

EICL LIMITED



Annual Report
2015 - 16



Company Information

CIN : U26939KL1963PLC002039

Chairman

Mr. Karan Thapar

Directors

Mr. Vijay Rai
Mr. T. Balakrishnan
Mr. Vijay Kishore Sharma
Ms. Shivpriya Nanda
Mr. Joy Kumar Jain

Executive Director

Mr. S. K. Jain (w.e.f. 09-11-2015)

MD & CEO

Dr. Venkatesh Padmanabhan
(Ceased w.e.f 30-09-2015)

Chief Financial Officer

Mr. M. K. Gupta

Company Secretary &

Vice President - Corporate Affairs

Mr. P. S. Saini (Ceased w.e.f 11-04-2016)

Bankers

Axis Bank Limited
ICICI Bank Limited
State Bank of India
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 Chandio & Co. LLP
Chartered Accountants

Cost Auditors

A. R. Narayanan & Co.
Cost Accountants

Internal Auditors

T. R. Chadha & Co.
Chartered Accountants

Secretarial Auditors

Manju Laur & Associates
Company Secretaries

Registrar & Share Transfer Agent

RCMC Share Registry Pvt. Ltd.
B- 25/1, Okhla Industria Area, Phase - II
New Delhi - 110020

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, 2016**

To,

The Members:

Your Directors have pleasure in presenting the Fifty Second Annual Report of the Company and the audited financial statements for the financial year ended 31st March, 2016.

FINANCIAL SUMMARY

The Company's financial performance for the financial year ended 31st March, 2016 is summarized below:-

(₹ in Crores)

	31st March, 2016	31st March, 2015
Gross operating Profit (before interest and depreciation)	67.78	67.99
Profit on sale of Land	-	2.03
Gross Profit before interest, depreciation & tax	67.78	70.02
Less : Interest	13.15	15.85
Gross Profit before Depreciation	54.63	54.17
Less : Depreciation	12.22	13.29
Profit before tax and exceptional items	42.41	40.88
Less : Exceptional Items	-	-
Tax Expenses :		
Current Tax	14.91	13.01
Earlier Year Tax	0.06	0.04
Deferred Tax	0.05	1.44
Profit after Tax	27.39	26.39
To which is added :		
- Balance brought forward from the previous year	87.15	76.30
Leaving a balance of	114.54	102.69
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	5.03	5.02
- ₹ 5.50 and ₹ 2.75 per Preference Share on 30,00,000 11% Preference Shares of ₹ 100/- each (last year ₹ 2.75 and ₹ 5.50 per Preference Share)	2.47	2.47
Proposed Dividend		
- @ ₹ 0.50 (25%) per Equity Share of ₹ 2/- each (Last year ₹ 0.50 per Equity Share)	2.51	2.51
- @ ₹ 2.75 on 30,00,000 11% Preference Shares of ₹ 100/- each (last year ₹ 2.75 per preference share)	0.83	0.83
Tax on Dividend	2.22	2.07
Transfer to General Reserve	2.74	2.64
Carried forward to next year's account	98.74	87.15

RESERVES

The Directors of the Company propose to transfer a sum of ₹ 2.74 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 ₹ 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 Rs.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 ₹ 5.50 and ₹ 2.75 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, 2016.

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

The total outgo on account of dividend including dividend tax of ₹ 2,21,92,037/- will be ₹ 13,06,06,058, for the financial year ended 31st March, 2016.

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 ₹ 67.78 Crores as against ₹ 67.99 Crores in the previous year ended 31-03-2015, almost at the same as of previous year; the profit after tax for the year ended 31-03-2016 is ₹ 27.39 Crores viz-a-viz ₹ 26.39 Crores in the previous year ended 31-03-2015, an increase of about 3.79% over the previous year.

The total turnover of the Company remained stagnant at ₹ 459.26 Crores for the year ended 31-03-2016 as against ₹ 460.24 Crores in the previous financial year ended 31-03-2015. The Company's strategy to lower the sale of clay products to paper industry which is not doing well and to opt out of the low contribution margin products resulted in lower sales volume. However, the focus on sale of value added products and maximizing sale of by-products coupled with low cost of fuel compensating higher cost of raw materials, resulted in maintaining the total turnover and operating profitability of the Company at the same level in current year.

The lower interest and depreciation cost contributed to the improved net profit for the year.

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

There is no qualification, reservation or adverse remark or disclaimer by the Statutory Auditors which requires any explanation or 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.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid /unclaimed for a period of seven years from the year 2008 has to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India. The unpaid/unclaimed dividend amount have been transferred to the IEPF.

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 2015-16 the Directors met five times i.e., on 8th May, 2015, 28th July, 2015, 8th September, 2015, 6th November, 2015 and 3rd March, 2016 .

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 3rd May, 2016 Board meeting confirming that they meet the criteria of independence.

Majority of the Board, 4 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

Mr. Karan Thapar, retires by rotation at the forthcoming Annual General meeting, and being eligible, offers himself for re-appointment. The Board recommends the re-appointment.

Mr. Suresh Kumar Jain was appointed by the Board as the Additional Director of the Company w.e.f. 09-11-2015 and he will hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received Notices U/s 160(1) of the Companies Act, 2013 proposing the appointment of Mr. Suresh Kumar Jain as a Director of the Company, not liable to retire by rotation.

Their appointments are submitted for your approval.

VACATION OF OFFICE OF THE COMPANY SECRETARY

During the year, the office of the Company Secretary was vacated due to sad demise of Mr. Phool Singh Saini on 11th April, 2016. The Company placed on record a deep appreciation for the valuable services rendered by Mr. Phool Singh Saini during his tenure as the Company Secretary of the Company.

The vacancy of the Company Secretary is being filled up at the earliest.

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/Non Executive Directors of the Company under the Chairmanship of Mr. Vijay Kishore Sharma. The other Independent/Non Executive Directors of the Committee are:

1. Mr. Joy Kumar Jain, Non Executive Director
2. Ms. Shivpriya Nanda, Independent Director

Statutory Auditors and the Internal Auditors are the permanent invitees at the committee meetings. Mr. Suresh Kumar Jain, Executive Director (appointed w.e.f. 9-11-2015) and Mr. Mahendra Kumar Gupta, Chief Financial Officer are also the permanent invitees at the committee meetings. Mr. P.S. Saini, Company Secretary was the Secretary of the Committee (ceased w.e.f. 11th April, 2016).

For the Financial year 2015-16, the Audit committee met four times i.e., on 8th May, 2015, 27th July, 2015, 06th November, 2015 and 02nd March, 2016.

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 (upto 30-09-2015)
5. Mr. Suresh Kumar Jain, Executive Director (w.e.f. 04-03-2016)

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 Company is facing a risk in long term sustainability of the clay operations at Trivandrum due to the continuing opposition to mining by a section of the population and the Government apathy. No new leases have been granted by the successive Governments nearly in the last one decade. Kaolin was reclassified as a minor mineral in the amendments carried out last year. Thus the entire control of regulating the mining of Kaolin is vested with the Government of Kerala ever since. Thus to mitigate this risk, the Company is working on a plan to establish clay mining and beneficiation plant outside Kerala. The Committee does not foresee any other material risks which may threaten the existence of the Company.

During the financial year 2015-16, the Strategy, Risk Review and CSR Committee met once i.e. on 28th July, 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

The composition of the Nomination & Remuneration Committee is as under:-

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

The Committee met four times i.e., on 08th May, 2015, 28th July, 2015, 29th September, 2015 and 06th November, 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) to 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. Vijay Rai, Chairman of the Committee (w.e.f. 8th May, 2015)
2. Mr. Praveen Sachdev, Chairman of the Committee (upto 8th May, 2015)
3. Mr. Karan Thapar
4. Dr. Venkatesh Padmanabhan, Managing Director & CEO (upto 30-09-2015)
5. Mr. Joy Kumar Jain (w.e.f. 01-10-2015)

STATUTORY AUDITOR

M/s Walker, Chandiook & Co. LLP, Chartered Accountants, the Statutory Auditors were appointed in the last Annual General Meeting of the company held on 15-06-2015 for a period of 5 years till the conclusion of the Annual General Meeting held in the Calendar year 2020, subject to ratification by the shareholders at each Annual General Meeting.

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 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, 2016 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 31-03-2016 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 as on 31st March, 2016 and of the profit for the year ended 31st March, 2016.
- 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, 2016.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the related party transactions, as per requirement of Accounting Standard 18 are disclosed in notes to the financial statements of the company for the financial year 2015-16. 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.
- g) Energy audit is being conducted at both the clay manufacturing plants and corrective actions will be taken in due course.

(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.

(iii) Capital investment on energy conservation equipment

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, 2016	31st March, 2015
		(₹)	(₹)
a)	Capital	70,16,353	1,64,04,074/-
b)	Recurring	2,22,86,390	3,41,01,607/-
c)	Total	2,93,02,743	5,05,05,681/-
d)	Total R & D Expenditure as a percentage of total turnover	0.60	1.09

(D) Foreign Exchange earnings and outgo

The company has recorded export earnings of ₹ 46.42 Crores and remittance of foreign currency equivalent to ₹ 12.75 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 2015-16.

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

Sd/-

Karan Thapar

Chairman

DIN: 00004264

Place: Gurgaon

Date: 03-05-2016

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 2015-16, 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, Dr. Venkatesh Padmanabhan, Managing Director & CEO (upto 30-09-2015) and Mr. Suresh Kumar Jain, Executive Director (appointed w.e.f. 09-11-2015) 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:

₹ 3,582.78 lacs

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

₹ 71.66 lacs

5. Details of CSR spent during the financial year.

- a) Total amount spent for the financial year: : ₹ 68.73 lacs
- b) Amount unspent, if any; : ₹ 2.92 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
Revenue Expenditure							
1	Rain water harvest / water to villagers	Social welfare	Trivandrum	40,00,000	50,95,638		Direct
2	Coaching for Class VI & Class VII students	Education	Trivandrum	2,00,000	2,00,525		Direct
3	Self-employment for women	Employment	Trivandrum	2,00,000	--		Direct
4	Painter skill training	Education	Trivandrum	30,00,000	7,63,373		Direct
	TOTAL			74,00,000	60,59,536		
Capital Expenditure							
5	Water Filtration Unit			10,00,000	8,13,947		Direct
				84,00,000	68,73,483		

- Give details of implementing agency :
6. The Company has spent majority portion of CSR expenditure required to be spent by the company. But, with an object to make meaningful and objective spend, the full amount could not be spent during the financial year. However, the Company has developed policy and the programmes to be undertaken by the Company.
 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 2016**

[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, 2016 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, 2016, 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 (Buyback of Securities) Regulations, 1998;

All the aforesaid sub-clauses are not applicable to the company

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (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);

The company is not listed on any stock exchange.

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 Company has not spent 2% of Average Profit for previous three years as CSR Expenditure as prescribed in terms of Companies Act, 2013. The Company has represented to us due to time constraint and with an object to make meaningful and objective spend, the full amount could not be spent during the financial year. The Board shall in its Board Report specify the reasons for not spending the entire amount.
- (b) The Audit Committee and the Board of Directors have approved all the Related Party Transaction. In view of the Board, all the transactions with Related Parties are at Arm's Length Price.
- (c) 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 @ Rs. 48 per Equity Share.
- (d) The Company has repaid all the Deposit taken by the company before commencement of the Companies Act, 2013 last year, accordingly no return of deposit has been filed by the Company during the current year.

Sd/-

Anu Gupta

Partner

Manju Laur & Associates

Company Secretary in Practice

M. No. - A33206

C.P.No.:12227

ANNEXURE – C

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on
31st March, 2016

[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 / Limited by Shares
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 Clay	08108	60%
2	Manufacture of Starch	10621	40%

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	64.91	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 the year				% 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	11238	0	11328	0.02	0.21
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.	45710829	0	45710829	90.92	46034701	0	46034701	91.56	0.64
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):-	45827817	0	45827817	91.15	46045939	0	46045939	91.58	0.43
(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)	45827817	0	45827817	91.15	46045939	0	46045939	91.58	0.43
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	0	0	0	0	0	0	0	0	0
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):-	0	0	0	0	0	0	0	0	0

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	248997	607	249604	0.50	197674	607	198281	0.39	0.18
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3149196	86460	3235656	6.44	3013650	77461	3091111	6.16	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	905600	0	905600	1.80	905600	0	905600	1.80	0.00
c) Others:									
i) Clearing Member	15010	0	15010	0.03	10424	0	10424	0.02	0.01
ii) Non residents	39503	2553	42056	0.08	21835	2553	24388	0.05	0.03
iii) Trust	270	0	270	0.00	270	0	270	0.00	0.00
Sub-total (B)(2):-	4358576	89620	4448196	8.85	4149453	80621	4230074	8.41	0.44
Total Public Shareholding (B)=(B)(1)+ (B)(2):	4358576	89620	4448196	8.85	4149453	80621	4230074	8.41	
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	50186393	89620	50276013	100	50195392	80621	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	32311454	64.27	0	32635326	64.91	0	0.64
2	Karun Carpets Pvt. Ltd.	13399375	26.65	0	13399375	26.65	0	0
3	Karan Thapar	105750	0.21	0	0	0	0	0.21
4	Sulochana Thapar	11238	0.02	0	11238	0.02	0	0
	Total	45827817	91.15	0	46045939	91.58	0	0.43

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

Sl. No.	Shareholder's Name	Shareholding		Date wise increase / decrease in shareholding	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			At the end of the year	
1.	DBH International Pvt. Ltd.	32311454	64.27	DBH International Pvt. Ltd. Promoter of the Company has Acquired the equity shares of the company under delisting offer. 1) 08-04-2015 : 14724 2) 24-04-2015 : 13317 3) 05-06-2015 : 57096 4) 10-06-2015 : 2317 5) 29-06-2015 : 82210 6) 06-07-2015 : 123 7) 23-07-2015 : 5214 8) 31-07-2015 : 225 9) 19-08-2015 : 562 10) 21-08-2015 : 2000 11) 31-08-2015 : 225 12) 23-09-2015 : 14625 13) 08-10-2015 : 1125 14) 23-10-2015 : 1062 15) 26-10-2015 : 20325 16) 27-10-2015 : 112 17) 20-11-2015 : 105750 18) 01-12-2015 : 2250 19) 09-12-2015 : 100 20) 23-02-2016 : 353 21) 10-03-2016 : 157 Total purchase : 323872	32635326	64.91
		32635326	64.91			
2.	Karun Carpets Pvt. Ltd.	13399375	26.65	No Change	13399375	26.65
		13399375	26.65			
3.	Sulochana Thapar	11238	0.02	No Change	11238	0.02
		11238	0.02			
4.	Karan Thapar	105750	0.21	20-11-2015 : 105750	0	0
		0	0			
Total at the end of the year		46045939	91.58		46045939	91.58

(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	1074744	2.14		
1.	Hitesh Ramji Javeri	500100	0.995	500100	0.995
2.	Radhabai Ramji Javeri	105100	0.209	105100	0.209
3.	Ami Hitesh Javeri	100200	0.199	100200	0.199
4.	Mitali Hitesh Javeri	100100	0.199	100100	0.199
5.	Harsha Hitesh Javeri	100100	0.199	100100	0.199
6.	Siddhivinayak Dealcom Pvt.Ltd.	56250	0.112	56250	0.199
7.	Basons Investments Pvt.Ltd.	32144	0.064	32144	0.064
8.	Alkaben Vasantbhai Vora	30125	0.060	30125	0.060
9.	S.B.Builders Pvt.Ltd.	28125	0.056	28125	0.056
10.	Ameeta Rathore	22500	0.040	-22500(Sold)	0
	At the End of the year (or on the date of separation, if separated during the year)			1052244	2.09

(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	118836	0.24	105750	0.21
1)	Rai Vijay Dilbagh	12836	0.02	12836	0.02
2)	Karan Thapar	105750	0.21	-105750 (Sold on 20-11-2015)	0
3)	Phool Singh Saini	250	0.00	250	0
	At the End of the year			13086	0.21

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	₹ 1,12,00,95,827	0	0	₹ 1,12,00,95,827
ii) Interest due but not paid	-	0	0	-
iii) Interest accrued but not due	₹ 73,50,297	0	0	₹ 73,50,297
Total (i)	₹ 1,12,74,46,124			₹ 112,74,46,124
Change in Indebtedness during the financial year				
• Addition	-	0	0	0
• Reduction	(₹ 28,42,65,454)	0	0	(₹ 28,42,65,454)
Net Change (ii)	(₹ 28,42,65,454)	0	0	(₹ 28,42,65,454)
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 84,22,47,179	-	-	₹ 84,22,47,179
ii) Interest due but not paid	₹ 238,234	-	-	₹ 238,234
iii) Interest accrued but not due				
Total (i+ii+iii)	₹ 84,24,85,413			₹ 84,24,85,413

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. Upto 30-09-2015	Suresh Kumar Jain, Executive Director w.e.f 09-11-2015	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	₹ 1,07,11,613 ₹ 19,800	₹ 22,53,718 0 -	₹ 1,29,65,331 ₹ 19,800 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-

5.	Others, please specify	0	0	0
	Total (A)	₹ 107,31,413	₹ 22,53,718	₹ 1,29,85,131
	Ceiling as per the Act			₹ 2,23,70,111

B. Remuneration to other directors:

Sl No.	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	₹ 2,70,000	₹ 2,80,000	₹ 2,00,000	₹ 2,20,000	₹ 50,000	₹ 50,000	₹ 10,70,000
	• Commission	₹ 3,72,835	₹ 7,45,670	₹ 3,72,835	₹ 3,72,835	-	-	₹ 18,64,175
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	₹ 6,42,835	₹ 10,25,670	₹ 5,72,835	₹ 5,92,835	₹ 50,000	₹ 50,000	₹ 29,34,175
2.	Other Non-Executive Directors	Karan Thapar	Joy Kr. Jain					
	• Fee for attending board committee meetings	₹ 2,20,000	₹ 2,00,000					₹ 4,20,000
	• Commission	₹ 22,37,012	₹ 3,72,835					₹ 26,09,847
	• Others, please specify							
	Total (2)	₹ 24,57,012	₹ 5,72,835					₹ 30,29,847
	Total (B)=(1+2)							₹ 59,64,022
	Total Managerial Remuneration							₹ 1,89,49,153
	Overall Ceiling as per the Act							₹ 2,68,44,133

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	₹ 44,77,396	₹ 53,59,033	₹ 98,36,429
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	₹ 28,800	₹ 21,600	₹ 50,400
	(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	₹ 45,06,196	₹ 53,80,633	₹ 98,86,829

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. DBH Consulting Ltd.
 - (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. DBH Consulting Ltd.- Advisory and Consultancy services

(c) Duration of the contracts / arrangements/transactions

			Value
i.	Bharat Starch Products Ltd.	- 1-04-2015 to 31-03-2016	₹ 20,45,910/-
ii.	Premium Transmission Ltd.		
	- Purchase of spare parts	- 1-04-2015 to 31-03-2016	₹ 62,747.56/-
	- Service charges (common exp.)	- 1-04-2015 to 31-03-2016	₹ 1,16,59,449/-
iii.	Aravali Sports & Cultural Foundation	- 1-04-2015 to 31-03-2016	₹ 10,00,000/-
iv.	DBH Consulting Ltd.	- 1-04-2015 to 31-03-2016	₹ 23,88,662/-

(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:

08-05-2015, 28-07-2015, 08-09-2015, 06-11-2015 & 03-03-2016

(f) Amount paid as advances, if any:

Nil

Sd/-
Karan Thapar
 Chairman
 DIN: 00004264

Independent Auditor's Report

To the Members of EICL Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of EICL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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 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; safeguarding the assets of the Company; 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 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. 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, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 3, 2016 as per annexure B expressed and unmodified opinion.
- g. 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 to be transferred to the Investor Education and Protection Fund by the Company.

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

sd/-
 per **Ashish Gupta**
 Partner
 Membership No.:504662

Place: Gurgaon
 Date: May 03, 2016

Annexure A to the Independent Auditor's Report of even date to the members of EICL Limited on the Financial Statements for the year ended March 31, 2016

Annexure A

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, explanations and representations 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 3 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.
 - (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year 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, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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 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, service tax, duty of customs, duty of

excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to 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, service tax, duty of customs, duty of excise and value added tax 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 of India

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

- (xi) In our opinion, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been

disclosed in the financial statements etc., as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Ashish Gupta**

Partner

Membership No.: 504662

Place : Gurgaon

Date : May 03, 2016

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of EICL Limited ("the Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

sd/-

per **Ashish Gupta**

Partner

Membership No.:504662

Place: Gurgaon

Date: May 3, 2016

Balance Sheet as at	Notes	March 31, 2016 ₹	March 31, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	40,05,52,026	40,05,52,026
Reserves and surplus	3	1,56,19,25,506	1,42,88,72,650
		1,96,24,77,532	1,82,94,24,676
Non current liabilities			
Long term borrowings	4	20,30,51,564	31,01,33,358
Deferred tax liabilities (net)	5	23,44,51,738	23,93,60,419
Other long term liabilities	6	1,57,14,270	1,44,07,430
Long term provisions	7	1,79,66,496	1,52,64,840
		47,11,84,068	57,91,66,047
Current liabilities			
Short term borrowings	8	52,83,03,393	64,02,94,869
Trade payables	9	28,87,89,409	29,54,10,815
(a) Total outstanding dues of micro enterprises and small enterprises		4,537,050	4,412,012
(b) Others		284,252,359	290,998,803
Other current liabilities	10	17,01,90,190	23,11,00,981
Short term provisions	11	8,64,03,122	8,70,29,917
		1,07,36,86,114	1,25,38,36,582
TOTAL		3,50,73,47,714	3,66,24,27,305
ASSETS			
Non current assets			
Fixed assets	12		
Tangible assets		2,34,48,45,117	2,39,66,52,849
Intangible assets		28,65,731	30,89,474
Capital work in progress		3,55,83,069	3,26,47,183
Non current investments	13	5,00,000	5,00,000
Long term loans and advances	14	4,92,31,258	6,69,80,430
Other non current assets	15	18,17,935	32,90,974
		2,43,48,43,110	2,50,31,60,910
Current assets			
Inventories	16	42,97,81,931	46,92,16,163
Trade receivables	17	55,39,71,903	58,23,79,192
Cash and bank balances	18	1,45,48,665	3,22,99,582
Short term loans and advances	19	5,94,31,176	6,04,41,254
Other current assets	20	1,47,70,929	1,49,30,204
		1,07,25,04,604	1,15,92,66,395
TOTAL		3,50,73,47,714	3,66,24,27,305

Summary of significant accounting policies 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 3, 2016

For and on behalf of the Board of Directors

Sd/-

S K Jain
Executive Director
(DIN:00003500)

Sd/-

M K Gupta
Chief Financial Officer

Sd/-

Vijay Kishore Sharma
Director
(DIN:05313925)

Statement of Profit and Loss for the year ended	Notes	March 31, 2016 ₹	March 31, 2015 ₹
INCOME			
Revenue from operations (gross)	21	4,71,52,99,552	4,71,55,43,159
Less: Excise duty		12,27,12,330	11,31,72,990
Revenue from operations (net)		4,59,25,87,222	4,60,23,70,169
Other income	22	89,77,817	3,15,60,272
Total income		4,60,15,65,039	4,63,39,30,441
EXPENSES			
Cost of materials consumed		1,87,36,24,309	1,72,53,00,564
Increase in inventories of finished goods and work in progress	23	(1,13,53,787)	(3,60,95,660)
Purchase of traded goods		2,98,87,377	2,00,19,322
Employee benefits expense	24	57,15,80,534	57,19,88,987
Finance costs	25	13,14,66,009	15,84,98,068
Depreciation and amortisation expense	12	12,21,66,904	13,28,26,016
Other expenses	26	1,46,01,18,943	1,65,25,30,405
Total expenses		4,17,74,90,289	4,22,50,67,702
Profit before tax		42,40,74,750	40,88,62,739
Tax expense:			
- Current tax		14,91,35,364	13,01,08,522
- Tax for earlier years		6,00,210	3,61,370
- Deferred tax		4,86,340	1,44,52,348
Profit for the year		27,38,52,836	26,39,40,499
Earnings per share:	27		
- Basic		4.66	4.47
- Diluted		4.66	4.47

Summary of significant accounting policies

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 3, 2016

For and on behalf of the Board of Directors

Sd/-

S K Jain
Executive Director
(DIN:00003500)

Sd/-

M K Gupta
Chief Financial Officer

Sd/-

Vijay Kishore Sharma
Director
(DIN:05313925)

Statement of Cash Flows for the year ended	March 31, 2016 ₹	March 31, 2015 ₹
A. Cash flow from operating activities:		
Net profit before tax	42,40,74,750	40,88,62,739
Adjustments for:		
Depreciation and amortisation	12,21,66,904	13,28,26,016
Interest expense	13,14,66,009	15,84,98,068
Interest income	(18,90,550)	(29,89,048)
Unrealised exchange fluctuation (gain) / loss	27,22,187	(6,79,025)
(Profit) / Loss on sale of fixed assets (net)	(30,450)	(2,03,88,553)
Provision for bad and doubtful debts/advances	18,00,661	60,56,005
Liability no longer required written back	-	(13,56,066)
Amortisation of government grant	(2,22,222)	(2,22,222)
Operating profit before working capital changes	68,00,87,289	68,06,07,914
Adjustments for changes in working capital :		
- Movement in trade receivables	2,38,84,441	1,77,39,293
- Movement in other receivables (current and non current)	81,20,920	1,39,58,803
- Movement in inventories	3,94,34,232	(1,31,31,168)
- Movement in trade and other payables (current and non current)	27,41,517	(4,90,23,646)
Cash generated from operations	75,42,68,399	65,01,51,196
Direct taxes paid	(15,08,89,940)	(14,70,78,993)
Net cash generated from operating activities	60,33,78,459	50,30,72,203
B. Cash flow from investing activities:		
Additions to fixed assets and capital work in progress	(7,40,91,509)	(12,95,60,967)
Proceeds from sale of fixed assets	1,18,550	2,56,64,644
Investment in fixed deposits with banks	78,26,152	(5,12,822)
Interest received	20,49,825	42,13,039
Net cash used in investing activities	(6,40,96,982)	(10,01,96,106)
C. Cash flow from financing activities:		
Proceeds from borrowings		
- Receipts	-	20,00,00,000
- Payments	(17,01,11,622)	(22,70,08,045)
Payment of public deposits	-	(14,76,27,000)
Proceeds from cash credits/working capital demand loan (net)	(11,19,91,476)	4,86,12,796
Interest paid	(13,85,78,072)	(16,20,77,615)
Dividends paid	(10,84,14,021)	(10,66,08,755)
Dividend taxes	(2,20,70,538)	(1,93,66,942)
Net cash used in financing activities	(55,11,65,729)	(41,40,75,561)
Net (decrease)/ increase in cash & cash equivalents	(1,18,84,252)	(1,11,99,464)
Cash and cash equivalents at the beginning of the year	1,83,16,066	2,95,15,530
Cash and cash equivalents at the end of the year	64,31,814	1,83,16,066

Statement of Cash Flows for the year ended	March 31, 2016	March 31, 2015
	₹	₹
Cash and cash equivalents comprise		
Cash	7,77,487	7,54,836
Savings account with post office	272	272
Balance with scheduled banks in current accounts	56,54,055	1,75,60,958
Total	64,31,814	1,83,16,066

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 3, 2016

For and on behalf of the Board of Directors

Sd/-

S K Jain
Executive Director
(DIN:00003500)

Sd/-

M K Gupta
Chief Financial Officer

Sd/-

Vijay Kishore Sharma
Director
(DIN:05313925)

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 based on the residual/estimated useful 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 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 substantially 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 equity 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 is 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, 2016		As at March 31, 2015	
	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, 2016, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.5 per share (2014-15 : ₹ 1.50 per share) of which dividend proposed by the board of directors subject to the approval of the shareholders is ₹ 0.50 per share (2014-15: ₹ 0.50 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, 2016, the amount of per share dividend recognised as distributions to preference shareholders was ₹ 11.00 (2014-15 : ₹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 (2014-15 : ₹ 2.75 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 1, 2014 to September 30, 2019 respectively.

d) Shares held by Holding Company

Equity shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
DBH International Private Limited	3,26,35,326	6,52,70,652	3,23,11,454	6,46,22,908

Preference shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	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)				
	2014-15	2013-14	2012-13	2011-12	2010-11
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, 2016		As at March 31, 2015	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares				
DBH International Private Limited	3,26,35,326	64.91	3,23,11,454	64.27
Karun Carpets Private Limited	1,33,99,375	26.65	1,33,99,375	26.65
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, 2016 ₹	As at March 31, 2015 ₹
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	51,26,02,592	50,82,59,357
Les: Depreciation on fully used assets due to componentisation as per Schedule II of Companies Act, 2013 (refer note 12(f))	(1,01,93,922)	-
Les: Depreciation on fully used assets due to adoption of Schedule II of Companies Act, 2013 (refer note 12(g))	-	(2,20,50,815)
Add: Transferred from surplus in Statement of Profit and Loss for the year	2,73,85,284	2,63,94,050
Balance at the end of the year	52,97,93,954	51,26,02,592
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	87,14,98,606	76,30,41,252
Add: Profit for the year	27,38,52,836	26,39,40,499
Appropriations		
Less: Proposed dividends		
- Preference shares	82,50,000	82,50,000
- Equity shares	2,51,38,007	2,51,38,007
Less: Interim dividends		
- Preference shares	2,47,50,000	2,47,50,000
- Equity shares	5,02,76,014	5,02,76,013
Less: Corporate dividend tax	2,21,92,037	2,06,75,075
Less: Transfer to general reserve	2,73,85,284	2,63,94,050
Balance at the end of the year	98,73,60,100	87,14,98,606
Total	1,56,19,25,506	1,42,88,72,650

4 LONG TERM BORROWINGS

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current	Current	Non current	Current
Secured				
Term loans				
Rupee term loans from banks (note a)	15,16,20,614	9,37,48,572	24,53,83,758	15,72,89,000
Foreign currency loan from bank (note b)	5,14,30,950	1,71,43,650	6,47,49,600	1,23,78,600
Total	20,30,51,564	11,08,92,222	31,01,33,358	16,96,67,600

Notes:

- a) Rupee term loans from banks comprises of:
- Loan of ₹ 20,00,00,000 taken from IndusInd Bank during the financial year 2014-15 and carries interest @ 10.75% 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 @ 12.10 % 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 @ 5.28 % 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) 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, 2016 ₹	As at March 31, 2015 ₹
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial year [net of deferred tax assets of ₹ 53,95,021 on adoption of componentisation of fixed assets. (2014-15: ₹ 1,13,54,449 on adoption of Schedule II of Companies Act, 2013)]	26,72,22,746	27,04,28,220
Gross deferred tax liabilities	26,72,22,746	27,04,28,220
Deferred tax assets		
Employee benefits	1,99,24,190	1,88,11,772
Provision for doubtful debts and advances	1,28,46,818	1,22,56,029
Gross deferred tax assets	3,27,71,008	3,10,67,801
Deferred tax liabilities (net)	23,44,51,738	23,93,60,419

6 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Deferred government grants	22,22,224	24,44,446
Deposits from vendors	81,53,646	71,00,896
Deposits from customers	53,38,400	48,62,088
Total	1,57,14,270	1,44,07,430

7 LONG TERM PROVISIONS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for employee benefits		
Gratuity (also refer note 29)	99,36,872	83,87,958
Leave encashment	80,29,624	68,76,882
Total	1,79,66,496	1,52,64,840

8 SHORT TERM BORROWINGS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Secured		
Loans repayable on demand		
From banks		
Cash credit account with scheduled banks (note a and b)	10,33,03,393	25,41,38,937
Working capital demand loans (note a and b)	42,50,00,000	38,61,55,932
Total	52,83,03,393	64,02,94,869

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 @ 12.00 % p.a. (including a sub-limit of ₹ 15,00,00,000 as working capital demand loan carries interest @ 10.25 % 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 @ 11.95% p.a. Working capital demand loan of ₹ 10,00,00,000 carries interest @ 9.90% 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 @ 11.60 % p.a. Working capital demand loan of ₹ 10,00,00,000 carries interest @ 10.60 % 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 @ 12.10 % p.a. Working capital demand loan of ₹ 7,50,00,000 carries interest @ 10.80 % p.a.

9 TRADE PAYABLES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Due to Micro, Small and Medium Enterprises *	45,37,050	44,12,012
Other trade creditors	13,55,05,239	13,81,76,013
Creditors for expenses	14,87,47,120	15,28,22,790
Total	28,87,89,409	29,54,10,815

- * 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, 2016 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, 2016 ₹	As at March 31, 2015 ₹
Current maturities of long term borrowings (also refer note 4)	11,08,92,222	16,96,67,600
Interest accrued but not due on borrowings	2,38,234	73,50,297
Unpaid dividends	17,41,573	12,55,125
Unclaimed matured public deposits	30,888	3,01,000
Employee related payables	2,43,02,520	1,89,58,306
Capital creditors	64,12,166	66,48,100
Advance from customers	48,98,215	57,93,901
Deferred government grants	2,22,222	2,22,222
Statutory dues		
Excise duty payable	45,78,649	28,47,815
Provident fund payable	41,02,615	41,29,432
Sales tax payable	72,57,982	72,38,991
Tax deducted at source payable	38,86,974	44,57,440
Employee state insurance payable	64,201	2,16,646
Other statutory dues	50,118	24,873
Other liabilities		
Other payables	15,11,611	19,89,233
Total	17,01,90,190	23,11,00,981

11 SHORT TERM PROVISIONS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for employee benefits		
Gratuity payable (also refer note 29)	1,62,59,083	1,64,48,431
Leave encashment payable	2,33,45,474	2,26,43,444
Others		
Provision for taxes, net of advance taxes paid including tax deducted at source ₹ 33,62,73,534 (2014-15: ₹ 47,27,62,076)	66,13,428	77,67,794
Proposed dividend (note a)	3,33,88,007	3,33,88,007
Provision for taxes on dividend	67,97,130	66,75,631
Provision for wealth tax	-	1,06,610
Total	8,64,03,122	8,70,29,917

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

Dividend proposed to:

- Equity shareholders	2,51,38,007	2,51,38,007
- Preference shareholders	82,50,000	82,50,000

Proposed dividend per share:

- Equity shareholders	0.50	0.50
- Preference shareholders	2.75	2.75

12 FIXED ASSETS For the year ended March 31, 2016

(Amount in ₹)

Particulars	Gross block				Depreciation/ amortisation				Net block		
	Upto March 31, 2015	Addition during the year	Sale/ adjustments	Upto March 31, 2016	Upto March 31, 2015	For the year	Sale/ adjustments	Adjusted to the opening reserve	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets											
Land & site development	15,040	-	-	15,040	15,040	-	-	-	15,040	-	-
Leasehold	78,49,87,732	1,32,76,960	-	79,82,64,692	21,293	-	-	-	21,293	79,82,43,399	78,49,66,439
Freehold	53,96,46,403	1,67,26,840	-	55,63,73,243	13,67,70,719	2,24,46,186	-	46,30,971	16,38,47,876	39,25,25,367	40,28,75,684
Factory and other buildings	2,26,43,76,443	5,17,47,163	8,88,100	2,31,52,35,506	1,08,68,81,809	8,94,94,047	8,88,099	1,09,57,971	1,18,64,45,728	1,17,74,94,634	1,12,87,89,778
Plant and other equipment	2,19,22,181	1,15,268	-	2,20,37,449	1,04,03,944	14,62,839	-	-	1,18,66,783	1,01,70,666	1,15,18,237
Furniture, fixtures	3,29,87,273	20,77,403	28,87,084	3,21,77,592	2,23,16,745	38,21,929	28,64,857	-	2,52,73,817	69,03,775	1,06,70,528
Office Equipment	62,50,000	-	-	62,50,000	59,88,896	-	-	-	59,88,896	2,61,104	2,61,104
Leasehold improvements	1,56,41,526	6,53,649	3,96,142	1,58,99,033	67,75,303	15,02,972	3,30,270	-	79,48,005	79,51,028	88,66,223
Vehicles and cycles	3,66,58,26,598	8,45,97,283	41,71,326	3,74,62,52,555	1,26,91,73,749	12,07,27,973	40,83,226	1,55,88,942	1,40,14,07,438	2,34,48,45,117	2,39,66,52,849
Intangible assets											
Technical know-how / brand	6,71,18,471	-	-	6,71,18,471	6,71,18,471	-	-	-	6,71,18,471	-	-
Computer software / licence fees	2,30,10,916	12,15,188	-	2,42,26,104	1,99,21,442	14,38,931	-	-	2,13,60,373	28,65,731	30,89,474
Total intangible assets	9,01,29,387	12,15,188	-	9,13,44,575	8,70,39,913	14,38,931	-	-	8,84,78,844	28,65,731	30,89,474
Total	3,75,59,55,985	8,58,12,471	41,71,326	3,83,75,97,130	1,35,62,13,662	12,21,66,904	40,83,226	1,55,88,942	1,48,98,86,282	2,34,77,10,848	2,39,97,42,323
Capital work in progress											3,55,83,069

Capital work in progress

Particulars	Gross block				Depreciation/ amortisation				Net block		
	Upto March 31, 2014	Additions during the year	Sale/ adjustments	Upto March 31, 2015	Upto March 31, 2014	For the year	Sale/ adjustments	Adjusted to the opening reserves	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible assets											
Land and site development	15,040	-	-	15,040	15,040	-	-	-	15,040	-	-
Leasehold	77,99,71,702	50,16,030	-	78,49,87,732	21,293	-	-	-	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	11,32,60,954	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	96,75,16,307	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 other 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	79,05,345	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	14,61,097	32,08,599	7,745	67,75,303	88,66,223	80,54,951
Vehicles and cycles	3,57,92,11,817	10,56,57,586	1,90,42,805	3,66,58,26,598	1,11,78,72,464	13,16,62,735	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	-	-	-	6,71,18,471	-	-
Computer software / licence fees	2,19,48,497	10,62,419	-	2,30,10,916	1,87,58,161	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	13,28,26,016	1,37,66,714	3,34,05,264	1,25,62,13,662	2,39,97,42,323	2,46,45,29,689
Capital work in progress											3,26,47,183

Capital work in progress

Notes :

- Additions to plant and machinery include additions to research and development assets amounting to ₹ 70,16,353 (2014-15: ₹ 1,64,04,074) and depreciation charge for the year includes ₹ 57,02,268 (2014-15: ₹ 47,63,877) 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 ₹ 53,130,000 as per agreement 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 pay lease rent of ₹ 68,410 and maintenance charges 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 (2014-15: ₹ 1,50,53,397) and ₹ 1,45,84,429 (2014-15: ₹ 1,45,84,429) respectively, 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.
- Additions to factory and other buildings includes ₹ 16,61,186 (2014-15: ₹ 13,69,317) and additions to plant and machinery includes ₹ 25,93,264 (2014-15: ₹ 21,49,683) on account of capitalisation of foreign exchange fluctuation of long term borrowings.
- Depreciation for the year excludes depreciation amounting of ₹ Nil (2014-15: ₹ 76,390) on assets held for sale (Kollam Unit).
- During the year the Company has carried out decommissioning for Plant & Machinery, Equipment and Building as per the requirement of Schedule II of Companies Act 2013. The aforesaid change did not have a material impact on statement of profit and loss for the year. However, in accordance with the transitional provision, unamortised depreciation amounting to ₹ 1,55,88,942 towards tangible assets that should have been fully depreciated based on the 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 ₹ 53,95,021.
- 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 the transitional provision, unamortised depreciation amounting to ₹ 3,34,05,264 towards tangible assets that should have been fully depreciated based on the revised useful life given in Schedule II of the Companies Act, 2013, has been adjusted last year 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 ₹ 8,13,947 (2014-15: ₹ 4,97,797) and depreciation charge for the year includes ₹ 93 (2014-15: ₹ 13,689).

13 NON CURRENT INVESTMENT

Particulars			As at March 31, 2016 ₹			As at March 31, 2015 ₹
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	Number of shares		Face value (₹)	Partly paid/ Fully paid	Amount (₹)	Amount (₹)
1	2	3	4	5	6	6
	As at March 31, 2016	As at March 31, 2015			As at March 31, 2016	As at March 31, 2015
Equity						
Kerala Enviro Infrastructures Limited	50,000	50,000	10	Fully paid	5,00,000	5,00,000
					5,00,000	5,00,000

14 LONG TERM LOANS AND ADVANCES

Particulars			As at March 31, 2016 ₹			As at March 31, 2015 ₹
Unsecured, considered good						
Capital advances			33,14,665			1,39,52,997
Security deposits			2,57,78,583			3,21,40,815
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			25,54,460			33,03,068
Unsecured, considered doubtful						
Duty paid under protest			1,53,52,667			1,53,65,255
Less: Provision for doubtful advances			(1,53,52,667)			(1,53,65,255)
Total			4,92,31,258			6,69,80,430

Note:

- a) Amounts due from related parties:
- Bharat Starch Products Limited 2,00,000 2,00,000
- b) Out of duty paid under protest ₹ 12,588 (2014-15 : ₹ Nil) have been written off against the provision.

15 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Margin money deposits (note a)	18,17,935	32,90,974
Total	18,17,935	32,90,974

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, 2016 ₹	As at March 31, 2015 ₹
Raw materials	10,63,40,869	14,94,69,146
Work in progress	1,32,13,982	98,59,027
Finished goods*	21,19,15,643	20,39,16,811
Stores and spares	9,83,11,437	10,59,71,179
Total	42,97,81,931	46,92,16,163

a) Including by product of ₹ 58,87,057 (2014-15 ₹ 5,56,044) and traded goods of Clay products of ₹ 14,07,301 (2014-15 ₹ 17,28,510)

b) Purchase of traded goods represents clay products.

17 TRADE RECEIVABLES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	50,48,502	11,01,396
Unsecured, considered good	54,33,91,325	56,96,84,562
	54,84,39,827	57,07,85,958
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	3,20,615	-
Unsecured, considered good	52,11,461	1,15,93,234
Unsecured, considered doubtful	2,17,68,280	2,00,48,605
Less: Provision for doubtful debts (note a)	(2,17,68,280)	(2,00,48,605)
	55,32,076	1,15,93,234
Total	55,39,71,903	58,23,79,192

Note:

a) Out of this ₹ 80,988 (2014-15 : ₹ 45,15,161) have been written off against the provision.

18 CASH AND BANK BALANCES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Cash and cash equivalents		
Cash on hand	7,77,487	7,54,836
Post office savings deposits	272	272
Bank balances		
in current accounts	47,04,055	1,75,60,958
in deposits with maturity of less than three months	9,50,000	-
	<u>64,31,814</u>	<u>1,83,16,066</u>
Other bank balances		
Deposit with maturity of more than three months but less than twelve months	-	46,23,856
Margin money deposits (note a)	63,17,551	80,46,808
Unpaid dividend accounts	17,99,300	13,12,852
	<u>81,16,851</u>	<u>1,39,83,516</u>
Total	<u>1,45,48,665</u>	<u>3,22,99,582</u>

Notes:

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

19 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Unsecured, considered good		
Advances to vendors	1,51,89,036	1,26,09,670
Other loans and advances		
- Deposits with excise and other tax authorities	3,04,82,226	3,08,73,632
- Prepaid expenses	94,25,656	1,12,78,830
- Others	43,34,258	56,79,122
Total	<u>5,94,31,176</u>	<u>6,04,41,254</u>

20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Unsecured, considered good		
Fixed assets held for sale (at lower of cost and net realisable value) (note a)	1,45,84,429	1,45,84,427
Interest receivable	1,86,500	3,45,777
Total	<u>1,47,70,929</u>	<u>1,49,30,204</u>

Note:

- a) Fixed assets held for sale represent land and buildings of gross book value ₹ 1,50,53,397 (2014-15: ₹ 1,50,53,397) and net book value ₹ 1,45,84,429 (2014-15: ₹ 1,45,84,429) 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, 2016 ₹	Year ended March 31, 2015 ₹
Sale of products	4,69,93,41,123	4,69,38,32,854
Other operating revenues - Sale of scrap	1,59,58,429	2,17,10,305
Total	4,71,52,99,552	4,71,55,43,159

Details of products sold

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Clay products	2,70,97,55,028	2,73,29,06,628
Starch and allied products	1,58,01,33,946	1,58,18,21,517
By products and others	42,54,10,578	40,08,15,014
Total	4,71,52,99,552	4,71,55,43,159

22 OTHER INCOME

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Government grants	2,22,222	2,22,222
Other income	45,13,453	32,53,794
Net gain on sale of fixed assets	30,450	2,03,88,553
Exchange fluctuation (net)	23,21,142	33,50,589
Interest on deposits (gross)	18,90,550	29,89,048
[tax deducted at source of ₹ 1,85,664 (2014-15 : ₹ 2,39,898)]		
Liabilities no longer required written back	-	13,56,066
Total	89,77,817	3,15,60,272

23 INCREASE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Opening 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
Closing stock		
Finished goods	21,19,15,643	20,39,16,811
Stock in process	1,32,13,982	98,59,027
Total	22,51,29,625	21,37,75,838
Increase in inventories of finished goods and work in progress	(1,13,53,787)	(3,60,95,660)

Details of inventory:

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Finished goods		
Clay products	14,65,22,404	17,26,99,344
Starch and allied products	5,95,06,182	3,06,61,423
By products and others	58,87,057	5,56,044
Total	21,19,15,643	20,39,16,811
Stock in process		
Clay products	80,18,312	62,46,710
Starch and allied products	51,19,340	36,12,317
By products and others	76,330	-
Total	1,32,13,982	98,59,027

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Salaries and wages	50,14,44,562	50,56,29,630
Contribution to provident and other funds	2,36,73,432	2,33,38,729
Gratuity expense (note a)	1,62,57,510	1,25,79,696
Staff welfare expenses	3,02,05,030	3,04,40,932
Total	57,15,80,534	57,19,88,987

Notes:

- a) Net of amount recovered from related parties ₹ 1,02,558 (2014-15: ₹ 1,62,399).
b) Employee benefit expenses includes research and development expenses (also refer note 41).

25 FINANCE COSTS

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Interest expense		
- On fixed period loans	6,34,56,309	7,49,89,000
- Others	6,80,09,700	8,35,09,068
	13,14,66,009	15,84,98,068

26 OTHER EXPENSES

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Manufacturing expenses		
Stores consumed	5,78,64,526	5,20,71,540
Power and fuel	75,94,33,821	97,32,74,645
Repairs and maintenance		
-Plant and machinery	11,18,78,002	10,36,13,786
- Factory buildings	1,56,57,355	1,74,64,855
-Others	1,77,15,830	1,54,97,938
Other manufacturing expenses	7,82,27,422	7,67,06,218
Royalty	2,23,02,832	1,86,82,909
Increase / (Decrease) in excise duty on finished goods	9,89,120	(3,22,181)
Total (A)	1,06,40,68,908	1,25,69,89,710
Administration expenses		
Rent	3,74,89,785	3,14,29,732
Rates and taxes	75,59,050	83,10,672
Insurance	38,54,278	34,74,396
Directors' sitting fees	14,90,000	9,98,000
Office and other expenses (note a)	9,74,96,889	8,95,82,962
Payment to auditors (note 28)	47,99,448	39,95,498
Travelling and conveyance	3,00,56,664	2,77,86,203
Charity and donation	21,66,100	22,25,200
Provisions for doubtful debts/advances	18,00,661	60,56,005
Other financing charges	58,97,248	49,36,659
Expenses / contribution towards CSR (note b)	60,59,536	35,02,493
Total (B)	19,86,69,659	18,22,97,820
Selling and distribution expenses		
Packing and forwarding expenses	13,30,45,452	14,26,83,107
Commission to selling agents and others	1,29,92,722	1,91,89,225
Sales discount	1,33,43,695	72,50,346
Rebates & discounts	3,79,98,507	4,41,20,197
Total (C)	19,73,80,376	21,32,42,875
Total (A + B + C)	1,46,01,18,943	1,65,25,30,405

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.

During the year Company has incurred an expenditure towards rain water harvest / water to villagers of ₹ 50,95,638 (FY 2014-15 ₹ 33,78,358), coaching for class VI & class VII students of ₹ 2,00,525 (FY 2014-15 ₹ 1,24,135) and painter skill training ₹ 7,63,373 (FY 2014-15 ₹ Nil).

27 EARNINGS PER SHARE

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
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	27,38,52,836	26,39,40,499
Less : Dividend on 11% cumulative redeemable preference shares (including tax)	3,97,18,140	3,93,50,627
Net profit after tax available to equity shareholders	23,41,34,696	22,45,89,872
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	23,41,34,696	22,45,89,872
	23,41,34,696	22,45,89,872
d) Basic EPS (₹)	4.66	4.47
e) Diluted EPS (₹)	4.66	4.47
f) Nominal value of equity share (₹)	2	2

28 AMOUNT PAID TO AUDITORS

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
For audit	33,12,000	33,12,000
For certification	8,00,000	15,000
For expenses	6,87,448	6,68,498
Total	47,99,448	39,95,498

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, 2016 ₹	Year ended March 31, 2015 ₹
Employer's contribution to provident fund *	2,36,48,439	2,30,38,813
Employer's contribution to superannuation fund *	24,993	2,99,916
Employer's contribution to ESI**	6,29,848	18,39,406

* 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, 2016 ₹	Year ended March 31, 2015 ₹
Discount rate	7.81%	7.95%
Expected rate of increase in compensation levels	7.00%	6.50%
Rate of return on plan assets	7.81%	7.95%

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

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Projected benefit obligation at the beginning of the year	11,56,11,586	10,13,92,624
Current service cost	68,93,213	61,77,426
Interest cost	91,91,121	94,90,350
Benefits paid	(76,24,366)	(59,99,139)
Actuarial loss/ (gain)	80,80,599	45,50,325
Projected benefit obligation at the end of the year	13,21,52,153	11,56,11,586

c. Reconciliation of fair value of assets:

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Fair value of plan assets at the beginning of the year	9,07,75,700	7,92,98,833
Expected return on plan assets	72,16,668	68,99,042
Contributions	1,50,00,000	1,00,00,000
Benefits paid	(76,24,366)	(59,99,139)
Actuarial (loss)/gain on plan assets	5,88,197	5,76,964
Fair value of plan assets at the end of the year	10,59,56,199	9,07,75,700

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

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Current service cost	68,93,213	61,77,426
Expected return on plan assets	(72,16,668)	(68,99,042)
Interest cost	91,91,121	94,90,350
Actuarial (gain) / loss	74,92,402	39,73,361
Total (also refer note 24(a))	1,63,60,068	1,27,42,095

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

Particulars	2015-16 ₹	2014-15 ₹	2013-14 ₹	2012-13 ₹	2011-12 ₹
Defined benefit plan-Gratuity					
Defined benefit obligation	(13,21,52,153)	(11,56,11,586)	(10,13,92,624)	(9,40,14,821)	(9,64,65,296)
Plan assets*	10,59,56,199	9,07,75,700	7,92,98,833	7,43,11,533	7,37,44,980
Surplus / (deficit)	(2,61,95,954)	(2,48,35,886)	(2,20,93,791)	(1,97,03,288)	(2,27,20,316)
Experience adjustment on plan liabilities	24,71,852	15,61,650	1,45,26,067	12,24,358	26,90,324
Experience adjustment on plan assets	5,88,197	5,76,964	(8,69,065)	(12,37,482)	-

* Plan assets are maintained with insurance companies in debt and traditional funds.

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, 2016 amounts to ₹ 3,74,89,785 (2014-15 : ₹ 3,14,29,732).

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 2016 ₹	As at 31 March 2015 ₹
Payable not later than 1 year	40,64,547	37,12,458
Payable later than 1 year not later than five years	52,27,388	92,91,935
	<u>92,91,935</u>	<u>1,30,04,393</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.

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 (Upto June 15, 2015)

Mr. J.K. Jain - Director (Upto June 15, 2015)

Mr. T. Balakrishnan - Director

Mr. Vijay Rai - Director

Ms. Shivpriya Nanda - Director

Mr. Joy Kumar Jain - Director (from May 8, 2015)

Dr. Venkatesh Padmanabhan -Managing Director and Chief Executive Officer (Upto September 30, 2015)

Mr. S.K. Jain -Executive Director (from November 06, 2015)

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

Mr. M K Gupta - Chief Financial Officer

a) Transactions with related parties

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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Purchase of goods										
Premium Transmission Limited	-	-	-	-	62,748	60,163	-	-	62,748	60,163
Reimbursement of expenses										
Premium Transmission Limited	-	-	-	-	1,16,59,449	1,17,33,200	-	-	1,16,59,449	1,17,33,200
DBH International Private Limited	1,47,570	26,77,635	-	-	-	-	-	-	1,47,570	26,77,635
Receiving of services										
DBH Consulting Limited	-	-	-	-	-	23,85,115	-	23,85,115	13,51,447	-
J. Sagar Associates	-	-	-	-	-	-	-	75,000	-	75,000
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	-	30,67,040	-
Refund of public deposit										
Mr. Karam Thapar	-	-	-	-	-	-	-	13,12,000	-	13,12,000
Ms. Devika Thapar	-	-	-	-	-	-	-	33,37,000	-	33,37,000
Rent paid										
Bharat Starch Products Limited	-	-	-	-	20,50,080	20,22,480	-	-	20,50,080	20,22,480
Dividend paid on preference shares										
DBH International Private Limited	3,30,00,000	3,30,00,000	-	-	-	-	-	-	3,30,00,000	3,30,00,000
Dividend paid on equity shares										
DBH International Private Limited	4,87,79,316	3,22,02,226	2,00,99,063	2,00,99,063	-	-	-	-	4,87,79,316	3,22,02,226
Karun Carpets Private Limited	-	-	-	-	-	-	-	-	2,00,99,063	2,00,99,063
Director's commission										
Mr. Karan Thapar	-	-	-	-	-	-	-	22,37,012	28,05,030	28,05,030
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	7,45,670	4,67,505	4,67,505
Mr. T. Balakrishnan	-	-	-	-	-	-	-	3,72,835	3,72,835	2,33,753
Mr. Vijay Rai	-	-	-	-	-	-	-	3,72,835	2,33,753	2,33,753
Ms. Shivpriya Nanda	-	-	-	-	-	-	-	-	-	-
Mr. Joy Kumar Jain	-	-	-	-	-	-	-	3,72,835	-	-
Mr. Praveen Sachdev	-	-	-	-	-	-	-	3,72,835	-	-
Mr. J.K. Jain	-	-	-	-	-	-	-	-	2,33,753	2,33,753
Director's sitting fees										
Mr. Karan Thapar	-	-	-	-	-	-	-	2,20,000	2,20,000	1,60,000
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	2,80,000	2,80,000	2,10,000
Mr. T. Balakrishnan	-	-	-	-	-	-	-	2,20,000	2,20,000	1,30,000
Mr. Vijay Rai	-	-	-	-	-	-	-	2,70,000	1,90,000	1,90,000
Ms. Shivpriya Nanda	-	-	-	-	-	-	-	20,000	20,000	20,000
Mr. Joy Kumar Jain	-	-	-	-	-	-	-	2,00,000	-	-
Mr. Praveen Sachdev	-	-	-	-	-	-	-	50,000	50,000	1,48,000
Mr. J.K. Jain	-	-	-	-	-	-	-	50,000	50,000	1,40,000
Remuneration										
Mr. S. K. Jain	-	-	-	-	-	-	-	22,53,718	-	-
Mr. P.S. Saini	-	-	-	-	-	-	-	44,22,932	45,06,196	44,22,932
Mr. M.K. Gupta	-	-	-	-	-	-	-	53,80,633	53,80,633	53,80,633
Dr. Venkatesh Padmanabhan	-	-	-	-	-	-	-	1,07,31,413	1,07,31,413	1,48,67,478
Other expenses										
Aravali Sports & Cultural Foundation	-	-	-	-	10,00,000	10,00,000	-	-	10,00,000	10,00,000
Mr. Karam Thapar	-	-	-	-	-	-	-	2,15,206	-	2,15,206
Ms. Devika Thapar	-	-	-	-	-	-	-	2,91,434	-	2,91,434

b) Outstanding balances:

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
1. Holding company DBH International Private Limited	-	2,74,835
2. Enterprises over which substantial shareholders and their relatives have significant influence Bharat Starch Products Limited	2,00,000	2,00,000
DBH Consulting Limited	-	(13,51,447)
J. Sagar Associates	-	(75,000)
3. Key management personnel and their relatives Mr. Karam Thapar	-	(4274)
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, 2016 ₹	Year ended March 31, 2015 ₹
Clay matrix (note a)	14,76,80,205	14,17,49,621
Maize	1,08,73,29,938	95,79,42,021
Maize starch	6,09,92,564	5,17,02,077
Tapioca starch	14,48,927	93,68,385
Others	57,61,72,675	56,45,38,460
Total	1,87,36,24,309	1,72,53,00,564

Note:

- a) Clay matrix cost is inclusive of clay mining expenses.
b) Others includes chemicals, packing materials and etc.

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

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Raw material	10,84,56,138	6,40,14,110
Stores and spare parts	10,74,072	1,73,57,735
Capital goods	1,86,272	49,32,700
Total	10,97,16,482	8,63,04,545

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Amount (₹)		Amount (₹)	
Export of: Clay products	29,43,37,156		31,77,83,524	
Starch and allied products	16,98,94,357		22,10,79,050	
	46,42,31,513		53,88,62,574	

36 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Amount (₹)		Amount (₹)	
Commission	35,07,430		33,09,221	
Travelling	8,00,958		11,82,930	
Consultancy	45,89,560		20,80,046	
Interest	38,77,184		39,70,190	
Salaries	37,16,111		9,48,814	
Others	13,54,222		10,06,261	
	1,78,45,465		1,24,97,462	

37.1 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (US\$)	Amount (₹)	Amount (US\$)	Amount (₹)
- Trade receivables	4,75,438	3,10,98,400	5,62,941	3,47,10,943
- Trade payables	(34,033)	(22,88,039)	(32,674)	(20,74,138)
- Foreign currency loans	(10,20,000)	(6,85,74,600)	(12,15,000)	(7,71,28,200)
	(5,78,595)	(3,97,64,239)	(6,84,733)	(4,44,91,395)

37.2 PARTICULARS OF HEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (US\$)	Amount (₹)	Amount (US\$)	Amount (₹)
Forward contract against sundry debtors	6,00,000	3,92,46,000	7,50,000	4,62,45,000
	6,00,000	3,92,46,000	7,50,000	4,62,45,000

38 INDIGENOUS AND IMPORTED CONSUMPTION :

Particulars	Indigenous		Imported		Total
	Value		Value		Value
	Amount (₹)	%	Amount (₹)	%	Amount (₹)
Raw material(s)					
2015-16	1,74,51,39,149	93.14%	12,84,85,160	6.86%	1,87,36,24,309
2014-15	1,66,59,22,169	96.56%	5,93,78,395	3.44%	1,72,53,00,564
Consumables					
2015-16	5,78,64,526	100.00%	-	0.00%	5,78,64,526
2014-15	5,19,84,083	99.83%	87,457	0.17%	5,20,71,540

39.1 CONTINGENT LIABILITIES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
a) Outstanding bank guarantees	2,21,50,670	2,80,54,661
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, 2015 : ₹ 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

39.2 Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 1,17,13,713 (March 31, 2015 : ₹ 27,21,758).

39.3 Litigation

i) Excise and Sales Tax matters

- a) Demands aggregating to ₹ 10,73,69,735 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, 2015 : ₹ 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), which was disposed off in favour of the Company during the year.
- 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), which was disposed off in favour of the Company during the year.
- c) 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), which was disposed off in favour of the Company during the year.

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 has received a show cause notice on April 9, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on wrong classification of clay products for which the Company has represented and filed the reply with the authority.

40 DELISTING OF SHARES

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

41 RESEARCH AND DEVELOPMENT EXPENSES :

Particulars	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Employee benefit expenses	1,66,04,504	2,72,90,867
Office and other expenses	56,81,886	68,10,740

42 JOINT VENTURE AGREEMENT

The Company had entered into a joint venture agreement with MAC Group Limited of Tanzania in FY 2014-15 for prospecting of mines and evaluation of proposed clay manufacturing facility in Tanzania (East Africa). There is no further progress during the year.

43 VACATION OF OFFICE

The office of Company Secretary was vacated due to sad demise of Mr. Phool Singh Saini on April 11, 2016.

44 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 3, 2016

For and on behalf of the Board of Directors

Sd/-
S K Jain
Executive Director
DIN : 00003500

Sd/-
M K Gupta
Chief Financial Officer

Sd/-
Vijay Kishore Sharma
Director
DIN : 05313925

