by the company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditors is submitted for ratification by the shareholders of the Company.

SECRETARIAL AUDITOR

M/s Manju Laur & Associates, Company Secretaries in practice have been appointed as Secretarial Auditors to conduct the Secretarial Audit for the financial year 2014-15 & 2015-16 of the Company. They have confirmed their eligibility for appointment under the provisions of Section 204 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in terms of Section 204 has been annexed to this report as **Annexure - B**. The Board noted that there was no qualification or observation in the Secretarial Audit report which requires any explanation.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return of the Company for the year ended 31st March, 2015 has been given in the prescribed Form MGT-9 as **Annexure- C**.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(3) (c) and (5) of the Companies Act,

2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) the Company has followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31-03-2015 and there is no material deviation from the previous year.
- 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 a true and fair view of the state of affairs of the company for the year ended 31st March, 2015 and of the profit for the year ended 31st March, 2015.
- c) the Directors have taken proper and sufficient care 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 and;
- d) the Directors have prepared the annual accounts of the company on a going concern basis.
- e) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has neither given any Loan, Guarantee nor provided any Security in connection with a loan, directly or indirectly, to any person or other body corporate. The company has also not made any investments by way of subscription, purchase or otherwise, in the securities of any other body corporate during the financial year ended 31st March, 2015.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the related party transactions, as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2014-15. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A statement

in the prescribed Form AOC-2 is annexed to this report as **Annexure - D.**

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

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows :-

(A) Conservation of energy

(i) Steps taken or impact on conservation of energy are as under :

- a) Replacement of old equipment and motors with low energy efficient equipment and motors.
- b) Automation of processes wherever possible and modification of process which helps in energy savings in addition to processing costs.
- c) Insulation to get better energy management.
- d) Optimize the voltage level in lighting circuits and replacement of Lamps to LED lights.
- e) Regular usage of biogas generated in ETP digesters for fuel in waste heat recovery boiler and drying of Gluten.
- f) Installation of Waste Heat Recovery System.

(ii) Steps taken by the company for utilizing alternate sources of energy;

The Company is using Bio-mass (Rice Husk) at its both the plants of Starch business. The Company is also evaluating the proposal for usage of bio-mass etc. in place of Furnace Oil and Diesel at its both the plants of Clay business.

(iii) Capital investment on energy conservation equipments;

During the current financial year, the Company has not incurred any capital expenditure on the energy conservation equipment. However, the proposals are being evaluated on the subject.

(B) Technology absorption

The Company has not imported any technology during

the last three years. Hence, the particulars with respect to efforts made towards technology absorption and benefits derived etc. are not applicable to the Company.

(C) Research & Development activities

Your company lays special emphasis on Research & Development activities with an objective to develop new product line for the growth of the Company. The Company's commitment and strong research orientation has played in the past a stellar role in new product development, application support to the customers as well as technical support to plant operations.

Expenditure incurred on Research & Development are as under:-

		31st March, 2015 (₹)	31st March, 2014 (₹)
a)	Capital	1,64,04,074/-	--
b)	Recurring	3,41,01,607/-	2,04,42,767/-
c)	Total	5,05,05,681/-	2,04,42,767/-
d)	Total R & D Expenditure as a percentage of total turnover	1.09	0.44

(D) Foreign Exchange earnings and outgo

The Company has recorded export earnings of ₹ 53.89 Crores and remittance of foreign currency equivalent to ₹ 9.88 Crores towards various purposes details of which have been incorporated in the Notes to Accounts No.34 to 36.

VIGIL MECHANISM POLICY

The company has a "Vigil Mechanism Policy" to facilitate the Directors and employees at all levels, to voice their concerns or observations to the Chairman of Audit Committee. The policy provide a framework to promote responsible and secure whistle blowing.

The Company has provided a dedicated email ID which can be accessed only by the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention,

Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2014-15.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on team work, skill development and development of leadership and functional capabilities of the employees.

INDUSTRIAL RELATIONS

The Board of Directors places on record the active, dedicated and valuable contribution made by employees of the Company at all levels in achieving the results in the operations of the Company. The Industrial relations remained cordial at all units of the Company.

ACKNOWLEDGEMENT

The Board of Directors places on record their appreciation for the continued support and confidence received from Banks viz. Axis Bank Ltd., State Bank of India, ICICI Bank Ltd., IndusInd Bank Ltd. and Central and State Governments and other Government authorities.

The Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

FOR AND ON BEHALF OF THE BOARD

Place: Gurgaon
Date: 08-05-2015

Sd/-
Karan Thapar
Chairman
DIN: 00004264

ANNEXURE- A

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programmes:

The Committee has approved a Corporate Social Responsibility policy and the major guiding principle to attain the CSR objectives in a professional and integrated manner, are as under:-

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.

The CSR projects are headed by the Managing Director of the Company and the progress in implementation of the projects are presented before the CSR Committee and the Board from time to time.

During the year 2014-15, the Company had taken the following activities:-

1. Rain water harvesting and supply of potable water in the nearby villages free of cost.
2. Painter skill training for which effective steps are being taken.
3. Special intervention coaching for students of Class VI & VII.
4. Self-employment for women.

2. The Composition of the CSR Committee:

The CSR Committee consists of Mr.Karan Thapar, Chairman, Mr.Vijay Rai and Mr.Vijay Kishore Sharma, Independent Directors and Dr.Venkatesh Padmanabhan, Managing Director & CEO of the Company. Mr. Karan Thapar is the Chairman of the Committee.

3. Average net profits of the Company for the last three financial years:

₹ 22.69 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹ 45.38 lacs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year : ₹ 45.38 lacs

b) Amount unspent, if any;

₹ 5.38 lacs

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period.	Amount spent : Direct or through implementing Agency
1	Rain water harvest / water to villagers	Social welfare	Trivandrum		₹ 33,78,358.42	₹ 33,78,358.42	Direct
2	Coaching for Class VI & Class VII students	Education	Trivandrum		₹ 1,24,135.00	₹ 1,24,135.00	Direct
3	Self-employment for women	Employment	Trivandrum		--		
4	Painter skill training	Education training	Trivandrum		--		
	TOTAL				₹ 35,02,493.42		

- Give details of implementing agency :

Capital Expenditure

- Water Filtration Tank 4,97,797.00

6. This being the first year, the Company has developed policy and the programmes to be undertaken by the Company. Therefore, due to time constraint but with an object to make meaningful and objective spend, the full amount could not be spent during the financial year.
7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

Karan Thapar

Chairman

DIN: 00004264

ANNEXURE – B**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2015**

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

**To,
The Members,**

EICL LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EICL LIMITED** (hereinafter called 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.

Based on our verification of the **EICL LIMITED** 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 report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 and has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place 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 **EICL LIMITED** ("the Company") for the financial year ended on 31st March, 2015, to the extend applicable to the company 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;
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other Laws as applicable to the Industry:
 - (a) Food Safety and Standards Act, 2006
 - (b) Mines Act, 1952

We have also examined compliance with the applicable clauses of the following:

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

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

No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that The 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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that during the audit period the company has :

- (a) The Equity Shares of the Company have been delisted from the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited from 4th June, 2014. In terms of Regulation 21 of the SEBI (Delisting of Equity Shares) Regulation, 2009, an exit option has been given by the Acquirer i.e DBH International Private Limited to the remaining public shareholders for a period of One year from the date of delisting @ ₹ 48/- per Equity Share.

**For Manju Laur & Associates
Company Secretaries**

**Sd/-
Manju Laur
Partner
C.P.No.:12247
F.R.No. 4557**

ANNEXURE – C

FormNo. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on
31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:**U26939KL1963PLC002039
- ii) **Registration Date:** 18th November, 1963
- iii) **Name of the Company:** EICL Limited
- iv) **Category / Sub-Category of the Company:** Public Limited
- v) **Address of the registered office and contact details:**
 TC-79/4, Veli, Thiruvananthapuram- 695021 (Kerala)
 Phone: 0471-4095111 Fax: 0471-2742233
 Web: www.eicl.in Email: sect@eicl.in
- vi) **Whether listed company :** No
- vii) **Name, Address & Contact details of Registrar and Transfer Agent, if any:**
 RCMC Share Registry Pvt. Ltd.,
 B-25/1, First Floor, Okhla Industrial Area,
 Phase-II, New Delhi-110020
 Phone: 011-26387320 Fax: 011-26387322
 Web: www.rcmdelhi.com Email: investor.services@rcmdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Kaolin	08108	59%
2	Manufacture of Starch Products	1062	41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	DBH International Pvt. Ltd. 701, Vikas Deep Building, District Community Centre Laxmi Nagar, Delhi-110092	U74899DL1950PTC057209	Holding	64.27	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of theyear				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	116988	0	116988	0.23	116988	0	116988	0.23	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	39057615	0	39057615	77.69	45710829	0	45710829	90.92	13.23
e) Banks /FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	39174603	0	39174603	77.92	45827817	0	45827817	91.15	13.23
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter :									
(A)=(A)(1)+(A)(2)	39174603	0	39174603	77.92	45827817	0	45827817	91.15	13.23
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	2993544	0	2993544	5.95	0	0	0	0	5.95
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	2993544	2993544	5.95	0	0	0	0	0	5.95

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.Non- Institutions									
a) Bodies Corp.									
i) Indian	3105125	101857	3206982	6.38	248997	409	249604	0.50	5.88
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	4206728	176651	4383379	8.72	3149196	86460	3235656	6.44	2.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	201511	191250	392761	0.78	905600	0	905600	1.80	1.02
c) Others:									
i) Clearing Member	37067	0	37067	0.07	15010	0	15010	0.03	0.04
ii) Non residents	84854	2553	87407	0.17	39503	2553	42056	0.08	0.09
iii) Trust	270	0	270	0.00	270	0	270	0.00	0.00
Sub-total (B)(2):-	7635555	472311	8107866	16.13	4358576	89620	4448196	8.85	7.28
Total Public Shareholding (B)=(B)(1)+ (B)(2):	49803702	472311	50276013	100	50186393	89620	50276013	100	
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	49803702	472311	50276013	100	50186393	89620	50276013	100	

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DBH International Pvt. Ltd	25658240	51.03	0	32311454	64.27	0	13.24
2	Karun Carpets Pvt. Ltd.	13399375	26.65	0	13399375	26.65	0	0
3	Karan Thapar	72000	0.14	0	105750	0.21	0	0.07
4	Sulochana Thapar	11238	0.02	0	11238	0.02	0	0
5	B.M.Thapar	33750	0.07	0	0	0	0	0.07
	Total	39174603	77.92	0	45827817	91.15	0	13.23

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	39174603	77.92	6653214	13.23
	Datewise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			DBH International Pvt. Ltd. (One of the Promoter of the Company has Acquired the following equity shares of the company under delisting offer) 1) 09-05-2014 : 6259706 2) 01-08-2014 : 176176 3) 10-09-2014 : 40400 4) 24-09-2014 : 58343 5) 17-11-2014 : 33559 6) 12-12-2014 : 10747 7) 26-12-2014 : 46148 8) 26-02-2015 : 19712 9) 27-02-2015 : 8423	
	At the End of the year			45827817	91.15

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	5956895	11.85	(-) 5956895	(-) 11.85
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	1) Lotus Global Investments Limited : 2993544 2) Sewastuti Finance Pvt. Limited : 1200600 3) PNR Realogy LLP: 702900 4) PNR Capital Services Limited : 463500 5) Indian Syntans Investments Pvt.Ltd: 199999 6) APJ Financial Services Pvt. Limited : 101250 7) Globe Fincap Limited : 83591 8) Ramesh K Somani : 76511 9) V.M.Thapar : 67500 10) Vikramaditya Mohan Thapar : 67500	5.95 2.39 1.40 0.92 0.40 0.20 0.17 0.15 0.13 0.13	2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0 2-5-2014 : 0	5.95 2.39 1.40 0.92 0.40 0.20 0.17 0.17 0.13 0.13
	At the End of the year			0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Director's and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	85286	0.17	33950	0.07
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1) Rai Vijay Dilbagh : 12836 2) Karan Thapar : 72000 3) Phool Singh Saini : 450	0.025 0.14 0.000	0 33750 (-) 200	0 0.07 0
	At the End of the year			33550	0.07

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 109,49,72,076	0	₹ 14,76,27,000	₹ 1,24,25,99,076
ii) Interest due but not paid	₹ 1,09,29,844	0	0	₹ 1,09,29,844
iii) Interest accrued but not due	-	-	-	-
Total	₹ 1,10,59,01,920		₹ 14,76,27,000	₹ 1,25,35,28,920
Change in Indebtedness during the financial year				
• Addition	₹ 2,15,44,204	-	-	₹ 2,15,44,204
• Reduction	-	-	(₹ 14,76,27,000)	(₹ 14,76,27,000)
Net Change	₹ 2,15,44,204		(₹ 14,76,27,000)	(₹ 12,60,82,796)
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 1,12,00,95,827	-	-	₹ 1,12,00,95,827
ii) Interest due but not paid	₹ 73,50,297	-	-	₹ 73,50,297
iii) Interest accrued but not due				
Total (i+ii+iii)	₹ 1,12,74,46,124			₹ 1,12,74,46,124

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dr. Venkatesh Padmanabhan, M.D.	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 1,48,27,878	₹ 1,48,27,878
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 39,600	₹ 39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-

5. Others, please specify	0	0
Total (A)	₹ 1,48,67,478	₹ 1,48,67,478
Ceiling as per the Act	₹ 2,10,37,735	₹ 2,10,37,735

B. Remuneration to other directors:

Sl	Particulars of Remuneration	Name of Directors						Total Amount
		Vijay Rai	V.K. Sharma	Shivpriya Nanda	T. Balakrishnan	J.K. Jain	Praveen Sachdev	
	1. Independent Directors							
	• Fee for attending board/ committee meetings	₹ 1,90,000	₹ 2,10,000	₹ 20,000	₹ 1,30,000	₹ 1,40,000	₹ 1,48,000	₹ 8,38,000
	• Commission	₹ 2,33,753	₹ 4,67,505	-	₹ 2,33,753	₹ 2,33,753	₹ 2,33,753	₹ 14,02,517
	• Others, please specify		-	-	-	-	-	-
	Total (1)	₹ 4,23,753	₹ 6,77,505	₹ 20,000	₹ 3,63,753	₹ 3,73,753	₹ 3,81,753	₹ 22,40,517
	2. Other Non-Executive Directors							
	• Fee for attending board committee meetings	₹ 1,60,000						₹ 1,60,000
	• Commission	₹ 28,05,030						₹ 28,05,030
	• Others, please specify							
	Total (2)	₹ 29,65,030						₹ 29,65,030
	Total (B)=(1+2)	₹ 33,88,783	₹ 6,77,505	₹ 20,000	₹ 3,63,753	₹ 3,73,753	₹ 3,81,753	₹ 52,05,547
	Total Managerial Remuneration							₹ 1,90,95,025
	Overall Ceiling as per the Act							₹ 2,52,45,282

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		P. S. Saini, Company Secretary	M. K. Gupta, CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 43,94,132	₹ 52,88,716	₹ 96,82,848
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	₹ 28,800	₹ 13,500	₹ 42,300
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as %of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	₹ 44,22,932	₹ 53,02,216	₹ 97,25,148

VII. PENALTIES /PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, If any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NI
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE-D
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
N.A.
 - (b) Nature of contracts/arrangements/transactions
N.A.
 - (c) Duration of the contracts / arrangements/transactions
N.A.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
N.A.
 - (e) Justification for entering into such contracts or arrangements or transactions
N.A.
 - (f) Date(s) of approval by the Board
N.A.
 - (g) Amount paid as advances, if any:
Nil.
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N.A.

2. (a) Details of material contracts or arrangement or transactions at arm's length basis
 - i. Bharat Starch Products Ltd.
 - ii. Premium Transmission Ltd.
 - iii. Aravali Sports & Cultural Foundation
 - iv. Mr. Karam Thapar
 - v. Ms. Devika Thapar
 - vi. Ms. Nandini Kapur
 - vii. Mr. Vinay Rai
 - viii. DBH Consulting Ltd.
 - ix. Mr. Vijay Kishore Sharma
 - x. M/s. J. Sagar & Associates

- (b) Nature of contracts/arrangements/transactions
 - i. Bharat Starch Products Ltd.- Rent paid
 - ii. Premium Transmission Ltd. - Purchase of Store supply/sharing of corporate exp.
 - iii. Aravali Sports & Cultural Foundation - Donation Paid
 - iv. Mr. Karam Thapar - Interest paid on Fixed Deposits
 - v. Ms. Devika Thapar - Interest paid on Fixed Deposits

- vi. Ms. Nandini Kapur - Interest paid on Fixed Deposits
- vii. Mr. Vinay Rai- Sale of Old Honda CRV car
- viii. DBH Consulting Ltd.- Advisory and Consultancy services
- ix. Mr. Vijay Kishore Sharma - Consultation charges
- x. M/s. J. Sagar & Associates - Professional Charges

(c) Duration of the contracts / arrangements/transactions

			Value
i.	Bharat Starch Products Ltd.	- 1-04-2014 to 31-03-2015	₹ 20,22,480/-
ii.	Premium Transmission Ltd.	- 1-04-2014 to 31-03-2015	₹ 60,163/-
iii.	Aravali Sports & Cultural Foundation	-1-04-2014 to 31-03-2015	₹ 10,00,000/-
iv.	Mr. KaramThapar	- 1-04-2014 to 31-03-2015	₹ 90,153/-
v.	Ms. DevikaThapar	- 1-04-2014 to 31-03-2015	₹ 1,81,886/-
vi.	Ms. Nandini Kapur	- 1-04-2014 to 31-03-2015	₹ 15,78,084/-
vii.	Mr. Vinay Rai	- 1-07-2014 to 30-09-2014	₹ 3,50,000/-
viii.	DBH Consulting Ltd.	- 1-09-2014 to 31-03-2015	₹ 13,51,447/-
ix.	Mr. Vijay Kishore Sharma	- 2-11-2014 to 31-03-2015	₹ 30,67,040/-
x.	M/s. J. Sagar & Associates	- 1-01-2015 to 31-03-2015	₹ 75,000/-

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The above transaction are in the ordinary course of business and at an arm's length basis.

(e) Date(s) of approval by the Board, if any:

29-07-2014, 31-10-2014, 27-02-2015 & 8-05-2015

(f) Amount paid as advances, if any:

Nil

Sd/-
Karan Thapar
Chairman
DIN: 00004264

Independent Auditors' Report

To the Members of EICL Limited

(formerly known as English Indian Clays Limited)

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of EICL Limited ("the Company"), (formerly known as English Indian Clays Limited) which comprise of the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made

thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of

the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

to be transferred to the Investor Education and Protection Fund by the Company.

10. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. as detailed in Note 39.3 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Ashish Gupta

Partner

Membership No.:504662

Place: Gurgaon

Date: May 08, 2015

Annexure to the Independent Auditor's Report of even date to the members of EICL Limited on the Financial Statement for the year ended March 31, 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are

reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or

any Court or any other Tribunal, in this regard.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	5,49,05,715	-	Year 2000 to 2004	Central Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	5,24,64,020	12,41,379	Year 2000 to 2004	Central Excise and Service Tax Appellate Tribunal, New Delhi
Govt. of Kerala	Entry tax	1,51,33,588	1,51,33,588	Year 2002 to 2004 and Year 2005 to 2007	Supreme Court
Income Tax Act, 1961	Disallowance in respect of contributions made towards a gratuity fund	2,17,65,100	-	AY 2010-11	Income-tax Appellate Tribunal (ITAT)
	Disallowance in respect of interest claimed on lease transactions	5,24,38,548	2,00,00,000	AY 1997-98 and AY 1999 to 2002	Commissioner of Income Tax (Appeals)
	Income tax and interest thereon	5,61,53,668	-	AY 1995-96	Commissioner of Income Tax (Appeals)
	Income tax and interest thereon	43,34,460	-	AY 2007-08	Commissioner of Income Tax (Appeals)

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-

per **Ashish Gupta**
Partner
Membership No.: 504662

Place : Gurgaon
Date : May 08, 2015

Balance Sheet as at	Notes	March 31, 2015 ₹	March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	40,05,52,026	40,05,52,026
Reserves and surplus	3	1,42,88,72,650	1,31,60,72,061
		1,82,94,24,676	1,71,66,24,087
Non current liabilities			
Long term borrowings	4	31,01,33,358	33,26,93,735
Deferred tax liabilities (net)	5	23,93,60,419	23,62,62,520
Other long term liabilities	6	1,44,07,430	1,44,59,672
Long term provisions	7	1,52,64,840	1,32,49,970
		57,91,66,047	59,66,65,897
Current liabilities			
Short term borrowings	8	64,02,94,869	59,16,82,073
Trade payables	9	29,54,10,815	34,89,87,381
Other current liabilities	10	22,53,07,080	38,14,19,044
Short term provisions	11	8,70,29,917	10,41,47,471
		1,24,80,42,681	1,42,62,35,969
		3,65,66,33,404	3,73,95,25,953
ASSETS			
Non current assets			
Fixed assets	12		
Tangible assets		2,39,66,52,849	2,46,13,39,353
Intangible assets		30,89,474	31,90,336
Capital work in progress		3,26,47,183	1,65,76,925
Non current investments	13	5,00,000	5,00,000
Long term loans and advances	14	6,69,80,430	5,68,62,780
Other non current assets	15	32,90,974	25,57,496
		2,50,31,60,910	2,54,10,26,890
Current assets			
Inventories	16	46,92,16,163	45,60,84,995
Trade receivables	17	57,65,85,291	60,54,95,466
Cash and bank balances	18	3,22,99,582	4,41,57,527
Short term loans and advances	19	6,04,41,254	7,65,30,490
Other current assets	20	1,49,30,204	1,62,30,585
		1,15,34,72,494	1,19,84,99,063
		3,65,66,33,404	3,73,95,25,953
TOTAL			
Summary of significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants
Sd/-

Ashish Gupta (Membership No. 504662)
Partner

Place: Gurgaon
Date: May 8, 2015

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan (DIN:06528470)
Managing Director and Chief Executive Officer

Sd/-
M K Gupta
Chief Financial Officer

Sd/-
Vijay Kishore Sharma (DIN:05313925)
Director
Sd/-
P S Saini
Company Secretary and Head Corporate Legal

Statement of Profit and Loss for the year ended	Notes	March 31, 2015 ₹	March 31, 2014 ₹
INCOME			
Revenue from operations (gross)	21	4,71,55,43,159	4,76,10,80,280
Less: Excise duty		11,31,72,990	13,31,09,495
Revenue from operations (net)		4,60,23,70,169	4,62,79,70,785
Other income	22	3,15,60,272	77,07,472
Total income		4,63,39,30,441	4,63,56,78,257
EXPENSES			
Cost of materials consumed		1,72,53,00,564	1,75,14,72,693
(Increase)/Decrease in inventories of finished goods and work in progress	23	(3,60,95,660)	2,11,73,119
Purchase of traded goods		2,00,19,322	3,91,73,118
Employee benefits expense	24	57,19,88,987	54,39,57,654
Finance costs	25	15,84,98,068	17,28,94,354
Depreciation and amortisation expense	12	13,28,26,016	13,48,22,102
Other expenses	26	1,65,25,30,405	1,72,56,30,046
Total expenses		4,22,50,67,702	4,38,91,23,086
Profit before tax		40,88,62,739	24,65,55,171
Tax expense:			
- Current tax		13,01,08,522	9,00,06,000
- Tax for earlier years		3,61,370	-
- Deferred tax		1,44,52,348	(44,42,345)
Profit for the year		26,39,40,499	16,09,91,516
Earnings per share:	27		
- Basic		4.47	2.43
- Diluted		4.47	2.43

Summary of significant accounting policies and other explanatory information

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)

Chartered Accountants

Sd/-

Ashish Gupta (Membership No. 504662)
Partner

Place: Gurgaon

Date: May 8, 2015

For and on behalf of the Board of Directors

Sd/-

Dr. Venkatesh Padmanabhan (DIN:06528470)
Managing Director and Chief Executive Officer

Sd/-

M K Gupta
Chief Financial Officer

Sd/-

Vijay Kishore Sharma (DIN:05313925)
Director

Sd/-

P S Saini
Company Secretary and Head Corporate Legal

Statement of Cash Flows for the year ended	March 31, 2015 ₹	March 31, 2014 ₹
A. Cash flow from operating activities:		
Net profit before tax	40,88,62,739	24,65,55,171
Adjustments for:		
Depreciation and amortisation	13,28,26,016	13,48,22,102
Interest expense	15,84,98,068	17,28,94,354
Interest income	(29,89,048)	(43,57,083)
Unrealised exchange fluctuation (gain)/loss	(6,79,025)	34,51,923
(Profit)/Loss on sale of fixed assets (net)	(2,03,88,553)	68,65,448
Receivables/advances written off	-	42,35,551
Provision for bad and doubtful debts/advances	60,56,005	58,97,149
Liability no longer required written back	(13,56,066)	(27,63,372)
Amortisation of government grant	(2,22,222)	(2,23,478)
Operating profit before working capital changes	68,06,07,914	56,73,77,765
Adjustments for changes in working capital :		
- Movement in trade receivables	2,35,33,194	(7,35,83,446)
- Movement in other receivables (current and non current)	1,39,58,803	(22,61,379)
- Movement in inventories	(1,31,31,168)	13,14,980
- Movement in trade and other payables (current and non current)	(5,48,17,547)	(1,17,67,248)
Cash generated from operations	65,01,51,196	48,10,80,672
Direct taxes paid	(14,70,78,993)	(6,46,73,187)
Net cash generated from operating activities	50,30,72,203	41,64,07,485
B. Cash flow from investing activities:		
Additions to fixed assets and capital work in progress	(12,95,60,967)	(11,45,76,003)
Proceeds from sale of fixed assets	2,56,64,644	47,21,323
Investment in fixed deposits with banks	(5,12,822)	(27,44,647)
Interest received	42,13,039	40,33,391
Net cash used in investing activities	(10,01,96,106)	(10,85,65,936)
C. Cash flow from financing activities:		
Proceeds from borrowings		
- Receipts	20,00,00,000	7,30,00,000
- Payments	(22,70,08,045)	(20,51,30,697)
Payment of public deposits	(14,76,27,000)	(25,86,000)
Proceeds from cash credits/working capital demand loan (net)	4,86,12,796	6,88,62,514
Interest paid	(16,20,77,615)	(17,27,79,389)
Dividends paid	(10,66,08,755)	(4,30,51,439)
Dividend taxes	(1,93,66,942)	(73,17,233)
Net cash used in financing activities	(41,40,75,561)	(28,90,02,244)

Statement of Cash Flows for the year ended	March 31, 2015	March 31, 2014
	₹	₹
Net (decrease)/ increase in cash & cash equivalents	(1,11,99,464)	1,88,39,305
Cash and cash equivalents at the beginning of the year	2,95,15,530	1,06,76,225
Cash and cash equivalents at the end of the year	<u>1,83,16,066</u>	<u>2,95,15,530</u>
Cash and cash equivalents comprise		
Cash [including cheques in hand of ₹ Nil (2013-14 : ₹ 4,754,451)]	7,54,836	58,56,108
Savings account with post office	272	272
Deposit accounts (other than under lien)	-	1,74,706
Balance with scheduled banks in current accounts	1,75,60,958	2,34,84,444
Total	<u>1,83,16,066</u>	<u>2,95,15,530</u>

Note:

Figures in parentheses indicate cash outflow

This is the Statement of Cash Flows referred to in our report of even date

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants
Sd/-

Ashish Gupta (Membership No. 504662)
Partner

Place: Gurgaon

Date: May 8, 2015

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan (DIN:06528470)
Managing Director and Chief Executive Officer

Sd/-
M K Gupta
Chief Financial Officer

Sd/-
Vijay Kishore Sharma (DIN:05313925)
Director

Sd/-
P S Saini
Company Secretary and Head Corporate Legal

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Background and nature of operations

EICL Limited (formerly known as English Indian Clays Limited), a Company incorporated in India in 1963, under the Companies Act 1956, was part of the erstwhile Thapar Group. The Company is engaged in the business of mining of clay (kaolin) and manufacturing of processed clay, starch and allied products.

2. Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

4. Fixed assets

Fixed assets (other than those which have been revalued), including capital spares, leasehold improvements, technical knowhow costs and research and development assets are stated at cost. Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.

The revalued fixed assets are restated at their estimated current replacement values as on the date of revaluation as determined by the approved valuers.

Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset

will flow to the enterprise and cost of the asset can be measured reliably in accordance with Accounting Standard – 26, 'Intangible Assets'.

5. Depreciation/Amortisation

a) Tangible fixed assets

Depreciation on fixed assets is provided as per straight line method at higher of the following

- a) Depreciation on original cost as specified in Schedule II to the Companies Act, 2013 or
- b) Depreciation on revalued value based on the residual life of the asset.*

* Since the list of the assets is too large, it is not practicable to give the individual depreciation rates for each of the assets.

In respect of additions and deletions, depreciation charge is restricted to the period of use. All assets costing ₹ 5,000 or less are fully depreciated in the year of addition.

Leasehold land and leasehold improvements are depreciated on a straight line method basis over the period of lease.

b) Intangible assets

Intangible assets including technical know-how/brand and computer software/ licence fee are amortised on straight line basis over their useful lives of 10 years and 5 years respectively from the date of acquisition / implementation. The amortisation period and method are reviewed at each year end.

6. Investments

Investments that are readily realisable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investment is carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

7. Impairment of assets

All assets other than inventories, investments and deferred tax asset are reviewed for impairment in accordance with the applicable accounting standard wherever events or changes in circumstances indicate

that the carrying amount may not be recoverable. Assets where carrying value exceeds the recoverable amount are written down to the recoverable amount.

8. Inventories

Inventories, including stores and spare parts, raw materials (including clay matrix-mined and purchased), work in process and finished goods, are valued at lower of cost and net realisable value. Cost is ascertained on weighted average basis.

Total mining expenses except depreciation on fixed assets at mines are considered as raw material cost for clay matrix – mined. In respect of finished goods and work in progress, appropriate overheads are considered based on normal operating capacity. Cost of finished goods also includes excise duty if applicable.

9. Employees benefits

(a) Short term employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

(b) Long term employee benefits

(i) Provident fund and employees state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India and by an approved trust (to the extent employees covered under the trust) for this purpose. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

In respect of employees, the Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust administered by the Company. The minimum interest

payable by the provident fund trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on respective investments of the trust and the notified interest rate.

The contributions made to provident fund trust are charged to Statement of Profit and Loss as and when they become payable. In addition, the Company recognises liability for shortfall in the plan assets vis-à-vis the fund obligation, if any. The Guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company is unable to exhibit the related information.

The Company's contributions to both these schemes are expensed in the Statement of profit and loss.

Superannuation plan - Some employees of the Company are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recorded as an expense as incurred.

(ii) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'gratuity plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employees' salary and years of employment with the Company. The Company has taken gratuity policy with HDFC Insurance to cover the liability.

The Company provides for the gratuity plan based on actuarial valuations in accordance with Accounting Standard 15 (revised).

Actuarial gains and losses are recognised as and when incurred.

(iii) Other employee benefits

Leave encashment—The Company has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Company has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method.

10. Foreign currency transactions

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

As per the amendment of the Companies (Accounting Standard) Rules, 2006-'AS 11' relating to 'The Effects of Changes in Foreign Exchange Rates' exchange difference arising

on conversion of long term foreign currency monetary items is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortised over period not extending beyond, earlier of March 31, 2020 or maturity date of underlying long term foreign currency monetary items.

Obligations under forward exchange contracts are translated at contracted rates of exchange and the difference between the contracted rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognised as income/expense for the period.

11. Research & Development expenses

Revenue expenditure incurred on research and development is charged to Statement of profit and loss in the year it is incurred. Capital expenditure is included in the respective heads under fixed assets and depreciation/amortisation thereon is charged to depreciation in the profit and loss account.

12. Government grant

Government grants relating to depreciable fixed assets are treated as deferred income and recognised in the Statement of profit and loss over the remaining useful life of the related assets.

13. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sales

- a) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

ii) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

14. Borrowing costs

Borrowing costs are charged to revenue except in cases where costs relate to qualifying assets in which case such costs are capitalised as a part of cost of respective assets till the date they are put to their intended use.

15. Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year. Provision for the current tax is made based on liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for all temporary timing differences arising between the taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

16. Segment accounting

The accounting policies applicable to the reportable segment are the same as those used in the preparation of the financial statements as set out above.

Segment revenue and expenses include amounts which are directly identifiable to the segment or allocable on a reasonable basis.

Segment assets include all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist primarily of creditors and statutory liabilities.

17. Earnings per share (EPS)

The earnings considered in ascertaining the Company's basic EPS comprises net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The earnings considered in ascertaining the Company's dilutive EPS comprises net profit after tax as adjusted for expenses or income that would result from the conversion of the dilutive potential equity shares. The number of shares used in computing diluted EPS is the weighted average number of shares outstanding during the period as adjusted for the effects of all

dilutive potential equity shares.

18. Leases

Lease payments under an operating lease are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

19. Mine restoration

The Company provides for the expenditure required to restore its mines based on technical and management's judgment on the future use of land and being reviewed annually.

20. Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where reliable estimate of the obligation cannot be made.

2. SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Authorised share capital				
Equity shares of ₹ 2 each	9,00,00,000	18,00,00,000	9,00,00,000	18,00,00,000
Preference shares of ₹ 100 each	30,00,000	30,00,00,000	30,00,000	30,00,00,000
		48,00,00,000		48,00,00,000
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	5,02,76,013	10,05,52,026	5,02,76,013	10,05,52,026
11% cumulative redeemable preference shares of ₹ 100 each	30,00,000	30,00,00,000	30,00,000	30,00,00,000
		40,05,52,026		40,05,52,026

a) There is no movement in the equity share capital and preference share capital during the current year and the previous year.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2015, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 per share (2013-14: ₹ 0.30 per share) of which dividend proposed by the board of directors subject to the approval of the share holders is ₹ 0.50 per share (2013-14: ₹ 0.30 per share).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms and rights attached to preference shares

Preference shares carry a cumulative dividend of 11% p.a. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the cumulative preference shares. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2015, the amount of per share dividend recognised as distributions to preference shareholders was ₹ 11.00 (2013-14 : ₹ 11.00 per share) of which dividend proposed by the board of directors subject to the approval of the shareholders is ₹ 2.75 per share (2013-14 : ₹ 5.50 per share).

11% Cumulative redeemable preference shares are redeemable at par at the option of the Company, not earlier than 18 months but not later than 5 years from the date of allotment/renewal September 04, 2011 and October 01, 2014 for ₹ 20,00,00,000 and ₹ 10,00,00,000 respectively, i.e. between March 04, 2013 to September 04, 2016 and October 01, 2014 to September 30, 2019 respectively.

d) Shares held by Holding Company

Equity shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
DBH International Private Limited	3,23,11,454	6,46,22,908	2,56,58,240	5,13,16,480

Preference shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
DBH International Private Limited	30,00,000	30,00,00,000	30,00,000	30,00,00,000

e) Aggregate number of bonus shares, equity shares issued for considerations other than cash and shares bought back during the period of five years immediately preceding the reporting period.

Particulars	Year (aggregate number of shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Equity shares :					
Fully paid up by way of bonus shares	-	-	-	2,79,31,118	-

f) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares				
DBH International Private Limited	3,23,11,454	64.27	2,56,58,240	51.03
Karun Carpets Private Limited	1,33,99,375	26.65	1,33,99,375	26.65
Lotus Global Investments Ltd.	-	-	29,93,544	5.95
11% Preference shares				
DBH International Private Limited	30,00,000	100.00	30,00,000	100.00

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Capital reserves	6,33,688	6,33,688
Capital redemption reserve	4,41,37,764	4,41,37,764
General reserve		
Balance at the beginning of the year	50,82,59,357	49,21,60,206
Less: Depreciation on fully used assets due to adoption of Schedule II of Companies Act, 2013 (refer note 12(f))	(2,20,50,815)	-
Add: Transferred from surplus in Statement of Profit and Loss for the year	2,63,94,050	1,60,99,151
Balance at the end of the year	51,26,02,592	50,82,59,357
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	76,30,41,252	67,44,03,364
Add: Profit for the year	26,39,40,499	16,09,91,516
Appropriations		
Less: Proposed dividends		
- Preference shares	82,50,000	1,65,00,000
- Equity shares	2,51,38,007	1,50,82,804
Less: Interim dividends		
- Preference shares	2,47,50,000	1,65,00,000
- Equity shares	5,02,76,013	-
Less: Corporate dividend tax	2,06,75,075	81,71,673
Less: Transfer to general reserve	2,63,94,050	1,60,99,151
Balance at the end of the year	87,14,98,606	76,30,41,252
Total	1,42,88,72,650	1,31,60,72,061

4 LONG TERM BORROWINGS

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non current	Current	Non current	Current
Secured				
Term loans				
Rupee term loans from banks (note a)	24,53,83,758	15,72,89,000	20,26,71,855	21,87,62,668
Foreign currency loan from bank (note b)	6,47,49,600	1,23,78,600	7,36,52,880	82,02,600
	<u>31,01,33,358</u>	<u>16,96,67,600</u>	<u>27,63,24,735</u>	<u>22,69,65,268</u>
Unsecured				
Public deposits (note d)				
From public	-	-	5,63,69,000	8,66,09,000
From related parties	-	-	-	46,49,000
	<u>-</u>	<u>-</u>	<u>5,63,69,000</u>	<u>9,12,58,000</u>
Total	<u>31,01,33,358</u>	<u>16,96,67,600</u>	<u>33,26,93,735</u>	<u>31,82,23,268</u>

Notes:

- a) Rupee term loans from banks comprises of:
- Loan of ₹ 25,00,00,000 taken from Axis Bank during the financial year 2010-11 and carries interest @ 12.75% p.a. The loan is repayable in 16 equal quarterly installments starting from September 27, 2011.
 - Loan of ₹ 25,00,00,000 taken from State Bank of India during the financial year 2010-11 and carries interest @ 13.10% p.a. The loan is repayable in 16 equal quarterly installments starting from October 28, 2011.
 - Loan of ₹ 20,00,00,000 taken from IndusInd Bank during the financial year 2011-12 and carries interest @ 12% p.a. The loan is repayable in 12 equal quarterly installments starting from September 30, 2012. Further an additional loan of ₹ 20,00,00,000 taken during the financial year 2014-15 and carries interest @ 11.50% p.a. The loan is repayable in 12 equal quarterly installments starting from June 30, 2015.
 - Loan of ₹ 27,50,00,000 (including ECB of US\$ 15,00,000) from ICICI Bank of which loan of ₹ 10,00,00,000 and ₹ 7,30,00,000 taken from ICICI Bank during the financial year 2012-13 and 2013-14 respectively, which carries interest @ 12.75% p.a. The loan is repayable in 24 and 28 equal quarterly installments starting from February 14, 2014 & March 29, 2014 respectively.
- b) Foreign currency loan of US\$ 15,00,000 taken from ICICI Bank during the financial year 2011-12 carries interest @ 4.88% p.a. The loan is repayable in 28 quarterly installments starting from March 08, 2012.
- c) All term loans from banks are secured by an equitable charge on all immovable properties of the Company, both present and future and are also secured by way of hypothecation of the Company's movable properties including movable plant and machinery, machinery spares, tools and accessories and other movables both present and future (except book debts) subject to prior charges created in favour of the Company's bankers on stocks of raw materials, consumable stores, finished goods, etc. for working capital facilities. The above charges rank pari-passu with charges created/to be created by the Company in favour of other term lending banks.
- d) Deposits from public carry interest rate ranging from 9.50% to 10.50% p.a. and the Company has not renewed or accepted any public deposit from public during the year .
- e) Current maturities of long term liabilities are disclosed under the head other current liabilities (refer note 10).

5 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial year (net of deferred tax assets of ₹ 1,13,54,449 on adoption of Schedule II of Companies Act, 2013)	27,04,28,220	27,15,76,654
Gross deferred tax liabilities	27,04,28,220	27,15,76,654
Deferred tax assets		
Employee benefits	1,88,11,772	1,90,22,040
Provision for doubtful debts and advances	1,22,56,029	1,29,53,104
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income-tax	-	33,38,990
Gross deferred tax assets	3,10,67,801	3,53,14,134
Deferred tax liabilities (net)	23,93,60,419	23,62,62,520

6 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Deferred government grants	24,44,446	26,66,668
Deposits from vendors	71,00,896	76,57,854
Deposits from customers	48,62,088	41,35,150
Total	1,44,07,430	1,44,59,672

7 LONG TERM PROVISIONS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for employee benefits		
Gratuity (also refer note 29)	83,87,958	64,55,984
Leave encashment	68,76,882	67,93,986
Total	1,52,64,840	1,32,49,970

8 SHORT TERM BORROWINGS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Secured		
Loans repayable on demand		
From banks		
Cash credit account with scheduled banks (note a and b)	25,41,38,937	25,16,82,073
Working capital demand loans (note a and b)	38,61,55,932	34,00,00,000
Total	64,02,94,869	59,16,82,073

Notes:

- a) Cash credit and working capital demand loans along with bank guarantees and letters of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts at Yamunanagar, Thiruvananthapuram and Shimoga factories and second pari passu charge on block of fixed assets of the Company.
- b) Cash credit and working capital demand loans from the bank comprises of the following:
- (i) Cash credit of ₹ 30,00,00,000 sanctioned by Axis Bank is repayable on demand and carries interest rate @12.75% p.a. (including a sub-limit of ₹ 30,00,00,000 as working capital demand loan carrying interest @ 11.40% p.a.).
 - (ii) Cash credit/working capital demand loan of ₹ 20,00,00,000 from State Bank of India is repayable on demand and carries interest rate @12.40% p.a. Working capital demand loan of ₹ 10,00,00,000 is availed carrying interest @ 10.60% p.a.
 - (iii) Cash credit/working capital demand loan of ₹ 10,00,00,000 from IndusInd Bank is repayable on demand and carries interest rate @12.50% p.a. Working capital demand loan of ₹ 10,00,00,000 is availed carrying interest @ 11% p.a.
 - (iv) Cash credit/working capital demand loan of ₹ 10,00,00,000 sanctioned by ICICI Bank during the financial year 2012-13 is repayable on demand and carries interest @ 12.75% p.a. Working capital demand loan of ₹ 9,00,00,000 is availed at carrying interest @12.10% p.a.

9 TRADE PAYABLES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Due to Micro, Small and Medium Enterprises *	44,12,012	49,26,329
Other trade creditors	13,81,76,013	15,96,21,102
Creditors for expenses	15,28,22,790	18,44,39,950
Total	29,54,10,815	34,89,87,381

- * The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) on the basis of responses received to a confirmation circulated by the Company in this regard. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2015 has been made in the financial statements based on informations received and available with the Company. (Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is insignificant).

10 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Current maturities of long term borrowings (also refer note 4)	16,96,67,600	31,82,23,268
Interest accrued but not due on borrowings	73,50,297	1,09,29,844
Unpaid dividends	12,55,125	16,92,890
Unclaimed matured public deposits	3,01,000	22,52,000
Employee related payables	1,89,58,306	1,53,85,160
Capital creditors	66,48,100	90,26,978
Deferred government grants	2,22,222	2,22,222
Statutory dues		
Excise duty payable	28,47,815	33,86,077
Provident fund payable	41,29,432	40,06,855
Sales tax payable	72,38,991	72,52,015
TDS payable	44,57,440	58,92,613
ESI payable	2,16,646	2,94,239
Other statutory dues	24,873	54,877
Other liabilities		
Other payables	19,89,233	28,00,006
Total	22,53,07,080	38,14,19,044

11 SHORT TERM PROVISIONS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for employee benefits		
Gratuity payable (also refer note 29)	1,64,48,431	1,56,37,807
Leave encashment payable	2,26,43,444	2,70,75,857
Others		
Provision for taxes (net of advance taxes paid including tax deducted at source ₹ 47,27,62,076 (2013-14 : ₹ 32,40,73,974))	77,67,794	2,43,76,895
Proposed dividend (note a)	3,33,88,007	3,15,82,804
Provision for taxes on dividend	66,75,631	53,67,498
Provision for wealth tax	1,06,610	1,06,610
Total	8,70,29,917	10,41,47,471

Note:**a) Details with respect to proposed dividend:**

Dividend proposed to:

- Equity shareholders	2,51,38,007	1,50,82,804
- Preference shareholders	82,50,000	1,65,00,000
Proposed dividend per share:		
- Equity shareholders	0.50	0.30
- Preference shareholders	2.75	5.50

Particulars	Gross block				Depreciation/ amortisation				Net block	
	Upto March 31, 2014	Addition during the year	Sale/ adjustments	Upto March 31, 2015	For the year	Sale/ adjustments	Adjusted to the opening reserves	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
	March 31, 2014	March 31, 2014	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2015	March 31, 2015	March 31, 2014
Tangible assets										
Land & site development	15,040	-	-	15,040	-	-	-	15,040	-	-
Leasehold	77,99,71,702	50,16,030	-	78,49,87,732	-	-	-	21,293	78,49,66,439	77,99,50,409
Freehold	53,40,76,327	1,13,16,154	57,46,078	53,96,46,403	2,07,94,473	31,20,412	58,35,704	13,67,70,719	40,28,75,684	42,08,15,373
Factory and other buildings	2,19,01,92,762	8,11,60,718	69,77,037	2,26,43,76,443	10,00,12,455	68,06,333	2,61,59,380	1,08,68,81,809	1,17,74,94,634	1,22,26,76,455
Plant and equipment	2,18,88,591	33,590	-	2,19,22,181	89,09,878	14,89,365	4,701	1,04,03,944	1,15,18,237	1,29,78,713
Furniture, fixtures	3,02,47,384	34,28,884	6,88,995	3,29,87,273	1,36,45,036	6,31,370	13,97,734	2,23,16,745	1,06,70,528	1,66,02,348
Office Equipment	62,50,000	-	-	62,50,000	59,88,896	-	-	59,88,896	2,61,104	2,61,104
Leasehold improvements	1,65,70,011	47,02,210	56,30,695	1,56,41,526	85,15,060	32,08,599	7,745	67,75,303	88,66,223	80,54,951
Vehicles and cycles										
Total tangible assets	3,57,92,11,817	10,56,57,586	1,90,42,805	3,66,58,26,598	1,11,78,72,464	1,37,66,714	3,34,05,264	1,26,91,73,749	2,39,66,52,849	2,46,13,39,353
Intangible assets										
Technical know-how/brand	6,71,18,471	-	-	6,71,18,471	-	-	-	6,71,18,471	-	-
Computer software/licence fees	2,19,48,497	10,62,419	-	2,30,10,916	11,63,281	-	-	1,99,21,442	30,89,474	31,90,336
Total intangible assets	8,90,66,968	10,62,419	-	9,01,29,387	8,58,76,632	11,63,281	-	8,70,39,913	30,89,474	31,90,336
Total	3,66,82,78,785	10,67,20,005	1,90,42,805	3,75,59,55,985	1,20,37,49,096	1,37,66,714	3,34,05,264	1,35,62,13,662	2,39,97,42,323	2,46,45,29,689
Capital work in progress										1,65,76,925

For the year ended March 31, 2014

Particulars	Gross block				Depreciation/ amortisation				Net block	
	Upto March 31, 2013	Addition during the year	Sale/ adjustments	Upto March 31, 2014	For the year	Sale/ adjustments	Adjusted to the opening reserves	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
	March 31, 2013	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2014	March 31, 2014	March 31, 2013
Tangible assets										
Land and site development	15,040	-	-	15,040	-	-	-	15,040	-	-
Leasehold	74,22,81,172	3,76,90,530	-	77,99,71,702	-	-	-	21,293	77,99,50,409	74,22,59,879
Freehold	50,40,68,687	3,00,07,640	-	53,40,76,327	1,55,51,939	-	-	11,32,60,954	42,08,15,373	40,63,59,672
Plant and other buildings	2,16,10,42,617	6,28,63,551	3,37,13,406	2,19,01,92,762	11,32,08,795	2,43,66,489	-	96,75,16,307	1,22,26,76,455	1,28,23,68,616
Plant and equipment	1,09,82,640	1,09,35,201	29,250	2,18,88,591	6,07,468	5,603	-	89,09,878	1,29,78,713	26,74,627
Furniture, fixtures	2,69,32,107	47,72,793	14,57,516	3,02,47,384	28,46,311	7,52,376	-	1,36,45,036	1,66,02,348	1,53,81,006
Office Equipment	62,50,000	-	-	62,50,000	59,88,896	-	-	59,88,896	2,61,104	2,61,104
Leasehold improvements	1,65,14,629	28,15,657	27,60,275	1,65,70,011	13,73,999	12,49,208	-	85,15,060	80,54,951	81,24,360
Vehicles and cycles										
Total tangible assets	3,46,80,86,892	14,90,85,372	3,79,60,447	3,57,92,11,817	13,35,88,512	2,63,73,676	-	1,11,78,72,464	2,46,13,39,353	2,45,74,29,264
Intangible assets										
Technical know-how / brand	6,71,18,471	-	-	6,71,18,471	-	-	-	6,71,18,471	-	-
Computer software / licence fees	2,16,78,113	2,70,384	-	2,19,48,497	11,57,198	-	-	1,87,58,161	31,90,336	40,77,150
Total intangible assets	8,87,96,584	2,70,384	-	8,90,66,968	11,57,198	-	-	8,58,76,632	31,90,336	40,77,150
Total	3,55,68,83,476	14,93,55,756	3,79,60,447	3,66,82,78,785	13,47,45,710	2,63,73,676	-	1,20,37,49,096	2,46,45,29,689	2,46,15,06,414
Capital work in progress										5,56,32,594

Notes :

- Additions to plant and machinery include additions to research and development assets amounting to ₹ 1,64,04,074 (2013-14: ₹ Nil) and depreciation charge for the year includes ₹ 47,63,877 (2013-14: ₹ 24,14,914) on account of research and development assets.
- Pursuant to the sale cum lease agreement dated May 22, 2008, the Company has acquired land for the purpose of setting up a starch manufacturing plant at Shimoga, Karnataka. The Company has paid an amount of ₹ 5,31,30,000 as allotment consideration and the land shall be transferred in the name of the Company on a freehold basis at end of 10 years, payment of registration charges, stamp duty at prevailing price upon fulfillment of certain conditions. As per agreement the land has been transferred on lease basis to Company for the period of 10 years and Company is required to company lease rent of ₹ 68,410 and maintenance charge of ₹ 99,600 per annum.
- Gross book value and net book value does not include fixed assets held for sale amounting to ₹ 1,50,53,397 (2013-14: ₹ 1,50,53,397) and ₹ 1,45,84,429 (2013-14: ₹ 14,660,817) respectively, located at Kollam unit, which management intends to divest within the next 12 month at amount equal to or exceeding the asset carrying values at the respective Balance sheet dates.
- Additions to factory and other building includes ₹ 13,69,317 (2013-14: ₹ 32,24,124) and additions to plant and machinery includes ₹ 21,49,683 (2013-14: ₹ 50,61,536) on account of capitalisation of foreign exchange fluctuation of land term borrowings.
- Depreciation for the year excludes depreciation amounting of ₹ 76,390 (2013-14: ₹ 76,390) on assets held for sale (Kollam Unit).
- Hitherto, the Company was providing depreciation based on Schedule XIV of the erstwhile Companies Act, 1956. During year ended March 31, 2015, the Company has reassessed the useful life of the fixed assets which coincide with the useful life given in schedule II of the companies Act 2013 (except a few assets where the life is internally assessed based on the expected useful life). The aforesaid change did not have a material impact on statement of profit and loss for the year. However in accordance with transitional provision, unamortised depreciation amounting to ₹ 3,34,05,264 towards tangible assets that should have been fully depreciated base on the revised useful life given in Schedule II of the Companies Act, 2013, has been adjusted to the opening reserves and surplus after adjusting the deferred tax assets of ₹ 1,13,54,449.
- Additions to plant and machinery include additions to Corporate Social Responsibilities (CSR) assets amounting to ₹ 4,97,797 (2013-14: ₹ Nil) and depreciation charge for the year includes ₹ 13,689 (2013-14: ₹ Nil).

13 NON CURRENT INVESTMENT

Particulars	As at March 31, 2015		As at March 31, 2014		
	₹		₹		
Trade investments (valued at cost unless otherwise stated)					
Investment in equity instruments	5,00,000		5,00,000		
Total	5,00,000		5,00,000		
Details of trade investments (unquoted)					
Name of the body corporate	No. of shares	Face value	Partly paid/ Fully paid	Amount	Amount
1	2	3	4	5	6
	As at March 31, 2015	As at March 31, 2014	(₹)	(₹)	(₹)
				As at March 31, 2015	As at March 31, 2014
Equity					
Kerala Enviro Infrastructures Limited	50,000	50,000	10	Fully paid	5,00,000
	50,000	50,000			5,00,000

14 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
Unsecured, considered good				
Capital advances	1,39,52,997		60,42,171	
Security deposits	3,21,40,815		3,08,09,404	
Loans and advances to related parties (note a)	2,00,000		2,00,000	
Other loans and advances				
- Duty/taxes paid under protest recoverable (also refer note 39.1)	1,73,83,550		1,73,83,550	
- Others	33,03,068		24,27,655	
Unsecured, considered doubtful				
Duty paid under protest	1,53,65,255		1,53,65,255	
Less: Provision for doubtful advances	(1,53,65,255)		(1,53,65,255)	
Total	6,69,80,430		5,68,62,780	

Note:

a) Amounts due from related parties:		
- Bharat Starch Products Limited	2,00,000	2,00,000

15 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Margin money deposits (note a)	32,90,974	25,57,496
Total	32,90,974	25,57,496

Note:

a) Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credits.

16 INVENTORIES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Raw materials [including goods in transit of ₹ Nil (2013-14: ₹ 3,41,85,154)]	14,94,69,146	15,46,14,465
Work in progress	98,59,027	1,61,32,881
Finished goods	20,39,16,811	16,15,47,297
Stores and spares	10,59,71,179	12,37,90,352
Total	46,92,16,163	45,60,84,995

17 TRADE RECEIVABLES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	11,01,396	8,08,344
Unsecured, considered good	56,38,90,661	59,75,97,918
	56,49,92,057	59,84,06,262
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	7,35,901
Unsecured, considered good	1,15,93,234	63,53,303
Unsecured, considered doubtful	2,00,48,605	1,85,07,761
Less: Provision for doubtful debts (note a)	(2,00,48,605)	(1,85,07,761)
	1,15,93,234	70,89,204
Total	57,65,85,291	60,54,95,466

Note:

a) Out of this ₹ 45,15,161 (2013-14 : ₹ Nil) have been written off against the provision.

18 CASH AND BANK BALANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Cash and cash equivalents		
Cash on hand	7,54,836	11,01,657
Cheques on hand	-	47,54,451
Post office savings deposits	272	272
Bank balances		
in current accounts	1,75,60,958	2,34,84,444
in deposits with maturity of less than three months	-	1,74,706
	1,83,16,066	2,95,15,530
Other bank balances		
Deposit with maturity of more than three months but less than twelve months	46,23,856	58,60,129
Margin money deposits (note a)	78,51,443	68,35,826
Deposits under lien (note b)	1,95,365	1,95,365
Unpaid dividend accounts	13,12,852	17,50,677
	1,39,83,516	1,46,41,997
Total	3,22,99,582	4,41,57,527

Notes:

- a) Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credits.
b) Deposits under lien include deposits with government authorities.

19 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured, considered good		
Advances to vendors	1,16,66,635	2,56,96,347
Loans and advances to related parties (note a)	9,43,035	17,69,950
Other loans and advances		
- Deposits with excise and other tax authorities	3,08,73,632	3,31,65,434
- Prepaid expenses	1,12,78,830	90,84,463
- Others	56,79,122	68,14,296
Total	6,04,41,254	7,65,30,490

Notes:

- a) Amounts due from related parties:
- Premium Transmission Limited
- | | | |
|--|----------|-----------|
| | 9,43,035 | 17,69,950 |
|--|----------|-----------|

20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Unsecured, considered good		
Fixed assets held for sale (at lower of cost and net realisable value) (note a)	1,45,84,427	1,46,60,817
Interest receivable	3,45,777	15,69,768
Total	1,49,30,204	1,62,30,585

Note:

- a) Fixed assets held for sale represent land and buildings of gross book value ₹ 1,50,53,397 (2013-14: ₹ 1,50,53,397) and net book value ₹ 1,45,84,429 (2013-14: ₹ 1,46,60,817) located at Kollam unit, which management intends to divest within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates.

21 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Sale of products	4,69,38,32,854	4,74,33,59,143
Other operating revenues - Sale of scrap	2,17,10,305	1,77,21,137
Total	4,71,55,43,159	4,76,10,80,280

Details of products sold

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Clay products	2,73,29,06,628	2,68,31,74,106
Starch and allied products	1,58,18,21,517	1,74,31,43,519
By products and others	40,08,15,014	33,47,62,655
Total	4,71,55,43,159	4,76,10,80,280

22 OTHER INCOME

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Government grants	2,22,222	2,23,478
Other income	32,53,794	3,63,539
Net gain on sale of fixed assets	2,03,88,553	-
Exchange fluctuation (net)	33,50,589	-
Interest on deposits (gross)	29,89,048	43,57,083
[tax deducted at source of ₹ 2,39,898 (2013-14 : ₹ 2,08,497)]		
Liabilities no longer required written back	13,56,066	27,63,372
Total	3,15,60,272	77,07,472

23 INCREASE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Opening stock		
Finished goods	16,15,47,297	16,63,39,598
Stock in process	1,61,32,881	3,25,13,699
Total	17,76,80,178	19,88,53,297
Closing stock		
Finished goods	20,39,16,811	16,15,47,297
Stock in process	98,59,027	1,61,32,881
Total	21,37,75,838	17,76,80,178
(Increase) / decrease in inventory of finished goods and work in progress	(3,60,95,660)	2,11,73,119

Details of inventory:

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Finished goods		
Clay products	17,26,99,344	12,50,48,322
Starch and allied products	3,06,61,423	3,29,92,740
By products and others	5,56,044	35,06,235
Total	20,39,16,811	16,15,47,297
Stock in process		
Clay products	62,46,710	26,77,665
Starch and allied products	36,12,317	1,33,78,036
By products and others	-	77,180
Total	98,59,027	1,61,32,881

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Salaries, wages and bonus	50,56,29,630	47,79,88,585
Contribution to provident and other funds	2,33,38,729	2,40,76,801
Gratuity expense (note a)	1,25,79,696	1,22,52,943
Staff welfare expenses	3,04,40,932	2,96,39,325
Total	57,19,88,987	54,39,57,654

Notes:

- a) Net of amount recovered from related parties ₹ 1,62,399 (2013-14: ₹ 1,36,557).
- b) Employee benefit expenses includes research and development expenses (also refer note 41).

25 FINANCE COSTS

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Interest expense		
- On fixed period loans	7,49,89,000	6,76,86,138
- Others	8,35,09,068	10,52,08,216
	15,84,98,068	17,28,94,354

26 OTHER EXPENSES

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
a) Manufacturing expenses		
Stores consumed	5,20,71,540	5,32,09,754
Power and fuel	97,32,74,645	1,06,48,80,189
Repairs and maintenance		
-Plant and machinery	10,36,13,786	10,00,40,908
- Factory buildings	1,74,64,855	1,36,02,256
-Others	1,54,97,938	1,92,54,550
Other manufacturing expenses	7,67,06,218	9,52,41,906
Royalty	1,86,82,909	1,22,01,596
Decrease in excise duty on finished goods	(3,22,181)	(55,19,653)
Total (A)	1,25,69,89,710	1,35,29,11,506
Administration expenses		
Rent	3,14,29,732	2,36,52,884
Rates and taxes	83,10,672	71,37,686
Insurance	34,74,396	36,28,822
Directors' sitting fees	9,98,000	8,40,452
Exchange fluctuation (net)	-	21,15,724
Office and other expenses (note a)	8,95,82,962	8,46,61,189
Payment to auditors (note 28)	39,95,498	36,48,008
Travelling and conveyance	2,77,86,203	2,88,61,441
Charity and donation	22,25,200	17,78,250
Bad debts/advances written off (net)	-	42,35,551
Provisions for doubtful debts/advances	60,56,005	58,97,149
Other financing charges	49,36,659	51,44,098
Loss on sale/write off of fixed assets	-	68,65,448
Expenses / contribution towards CSR (note b)	35,02,493	-
Total (B)	18,22,97,820	17,84,66,702
Selling and distribution expenses		
Packing and forwarding expenses	14,26,83,107	11,21,36,100
Commission to selling agents and others	1,91,89,225	2,54,83,394
Sales discount	72,50,346	1,30,82,708
Other selling expenses	4,41,20,197	4,35,49,636
Total (C)	21,32,42,875	19,42,51,838
Total (A + B + C)	1,65,25,30,405	1,72,56,30,406

Note:

- a) Office and other expenses includes research and development expenses (note 41).
- b) As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagers. The funds were primarily allocated and utilised for the activities which are specified in Schedule VII of the Companies Act, 2013.

27 EARNINGS PER SHARE

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
a) Weighted average number of equity shares		
Number of equity shares at the beginning of the year	5,02,76,013	5,02,76,013
Net profit after tax	26,39,40,499	16,09,91,516
Less : Dividend on 11% cumulative redeemable preference shares (including tax)	3,93,50,627	3,86,08,350
Net profit after tax available to equity shareholders	22,45,89,872	12,23,83,166
b) Potential number of equity shares at the end of the year		
Total number of equity shares as per (a) above	5,02,76,013	5,02,76,013
Potential dilutive shares	5,02,76,013	5,02,76,013
c) Net profit after tax available for potential equity shareholders		
Net profit after tax available to equity shareholders	22,45,89,872	12,23,83,166
	22,45,89,872	12,23,83,166
d) Basic EPS (₹)	4.47	2.43
e) Diluted EPS (₹)	4.47	2.43
f) Nominal value of equity share (₹)	2	2

28 AMOUNT PAID TO AUDITORS

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
For audit	33,12,000	28,80,000
For certification	15,000	1,60,000
For expenses	6,68,498	6,08,008
Total	39,95,498	36,48,008

29 EMPLOYEE BENEFITS

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Defined contribution plans

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Employer's contribution to provident fund *	2,30,38,813	2,38,24,396
Employer's contribution to superannuation fund *	2,99,916	2,52,405
Employer's contribution to ESI**	18,39,406	26,92,338

* Included in contribution to provident and other funds

** Included in welfare expenses

Defined benefit plans

Company has defined benefit plan in terms of gratuity.

a. The assumptions used to determine the gratuity benefit obligations are as follows:

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Discount rate	7.95%	9.36%
Expected rate of increase in compensation levels	6.50%	7.50%
Rate of return on plan assets	7.95%	8.70%

b. Reconciliation of opening and closing balances of benefit obligations:

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Projected benefit obligation	10,13,92,624	9,40,14,821
Current service cost	61,77,426	54,39,832
Interest cost	94,90,350	75,21,186
Benefits paid	(59,99,139)	(1,06,07,692)
Actuarial loss/ (gain)	45,50,325	50,24,477
Projected benefit obligation	11,56,11,586	10,13,92,624

c. Reconciliation of fair value of assets:

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Fair value of plan assets at the beginning of the year	7,92,98,833	7,43,11,533
Expected return on plan assets	68,99,042	64,65,060
Contributions	1,00,00,000	1,00,00,000
Benefits paid	(59,99,139)	(1,06,07,692)
Actuarial (loss)/gain on plan assets	5,76,964	(8,70,068)
Fair value of plan assets at the end of the year	9,07,75,700	7,92,98,833

d. Gratuity expense recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Current service cost	61,77,426	54,39,832
Expected return on plan assets	(68,99,042)	(64,65,060)
Interest cost	94,90,350	75,21,186
Actuarial (gain) / loss	39,73,361	58,93,542
Total (also refer note 24(a))	1,27,42,095	1,23,89,500

e. Amounts for the current and previous years are as follows:

Particulars	2014-15 ₹	2013-14 ₹	2012-13 ₹	2011-12 ₹	2010-11 ₹
Defined benefit plan-Gratuity					
Defined benefit obligation	(11,56,11,586)	(10,13,92,624)	(9,40,14,821)	(9,64,65,296)	(9,78,25,168)
Plan assets	9,07,75,700	7,92,98,833	7,43,11,533	7,37,44,980	6,94,46,621
Surplus / (deficit)	(2,48,35,886)	(2,20,93,791)	(1,97,03,288)	(2,27,20,316)	(2,83,78,547)
Experience adjustment on plan liabilities	15,61,650	1,45,26,067	12,24,358	26,90,324	4,01,266
Experience adjustment on plan assets	5,76,964	(8,69,065)	(12,37,482)	-	(6,91,596)

30 LEASE COMMITMENTS:

The Company has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancellable at the option of the Company. Rent expense on account of cancellable leases for the year ended March 31, 2015 amounts to ₹ 3,14,29,732 (2013-14 : ₹ 2,36,52,884).

The Company has entered into leasing arrangements for Bangalore office on July 1, 2013 for the period of 9 years, out of which the minimum commitment is for 5 years. There after the lease can be cancelled at the option of lessee.

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due:	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Payable not later than 1 year	37,12,458	33,17,419
Payable later than 1 year not later than five years	92,91,935	1,07,81,612
	<u>1,30,04,393</u>	<u>1,40,99,031</u>

31 SEGMENT INFORMATION

A. Primary segment reporting (by business segments)

i. Composition of business segments

The Company's business segments are organised as under:

Clay products: Segment manufactures and supplies the clay products to various industries like paper, paint, rubber and fiberglass etc.

Starch products: Segment comprising starch/specialty starch, syrups and modified starch, manufactures and supplies the starch products to various industries like paper, textile, food and pharma, etc.

Particulars	CLAY			STARCH			TOTAL	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Primary segment								
- Segment revenue								
Gross sales to external customers	2,79,33,31,677	2,72,58,86,149	1,92,22,11,482	2,03,51,94,131	4,71,55,43,159	4,76,10,80,280		
Other income	40,71,909	1,31,740	37,51,581	32,00,839	78,23,490	33,32,579		
					4,72,33,66,649	4,76,44,12,859		
- Segment result (Operating profit)	47,31,83,567	44,29,63,777	8,89,55,830	(98,46,172)	56,21,39,397	43,31,17,605		
<i>Less :</i>								
Un-allocated (income) / expenses			(52,21,410)			1,36,68,080		
Interest expense (net)			15,84,98,068			17,28,94,354		
Income taxes (net)			14,49,22,240			8,55,63,655		
Net profit as per Statement of Profit and Loss			26,39,40,499			16,09,91,516		
- Total carrying amount of segment asset	2,36,96,28,177	2,27,43,84,526	1,23,10,78,705	1,39,98,74,233	3,60,07,06,882	3,67,42,58,759		
Un-allocated			5,59,26,522			6,52,67,194		
			3,65,66,33,404			3,73,95,25,953		
- Segment liabilities	25,63,14,108	42,46,11,221	12,42,42,573	48,64,07,044	38,05,56,681	91,10,18,265		
Un-allocated			1,44,66,52,048			1,11,18,83,602		
			1,82,72,08,729			2,02,29,01,867		
- Capital expenditure during the year	11,26,02,398	6,39,03,284	3,74,783	2,30,59,220	11,29,77,181	8,69,62,504		
Un-allocated			62,94,082			1,50,53,595		
			11,92,71,263			10,20,16,099		
- Depreciation/Amortisation	7,71,37,196	7,97,18,959	4,75,43,402	5,07,84,333	12,46,80,598	13,05,03,292		
Un-allocated			81,45,418			43,18,810		
			13,28,26,016			13,48,22,102		
B. Secondary segment								
Particulars	India			Outside India*			Total	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
- Revenue	4,17,66,80,585	4,27,88,16,828	53,88,62,574	48,22,63,452	4,71,55,43,159	4,76,10,80,280		
- Total assets	3,56,71,62,591	3,64,99,48,263	8,94,70,813	8,95,77,690	3,65,66,33,404	3,73,95,25,953		
- Capital expenditure during the year	11,92,71,263	10,20,16,099	-	-	11,92,71,263	10,20,16,099		
* Represents exports to Japan, Korea, New Zealand, Australia, Egypt, Kenya, Mauritius, U.A.E., Yemen, Oman, Saudi Arabia, Iran, Jordan, Bahrain, Sri Lanka, Malaysia, Indonesia, Thailand, Philippines, Turkey, Germany, Poland, Italy, Greece, South Africa, Kuwait, Singapore and Malta.								

32 Related party transactions

A. Holding Company

DBH International Private Limited

B. Associates

Enterprises which have significant influence over the Company:

Karun Carpets Private Limited

C. Enterprises over which substantial shareholders of the Company and their relatives have significant influence:

Greaves Cotton Limited

Premium Transmission Limited

Pembrill Industrial & Engineering Co. Limited

Greaves Leasing Finance Limited

Dee Greaves Limited

Bharat Starch Products Limited

Aravali Sports & Cultural Foundation

DBH Consulting Limited

DBH Investments Pvt. Limited

Greaves Auto Limited

D. Firm in which directors are interested as director or partner

J. Sagar Associates

E. Key management personnel and their relatives

Mr. Karan Thapar – Chairman

Ms. Devika Thapar (Daughter of Mr. Karan Thapar)

Mr. Karam Thapar (Son of Mr. Karan Thapar)

Mr. B. M. Thapar (Father of Mr. Karan Thapar)

Mr. Vijay Kishore Sharma - Director

Mr. Praveen Sachdev - Director

Mr. J.K. Jain - Director

Mr. T. Balakrishnan - Director

Mr. Vijay Rai - Director

Dr. Venkatesh Padmanabhan (Managing Director and Chief Executive Officer)

Mr. S.K. Jain (Sr. Vice President Corporate Finance, Accounts and Administration Upto Marh 31, 2014)

Mr. P.S. Saini (Company Secretary and Head Corporate Legal)

Mr. M K Gupta (Chief Financial Officer)

Particulars	Holding Company		Enterprises which has significant influence over the company		Enterprises over which substantial shareholders and their relatives have significant influence		Key management personnel and their relatives		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase of goods										
DBH International Private Limited	-	1,47,26,993	-	-	-	-	-	-	-	1,47,26,993
Premium Transmission Limited	-	-	-	-	60,163	2,61,194	-	-	60,163	2,61,194
Reimbursement of expenses										
Premium Transmission Limited	-	-	-	-	1,17,33,200	1,49,74,340	-	-	1,17,33,200	1,49,74,340
DBH International Private Limited	-	-	-	-	26,77,635	15,53,119	-	-	26,77,635	15,53,119
Receiving of services										
DBH Consulting Limited	-	-	-	-	-	-	13,51,447	-	13,51,447	-
J. Sagar Associates	-	-	-	-	-	-	75,000	-	75,000	-
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	30,67,040	-	30,67,040	-
Receipt of public deposit										
Mr. Karam Thapar	-	-	-	-	-	-	24,12,000	-	24,12,000	-
Ms. Devika Thapar	-	-	-	-	-	-	24,06,000	-	24,06,000	-
Refund of public deposit										
Mr. Karam Thapar	-	-	-	-	-	-	13,12,000	33,88,000	13,12,000	33,88,000
Ms. Devika Thapar	-	-	-	-	-	-	33,37,000	22,01,000	33,37,000	22,01,000
Rent paid										
DBH International Private Limited	-	12,01,354	-	-	-	-	-	-	-	12,01,354
Bharat Starch Products Limited	-	-	-	-	20,22,480	16,85,500	-	-	20,22,480	16,85,500
Dividend paid on preference shares										
DBH International Private Limited	3,30,00,000	2,75,00,000	-	-	-	-	-	-	3,30,00,000	2,75,00,000
Karun Carpets Private Limited	-	-	-	55,00,000	-	-	-	-	-	55,00,000
Director's commission										
Mr. Karan Thapar	-	-	-	-	-	-	28,05,030	27,89,263	28,05,030	27,89,263
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	4,67,505	-	4,67,505	-
Mr. Praveen Sachdev	-	-	-	-	-	-	2,33,753	-	2,33,753	-
Mr. J.K. Jain	-	-	-	-	-	-	2,33,753	-	2,33,753	-
Mr. T. Balakrishnan	-	-	-	-	-	-	2,33,753	-	2,33,753	-
Mr. Vijay Rai	-	-	-	-	-	-	2,33,753	-	2,33,753	-
Remuneration										
Mr. S. K. Jain	-	-	-	-	-	-	55,63,450	-	55,63,450	-
Mr. P.S. Saini	-	-	-	-	-	-	33,05,122	44,22,932	44,22,932	33,05,122
Mr. M.K. Gupta	-	-	-	-	-	-	53,02,216	-	53,02,216	-
Dr. Venkatesh Padmanabhan	-	-	-	-	-	-	1,48,67,478	1,08,74,679	1,48,67,478	1,08,74,679
Other expenses										
Aravali Sports & Cultural Foundation	-	-	-	10,00,000	-	-	-	-	10,00,000	10,00,000
Mr. Karam Thapar	-	-	-	-	-	-	90,153	2,15,206	90,153	2,15,206
Ms. Devika Thapar	-	-	-	-	-	-	1,81,886	2,91,434	1,81,886	2,91,434

b) Outstanding balances:

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
1. Holding company		
DBH International Private Limited	2,74,835	(94,11,810)
2. Enterprises over which substantial shareholders and their relatives have significant influence		
Bharat Starch Products Limited	2,00,000	2,00,000
Premium Transmission Limited	-	17,69,950
DBH Consulting Limited	(13,51,447)	-
J. Sagar Associates	(75,000)	-
3. Key management personnel and their relatives		
Mr. Karan Thapar	-	(5,19,530)
Mr. Karam Thapar	(4,274)	(13,50,854)
Ms. Devika Thapar	-	(35,00,863)
Mr. Vijay Kishore Sharma	(13,40,000)	-

Note:

Figures in parentheses denote credit balances.

33 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
Clay matrix (note a)	14,17,49,621	12,70,73,671
Maize	95,79,42,021	1,02,22,24,898
Maize starch	5,17,02,077	8,77,76,705
Tapioca starch	93,68,385	2,89,13,258
Others	56,45,38,460	48,54,84,161
Total	1,72,53,00,564	1,75,14,72,693

Note:

a) Clay matrix cost is inclusive of clay mining expenses.

34 VALUE OF IMPORTS ON C.I.F BASIS :

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
Raw material	6,40,14,110	4,46,11,922
Stores and spare parts	1,73,57,735	7,90,624
Capital goods	49,32,700	19,21,060
Total	8,63,04,545	4,73,23,606

35 EARNINGS IN FOREIGN EXCHANGE CALCULATED ON F.O.B. BASIS:

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Amount (₹)		Amount (₹)	
Export of: Clay products	31,77,83,524		31,79,95,852	
Starch and allied products	22,10,79,050		16,42,67,600	
	53,88,62,574		48,22,63,452	

36 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Amount (₹)		Amount (₹)	
Commission	33,09,221		43,91,478	
Travelling	11,82,930		4,88,038	
Consultancy	20,80,046		6,14,252	
Interest	39,70,190		43,67,290	
Salaries	9,48,814		-	
Others	10,06,261		22,20,471	
	1,24,97,462		1,20,81,529	

37.1 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount (US\$)	Amount (₹)	Amount (US\$)	Amount (₹)
- Sundry debtors	5,62,941	3,47,10,943	7,97,469	4,70,02,827
- Sundry creditors	(32,674)	(20,74,138)	(42,503)	(25,82,463)
- Foreign currency loans	(12,15,000)	(7,71,28,200)	(13,50,000)	(8,20,26,000)
	(6,84,733)	(4,44,91,395)	(5,95,034)	(3,76,05,636)

37.2 PARTICULARS OF HEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount (US\$)	Amount (₹)	Amount (US\$)	Amount (₹)
Forward contract against sundry debtors	7,50,000	4,62,45,000	6,00,000	3,53,64,000
	7,50,000	4,62,45,000	6,00,000	3,53,64,000

38 INDIGENOUS AND IMPORTED CONSUMPTION :

Particulars	Indigenous		Imported		Total
	Value		Value		
	Amount (₹)	%	Amount (₹)	%	Value Amount (₹)
Raw material(s)					
2014-15	1,66,59,22,169	96.56%	5,93,78,395	3.44%	1,72,53,00,564
2013-14	1,71,83,29,122	98.11%	3,31,43,571	1.89%	1,75,14,72,693
Consumables					
2014-15	5,19,84,083	99.83%	87,457	0.17%	5,20,71,540
2013-14	5,26,56,150	98.96%	5,53,604	1.04%	5,32,09,754

39.1 CONTINGENT LIABILITIES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
a) Outstanding bank guarantees and letter of credits	2,80,54,661	1,99,74,041
b) Excise and sales tax matters:		
i) Demand of ₹ 6,34,94,596 (including penalty of ₹ 3,17,47,298 received from Commissioner of Central Excise, Panchkula on account of misclassification of plain maize starch against which an order has been passed by CESTAT in favour of the Company.	-	6,34,94,596
ii) Entry tax levied by the Government of Kerala on Special Kerosene Oil (SKO), pending before Hon'ble Supreme Court of India against which an amount of ₹ 1,51,33,588 (March 31, 2014 : ₹ 1,51,33,588) deposited under protest.	1,51,33,588	1,51,33,588
c) Income tax matters (note 39.3 (ii))	13,46,91,876	14,00,52,056

39.2 Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 27,21,758 (March 31, 2014 : ₹ 2,38,80,226).

39.3 Litigation

i) Excise and Sales Tax matters

- a) Demands aggregating to ₹ 10,73,69,734 for the year 2000 to 2004 relating to inputs used in manufacturing of excisable and as well as exempted goods and cenvat credit of service tax, pending with Central Excise and Service Tax Appellate Tribunal (CESTAT) were set aside and remitted to the relevant authorities for a fresh decision and revision in demand. Consequently amount deposited under protest amounting to ₹ 12,41,379 have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.
- b) Entry tax levied by the Government of Kerala on Special Kerosene Oil (SKO), pending before Hon'ble Supreme Court of India against which an amount of ₹ 1,51,33,588 (March 31, 2014 : ₹ 1,51,33,588) deposited under protest.

ii) Income Tax matters:

- a) in respect of demand aggregating to ₹ 5,24,38,648 for the assessment year 1997-98, 1999-2000, 2000-01 and 2001-02 raised by the assessing officer in view of order of Hon'ble High Court of Kerala disallowing certain expenses to verify the facts, an appeal was filed with the CIT(Appeals).
- b) in respect of demand aggregating to ₹ 5,61,53,668 for the assessment year 1995-96 raised by the assessing officer in view of order of Hon'ble High Court of Kerala disallowing certain expenses to verify the facts, an appeal was filed with the CIT(Appeals).
- c) in respect of demand aggregating to ₹ 2,17,65,100 for the assessment year 2010-11 raised by assessing officer in view of the order of CIT (Appeals) dismissing the appeal filed by the Company with respect to contribution made to gratuity fund, against which the Company has filed an appeal with Income-tax Appellate Tribunal, which is pending for disposal.
- d) in respect of demand aggregating to ₹ 43,34,460 for the assessment year 2007-08 raised by the Assessing Officer in view of the order of ITAT to verify the facts with respect to disallowance of certain expenditure, the Company has filed an appeal with CIT (Appeals).

Based on above, the management is of the opinion that the appeals will be allowed in favour of the Company and hence no provision is considered necessary.

39.4 SHOW CAUSE NOTICE ON CLASSIFICATION OF PRODUCTS

The Company on April 9, 2015 has received a show cause notice from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on wrong classification of clay products for which the Company is in the process of preparing a reply.

40 DELISTING OF SHARES

The shares of the Company have been delisted with effective from 4th June, 2014 from the stock exchanges of India.

41 RESEARCH AND DEVELOPMENT EXPENSES :

Particulars	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Employee benefit expenses	2,72,90,867	1,02,81,278
Office and other expenses	68,10,740	1,01,61,489

42 JOINT VENTURE AGREEMENT

The Company has entered into a joint venture agreement with MAC Group Limited of Tanzania for prospecting of mines and evaluation of proposed clay manufacturing facility in Tanzania (East Africa).

43 PREVIOUS YEAR FIGURES

Previous year figures have been re-grouped/reclassified, wherever necessary to conform the current year classification.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Sd/-

Ashish Gupta (Membership No. 504662)
Partner

Place: Gurgaon
Date: May 8, 2015

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan (DIN:06528470)
Managing Director and Chief Executive Officer

Sd/-
M K Gupta
Chief Financial Officer

Sd/-
Vijay Kishore Sharma (DIN:05313925)
Director
Sd/-
P S Saini
Company Secretary and Head Corporate Legal

