

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

Report on the Review of Interim Financial statements

To the Board of Directors of EICL Limited

T +91 124 462 8000
F +91 124 462 8001

1 Introduction

We have reviewed the attached Condensed Balance Sheet of EICL Limited, (the 'Company') as at 30 September 2014, and also the Condensed Statement of Profit and Loss and the Condensed Cash Flow Statement for the six months ended on that date, annexed thereto (collectively referred as the 'interim financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these interim financial statements based on our review.

2 Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3 Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with Accounting Standard 25 - Interim Financial Reporting, as notified under the Companies (Accounting Standard) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of section 133 of the Companies Act, 2013.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co.)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Ashish Gupta
per Ashish Gupta
Partner

Membership No. 504662

Gurgaon

31 October 2014



EICL Limited

Condensed Financial Statements and Review Report

30 September 2014

EICL LIMITED

Condensed Balance Sheet as at September 30, 2014

Particulars	As at Sept 30, 2014	As at March 31, 2014
	Unaudited	Audited
	₹	₹
I. Sources of Funds		
Shareholders' funds		
Share capital	40,05,52,026	40,05,52,026
Reserves and surplus	1,40,19,74,726	1,31,60,72,061
	1,80,25,26,752	1,71,66,24,087
Loan funds		
Non current liabilities		
Long term borrowings	31,05,67,401	33,26,93,735
Deferred tax liabilities (net)	22,23,98,703	23,62,62,520
Other long term liabilities	1,42,98,896	1,44,59,672
Long term provisions	80,70,500	1,32,49,970
	55,53,35,500	59,66,65,897
Current liabilities		
Short term borrowings	54,05,53,823	59,16,82,073
Trade payables	29,64,40,389	34,89,87,381
Other current liabilities	34,28,65,101	38,96,85,319
Short term provisions	7,64,05,617	10,41,47,471
	1,25,62,64,930	1,43,45,02,244
Total	3,61,41,27,182	3,74,77,92,228
II. Application of Funds		
Non current assets		
Fixed assets		
Tangible assets	2,37,69,34,087	2,46,13,39,353
Intangible assets	35,39,465	31,90,336
Capital work in progress	3,64,76,131	1,65,76,925
Non current investments	5,00,000	5,00,000
Long term loans and advances	5,67,89,772	5,68,62,780
Other non current assets	30,22,542	25,57,496
	2,47,72,61,997	2,54,10,26,890
Current assets		
Inventories	42,31,08,645	45,60,84,995
Trade receivables	59,22,44,086	61,37,61,741
Cash and bank balances	2,83,67,394	4,41,57,527
Short term loans and advances	7,83,69,245	7,65,30,490
Other current assets	1,47,75,815	1,62,30,585
	1,13,68,65,185	1,20,67,65,338
Total	3,61,41,27,182	3,74,77,92,228

Explanatory notes to the condensed financial statements

The notes referred to the above forms the integral part of this condensed balance sheet

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

Walker Chandiok & Co

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Ashish Gupta
Ashish Gupta
Partner



For EICL Limited

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

M K Gupta
M K Gupta
Chief Financial Officer

Place: Gurgaon

Date: October 31, 2014

EICL LIMITED

Condensed Statement of Profit & Loss Account for three-months and six-months ended September 30, 2014

Particulars	Three-months ended on Sept 30, 2014	Three-months ended on Sept 30, 2013	Six-months ended on Sept 30, 2014	Six-months ended on Sept 30, 2013
	Unaudited	Unaudited	Unaudited	Unaudited
	₹	₹	₹	₹
Sales and other operational income (gross)	1,28,27,79,902	1,18,48,53,294	2,46,76,39,967	2,36,02,31,567
Less: Excise duty	- 2,94,12,630	(3,36,45,426)	(5,95,30,796)	(6,95,37,794)
Sales and other operational income (net)	1,25,33,67,272	1,15,12,07,868	2,40,81,09,171	2,29,06,93,773
Other Income	28,90,368	19,86,819	45,72,280	47,41,944
Total income	1,25,62,57,640	1,15,31,94,687	2,41,26,81,451	2,29,54,35,717
Raw material consumed	43,29,96,187	42,98,81,354	87,41,42,623	85,65,46,177
(Increase)/Decrease in inventories	1,70,06,402	98,75,262	1,40,35,409	6,19,73,566
Purchase of traded goods	48,94,390	63,74,796	65,71,563	1,69,03,073
Employee benefits expense	14,41,86,727	12,92,54,889	29,00,86,015	25,63,50,061
Finance costs	4,40,31,483	4,52,47,465	8,40,46,506	8,83,63,612
Depreciation and amortisation expense	3,27,07,989	3,37,92,207	6,74,53,509	6,75,65,771
Other expenses	44,95,91,505	43,43,03,411	85,37,02,321	83,22,23,662
Total expenses	1,12,54,14,683	1,08,87,29,384	2,19,00,37,946	2,17,99,25,922
Profit before tax and after exceptional items	13,08,42,957	6,44,65,303	22,26,43,505	11,55,09,795
Tax expense:				
- Current tax	4,41,83,000	2,18,78,000	7,81,08,000	3,88,29,000
- Tax earlier years	-	-	-	-
- Deferred tax (credit)/ charge	1,57,572	2,34,884	(24,99,486)	8,01,727
Profit for the period	8,65,02,385	4,23,52,419	14,70,34,991	7,58,79,068

Explanatory notes to the Condensed Financial Statements

The notes referred to the above forms the integral part of this Condensed Statement of Profit & Loss

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

Walker Chandioh & Co

For **Walker Chandioh & Co LLP**
(Formerly Walker, Chandioh & Co)
Chartered Accountants

Ashish Gupta
Ashish Gupta
Partner



Place: Gurgaon
Date: October 31, 2014

For EICL Limited

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

M K Gupta
M K Gupta
Chief Financial Officer

EICL LIMITED

Condensed Cash Flow Statement for the period ended September 30, 2014

Particulars	Six-months ended on Sept 30, 2014	Six-months ended on Sept. 30, 2013
	Unaudited	Unaudited
	₹	₹
Cash flows from operating activities	29,56,94,744	22,63,49,975
Cash flows used in investing activities	(3,64,17,322)	(5,70,58,727)
Cash flows used in financing activities	(27,62,38,442)	(17,29,42,377)
Net decrease in cash and cash equivalents	(1,69,61,020)	(36,51,129)
Cash and cash equivalents at the beginning of the period	2,95,15,531	1,06,76,225
Cash and cash equivalents at the end of the period	1,25,54,511	70,25,096
Components of cash and cash equivalents		
Cash on hand	12,67,989	24,95,483
Savings account with post office	272	272
Deposit accounts (other than pledged)	8,67,682	-
Balance with scheduled banks in current accounts	1,04,18,568	45,29,341
Cash and Cash equivalents	1,25,54,511	70,25,096

Explanatory notes to the Condensed Financial Statements

The notes referred to the above forms the integral part of this condensed Cash Flow Statement

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
Chartered Accountants

Ashish Gupta
Ashish Gupta
Partner



Place: Gurgaon
Date: October 31, 2014

For EICL Limited

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

M K Gupta
M K Gupta
Chief Financial Officer

EICL Limited

Explanatory notes to Condensed Financial Statements for the half year ended September 30, 2014

1) Background

EICL Limited, a Company incorporated in India in 1963, under the Companies Act, 1956, was a 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) (a) Basis of Preparation of Condensed Financial Statements

The Condensed Financials Statements have been prepared and presented under the historical convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"). The Accounting policies used to prepare the condensed financial statements for the half year ended 30 September, 2014 are the same as those used to prepare the annual financial statements for the year ended 31 March, 2014.

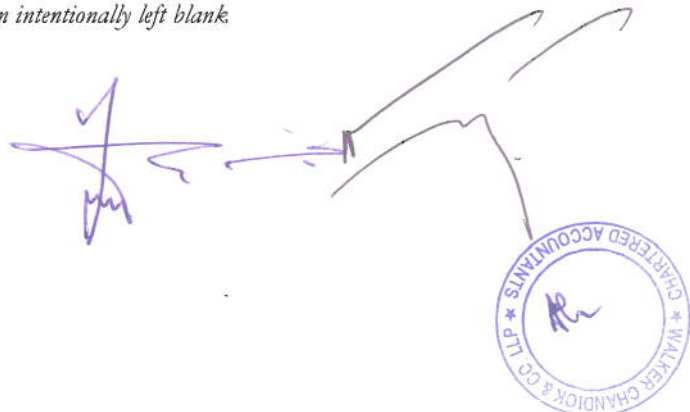
(b) Use of Estimates

In preparing the Company's Condensed 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 reported period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in preparation of these financial statements includes estimates of the economic useful lives of the fixed assets, provision for doubtful debts and advances and accrual for employee benefits.

3) Significant Accounting Polices

The Condensed Financial Statements for the half year ended September 30, 2014 are prepared in accordance with AS 25 'Interim Financial Reporting', prescribed by the Companies (Accounting Standard) Rules, 2006. These condensed financial statements include selected explanatory notes and hence does not include all disclosures as regards for a complete set of financial statements. The accounting policies used to prepare the condensed financial statements for the half year ended September 30, 2014 are the same as those used to prepare the annual financial statements for the year ended March 31, 2014.

This space has been intentionally left blank



A handwritten signature in blue ink is written over a circular stamp. The stamp is purple and contains the text "WALKER CHANDICK & CO. LLP" around the perimeter and "CHARTERED ACCOUNTANTS" at the top. The initials "WC" are written in the center of the stamp.



4) SEGMENT INFORMATION

A. Primary Segment reporting (by business segments)

i. Composition of Business segments

The Company's business segments are organised as under:

a) **Clay products:** Segment manufactures and supplies the clay products to various industries like paper, paint, rubber and fibreglass etc.,

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

The accounting policies applicable to the reportable segment are the same as those used in the preparation of Financial Statements to record revenue and expenditure in individual segments. Segment revenue and expenses include amounts which are directly identifiable to a segment or allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consists primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consists primarily of Creditors and Statutory Liabilities.

Primary segment	CLAY		STARCH		TOTAL	
	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013
Particulars	₹	₹	₹	₹	₹	₹
- Segment revenue						
Gross sales to external customers	1,47,10,91,042	1,34,82,00,726	99,65,48,925	1,01,20,30,841	2,46,76,39,967	2,36,02,31,567
Other income	10,02,919	39,94,172	14,42,836	(9,14,564)	24,45,755	30,79,608
					<u>2,47,00,85,722</u>	<u>2,36,33,11,175</u>
- Segment result (Operating profit)	26,51,26,724	23,12,53,561	4,67,68,483	(2,33,36,319)	31,18,95,207	20,79,17,242
Less:						
Un-allocated (income) / expenses					52,05,196	40,43,835
Interest expense (net)					8,40,46,506	8,83,63,612
Exceptional items					-	-
Income taxes (net)					7,56,08,514	3,96,30,727
					<u>14,70,34,991</u>	<u>7,58,79,068</u>
Net profit as per Statement of Profit and Loss						
- Total carrying amount of segment asset	2,29,67,45,759	2,20,96,18,011	1,25,32,08,317	1,45,09,80,963	3,54,99,54,076	3,66,05,98,974
Un-allocated					6,41,73,106	6,49,46,115
					<u>3,61,41,27,182</u>	<u>3,72,55,45,089</u>
- Segment liabilities						
Un-allocated	25,28,47,366	44,66,24,285	14,44,42,300	55,28,65,605	39,72,89,666	99,94,89,890
					1,41,43,10,764	1,03,82,87,971
					<u>1,81,16,00,430</u>	<u>2,03,77,77,861</u>
- Capital expenditure during the year						
Un-allocated	3,03,61,033	2,70,73,673	3,74,780	7,73,694	3,07,35,813	2,78,47,367
					52,74,482	7,70,403
					<u>3,60,10,295</u>	<u>2,86,17,770</u>
- Depreciation/Amortisation						
Un-allocated	3,90,03,687	4,02,75,267	2,58,32,448	2,52,94,630	6,48,36,135	6,55,69,897
					26,17,374	19,95,874
					<u>6,74,53,509</u>	<u>6,75,65,771</u>

EICL LIMITED

Explanatory notes to the condensed financial statements

5) EARNINGS PER SHARE

The earnings considered in ascertaining the Company's Basic EPS comprises of net profit after tax. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the period. The earnings considered in ascertaining the Company's diluted EPS comprises of net profit after tax as adjusted for expenses and 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.

The computation of Basic and Diluted earning per share is as follows:

Particulars	Three-months ended on		Six-months ended		Year ended March 31, 2014
	September 30, 2014	ended on September 30, 2013	on September 30, 2014	on September 30, 2013	
	₹	₹	₹	₹	₹
a) Weighted average no of Equity Shares of ₹ 2 each					
Number of Equity Shares at the beginning of the year	5,02,76,013	5,02,76,013	5,02,76,013	5,02,76,013	5,02,76,013
b) Net profit after tax					
	8,65,02,385	4,23,52,419	14,70,34,991	7,58,79,068	16,09,91,512
Less : Dividend on 11% Redeemable preference shares	96,52,088	96,52,088	1,93,04,175	1,93,04,175	3,86,08,350
Net profit after tax available to equity shareholders	7,68,50,297	3,27,00,331	12,77,30,816	5,65,74,893	12,23,83,162
c) 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	5,02,76,013	5,02,76,013	5,02,76,013
Number of Equity shares deemed converted at the beginning of the year	-	-	-	-	-
d) Net profit after tax available for potential equity shareholders					
Net profit after tax available to equity shareholders	7,68,50,297	3,27,00,331	12,77,30,816	5,65,74,893	12,23,83,162
Income on dilutive potential Equity shares	-	-	-	-	-
	7,68,50,297	3,27,00,331	12,77,30,816	5,65,74,893	12,23,83,162
e) Basic EPS	1.53	0.65	2.54	1.13	2.43
f) Diluted EPS	1.53	0.65	2.54	1.13	2.43
g) Nominal Value of Equity Share	2.00	2.00	2.00	2.00	2.00

6) CONTINGENT LIABILITIES AND COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 29,437,243 (2013-14 : ₹ 23,880,226).
The other contingent liabilities for the quarter ended September 30, 2014 are the same as those disclosed in the annual financial statements for the year ended March 31, 2014.

