English Indian Clays Limited

Annual Report 2011-12

Corporate Information

CHAIRMAN	MR. KARAN THAPAR
DIRECTORS	MR. S. K. TOSHNIWAL MR. J. K. JAIN MR. VIJAY RAI MR. PRAVEEN SACHDEV MR. T. BALAKRISHNAN (w.e.f. 01.05.2012)
EXECUTIVE DIRECTOR	MR. RAHUL GUPTA
SR. VICE PRESIDENT CORPORATE FINANCE ACCOUNTS & ADMINISTRATION	MR. S. K. JAIN
COMPANY SECRETARY HEAD CORPORATE - LEGAL	MR. P. S. SAINI
AUDITORS	WALKER, CHANDIOK & CO. CHARTARED ACCOUNTANTS
BANKERS	AXIS BANK LIMITED STATE BANK OF INDIA YES BANK LIMITED ICICI BANK LIMITED INDUSIND BANK LTD.
REGISTERED OFFICE	TC-79/4, VELI THIRUVANANTHAPURAM-695 021 KERALA
CORPORATE OFFICE	801-803, TOWER-B, 8TH FLOOR GLOBAL BUSINESS PARK, MEHRAULI-GURGAON ROAD, GURGAON-122 001 (HARYANA)
HEAD OFFICE	N-75, CONNAUGHT CIRCUS NEW DELHI - 110001
WORKS	THIRUVANANTHAPURAM (KERALA) YAMUNANAGAR (HARYANA) SHIMOGA (KARNATAKA)

THE SHARES OF THE COMPANY ARE LISTED ON BOMBAY STOCK EXCHANGE. LISTING FEE FOR THE YEAR 2012-2013 HAS BEEN PAID TO BOMBAY STOCK EXCHANGE LTD.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2012

To,
The Members:

Your Directors have pleasure in presenting the Annual Report with audited statement of accounts for the year ended 31st March, 2012.

(₹ in Crores)

	31st March 2012	31st March 2011
Gross operating Profit (before interest and depreciation)	**56.63**	70.72
Less : Interest	**18.73**	12.98
Gross Profit before Depreciation	**37.90**	57.74
Less : Depreciation	**13.37**	12.36
Profit before tax and exceptional items	**24.53**	45.38
Less : Exceptional Items	**2.22**	-
Tax Expenses :		
Current Tax	**4.96**	13.80
Short (Excess) Provision adjusted	**0.08**	(0.09)
Deferred Tax	**2.44**	1.28
Profit after Tax	**14.83**	30.39
To which is added :		
- Balance brought forward from the previous year	**54.02**	36.36
Leaving a balance of	**68.85**	66.75
Which your Directors recommend to be appropriated as under :		
Interim Dividend Paid		
- Rs.5.50 per Preference Share on 3000000 11% Preference Shares of Rs.100/- each (last year Rs.5.50 on pro-rata basis)	**1.65**	1.65
- @ Re.0.30 per Equity Share of Rs.2/- each (last year Rs.5/- per Equity Share of Rs.10/- each)	**1.51**	2.51
Proposed Dividend		
- @ Rs.5.50 on 3000000 11% Preference Shares of Rs.100/- each (last year Rs.5.50)	**1.65**	1.65
- @ Rs. Nil per Equity Share of Rs.2/- each (last year Rs.5/- per Equity Share of Rs.10/- each)	**-**	2.51
Tax on Dividend	**0.78**	1.37
Transfer to General Reserve	**1.48**	3.04
Carried forward to next year's account	**61.78**	54.02

DIVIDEND

Your Directors recommend a final dividend @ ₹ 5.50 per Preference Share on 30,00,000 11% Cumulative Redeemable Preference Shares, face value of ₹ 100/- each, amounting to ₹ 1,65,00,000/- . However, in view of the reduced profitability of the Company, the Directors do not recommend any final dividend on Equity Share Capital of the Company.

During the year, your Directors had declared and paid an interim dividend @ Re. 0.30 per equity share on 5,02,76,013 Equity Shares of ₹ 2/- each and ₹ 5.50/- per preference share on 11% 30,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each respectively for the year ended 31st March, 2012.

The total outgo on account of dividend including dividend tax of ₹ 78,00,235/-will be ₹ 5,58,83,038/-.

SUBSIDIARY COMPANY

During the year under review, your Company became the subsidiary of M/s DBH International Pvt. Ltd. At present M/s. DBH International Pvt. Ltd is holding 2,56,58,240 Equity Shares of ₹ 2/- each being 51.03% of the total paid up Equity Share Capital of the Company.

OPERATIONS

During the year under review, the operations of your Company were adversely impacted due to slow down in the manufacturing sector. Your Company registered a marginal sales growth of 6% with a turn over of ₹ 378 Crores as against ₹ 356 Crores in the previous year. However, higher cost of raw material particularly maize, and increased cost of fuel and chemicals in both business segments, impacted the overall profits of the Company as the increased cost of inputs and raw material could not be passed on fully to the customers. The profit from operations (PBDIT) has decreased from ₹ 70.72 Crores to ₹ 56.63 Crores. In addition, the significant increase in interest costs by ₹ 5.8 Crores further reduced the PAT to ₹14.83 Crores from ₹ 30.39 Crores in the previous year.

The detailed review of the operations and performance of the Clay and Starch businesses is contained in the Management Discussion and Analysis Report which is appended to the Directors' Report and form part of it.

EXPORTS

The continued thrust on export activities has resulted in an increase in direct exports from ₹ 17.37 Crores to 25.31 Crores showing an increase of about 46%.

NEW PLANTS

Specialty Starch Plant at Shimoga

The Specialty Starch plant being established at Shimoga with a capital outlay of ₹ 45 Crores commenced its commercial production w.e.f. 27-06-2011. In this process, the small unviable unit at Puducherry was shut down and its assets were relocated to Yamunanagar and Shimoga.

Clay project at Bhuj

As reported earlier that the Company was exploring possibility of establishing a clay manufacturing unit at Bhuj, Gujarat, the Company has bought 10.50 Hectares land at Bhuj and is in the process of getting various approvals required for the project.

RESEARCH & DEVELOPMENT ACTIVITIES

The Research and Development activities of the Company has given required impetus in new product development, application support to customers and technical support to plant operation.

Particulars with respect to R&D activities carried out benefits derived, and the expenditure incurred thereon during the year under review are provided in Form B annexed to this report and form part of this report.

FIXED DEPOSITS

On 31st March, 2012 fixed deposits amounting to ₹ 12,63,000/- which became due for repayment had remained unclaimed by 18 depositors.

CORPORATE GOVERNANCE

The Company has complied with the code on corporate governance as prescribed under Clause 49 of the Listing Agreement with Bombay Stock Exchange. A compliance report alongwith Auditor's Certificate conforming the compliance is appended herewith and forms part this report.

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

As required under rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy and detail of Technology absorption in respect of Starch Division is annexed herewith in Form A.

The company has recorded export earnings of ₹ 25.31 Crores and remittance of foreign currency equivalent to ₹ 5.77 Crores towards various purposes details of which have been incorporated in the Notes to Accounts No.35 to 37.

DIRECTORS

Mr. Vijai Rai and Mr. S.K. Thoshniwal, Directors being longest in the Office, are liable to retire by rotation and are eligible for reappointment. The appointment of Mr. Vijay Rai is recommended for your approval. The Profile of Mr.Vijai Rai seeking reappointment, forms part of the Corporate Governance Report. However, Mr. S.K. Toshniwal, who retires by rotation at the ensuing Annual General meeting, has conveyed his desire not to seek re-appointment. Mr. S.K. Toshniwal has been a Director since 1978. The Directors placed on record their gratitude and appreciation for his invaluable contribution during his long association with the Company as a Director.

The Directors whilst acceding to his request, have proposed that the vacancy on the Board so caused, be not filled for the present, and the resolution at Item No. 5 of the Notice seeks Members' consent thereto, as required by Section 256(4)(a) of the Companies Act, 1956.

Mr. T.Balakrishnan was appointed as an Additional Director of the Company w.e.f. 1-5-2012 and he will hold office upto the date of ensuing Annual General Meeting of the Company. A notice U/s 257 of the Companies Act, 1956, proposing his candidature as a Director of your Company, has been received. His appointment as a Director is recommended for your approval. . The Profile of Mr. T. Balakrishnan seeking appointment, forms part of the Corporate Governance Report.

PROMOTER GROUP

The Promoter Group holding in the Company currently is 77.92% of the Company's Equity Capital. The Members may note that the promoter group companies, are controlled by Mr. Karan Thapar, comprising of the following Companies 1) Greaves Cotton Ltd., (2) Premium Transmission Ltd., (3) Pembril Industrial & Engineering Company Pvt. Ltd., (4) DBH International Pvt. Ltd. (5) Karun Carpets Pvt. Ltd., (6) Greaves Leasing Finance Ltd., (7) Dee Greaves Ltd., (8) Bharat Starch Products Ltd., (9) DBH Global Holdings Ltd., (10) DBH Investments Pvt. Ltd., (11) Greaves Farymann Diesel GmbH (12) DBH Consulting Ltd. (13) Greaves Auto Ltd. (14) Greaves Cotton Netherlands B.V. , (15) Ascot International FZC , (16) Premium Transmission Cooperatie UA, (17) DBH Stephan Ltd. and (18) Premium Stephan B.V., Netherlands.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Statement of particular of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended upto date are attached herewith and form part of Directors' Report, as Annexure 'A".

AUDITORS

M/s Walker, Chandiok & Co., Chartered Accountants, the existing Auditors retire and are eligible for reappointment. Their appointment is recommended for your approval.

RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed;

a) That the Company has followed the applicable accounting standards in the preparation of the Annual Accounts for the year ending 31-03-2012 and there is no material deviation from the previous year.

b) That the Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31st March, 2012 and of the profit of the year ended 31.03.2012.

c) That the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;

d) That the Annual Accounts are prepared on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY

The Company has a well defined approach towards Environment Protection and Social Responsibility. Your Company continues to undertake rain water harvesting under which water is provided free of cost to neighbouring villages around Thonnakkal mines. The Company also conducts regular medical camps for the nearby villagers.

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 management staff.

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to express their gratitude and place on record their appreciation for the invaluable support and co-operation extended by Banks/Financial Institutions viz. Axis Bank Ltd., State Bank of India, IndusInd Bank Ltd., ICICI Bank Ltd and Yes Bank Ltd. and Central and State Governments and other Government authorities.

The Directors also express their sincere thanks to all other stakeholders for their valuable continued support to the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Place : Gurgaon **(KARAN THAPAR)**
Date : 01-05-2012 Chairman

F O R M – A

ENERGY CONSERVATION STATEMENT

Power & Fuel Consumption	**2011-12**	2010-11
1. Electricity		
a. Purchased		
Units (KWH)	14,623,897	12,444,635
Total amount (₹ Lacs)	735.00	553.61
Rate/Unit	5.03	4.45
b. Own Generations		
(i) Through Diesel Generator sets		
Units (KWH)	733,587	1,374,762
Units/ Ltr of diesel	2.97	3.01
Cost/unit (Rs)	12.91	11.71
(ii) Through CO-Generation Power Plant (Units)	1,484,150	2,248,184
2. Fuel		
a. Coal and Lignite		
Quantity (MT)	1,076	1,584
Total Cost (Rs. Lacs)	75.15	108.66
Average rate/MT (Rs.)	6,987	6,861
b. Agro waste - Husk, Wood waste etc.		
Quantity (MT)	37,227	38,219
Total Cost (Rs. Lacs)	840	812
Average rate/MT (Rs.)	2,256	2,124
c. Furnace Oil		
Quantity (per '000 KL)	187	10
Total Cost (Rs. Lacs)	75.26	3.16
Average rate (Per KL) (Rs)	40,259	32,595
Consumption/MT of production		
i) Electrcity (UNITS/MT)	303	287
ii) Fuel		
a. Coal and Lignite (Kg)	19.4	28.3
b. Agro waste - Husk, Wood waste etc. (Kg)	669.9	683.6
c. Furnace Oil (KL)	3.4	0.2

FORM – B

1. Specific Areas in which R & D Carried out by the Company.

Clay Division

(a) Established new process techniques for the removal of other minerals from clay.

(b) Developed delaminated clay for barrier applications.

(c) Identified new applications for surface treated hydrous clay

Starch Division

a) Development of single shot textile sizing starch and its variants.

b) Process improvement of Textile starches through alternate process.

c) Development of modified starch for Gypsum Board application.

d) Development of Partial Pre-Gel Starch as Pharmaceutical excipient.

2. Benefits derived as a result of the above Research & Development :-

Clay Division

(a) Utilization of low quality matrix.

(b) Residue upgradation.

(c) Opened up new market.

Starch Division

a) Increased market share of textile starch with higher contribution.

b) Enhance product quality, consistency and production capacity.

c) Entry into a new segment and export.

d) Substituted imported excipient with higher contribution.

3. Future Plan of Action :-

Clay Division

(a) Development of Non-kaolin products.

(b) Establishing new areas of applications

(c) Commercialization of new products

Starch Division

a) Maize starch based oil-well drilling starch.

b) Maize starch based coal binder.

c) Development of Sodium and Calcium gluconate for pharmaceutical use.

d) Development of cold water soluble adhesive for paper sack application.

4. Expenditure on R & D :-

	31st March, 2012 (Rs.)	31st March,2011 (Rs.)
a) Capital	**41,04,099/-**	54,32,014/-
b) Recurring	**1,91,96,934/-**	1,32,78,804/-
c) Total	**2,33,01,033/-**	**1,87,10,818/-**
d) R&D Expenditure as a percentage of Total turnover	0.59	0.51

ANNEXURE 'A'

Information pursuant to Section 217 (2A) read with the Companies (Particulars of Employees) Rules,1975, as amended and forming part of the Directors' Report for the financial year ended March 31, 2012.

Sr. No.	Name	Designation	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment held
1	Mr. Rahul Gupta	Executive Director	8,304,600	B.Tech (IIT.Delhi) MS(Chemical Engg.)	37Years	02.03.2009	58	Usha Martin Limited
2	Mr. Praneet Mehrish	Sr. Vice-President (Corp.HR)	6,567,820	PGD (PM & IR) (Xavier Institute of Social Service)	32 Years	01.06.2010	56	Essar Steel

Notes

1 Gross Remuneration includes Salary, Allowances, Peformance Incentive, Leave Travel Concession, Company's Contribution to Provident Fund, Leave Salary, Gratuity paid, if any, and taxable value of perquisites, wherever applicable.

2 None of the employees listed above, is a relative of any Director of the Company.

3 The appointment of Mr. Rahul Gupta, Executive Director is contractual.

CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability in the overall functioning of the Company to carry on its objectives. The internal systems and policies adopted by the Company are within accepted standard for attaining better performance in the functioning of the Company and conducts of business. The policies adopted by the Company are ensuring protection of interest of various constituents such as shareholders, customers, employees and creditors. Your Company is in compliance with the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors

The Company has optimum combination of executive and non executive Directors. The Board of Directors consist of six directors, comprising of a Non-Executive Chairman, an Executive Director and four Non-Executive/independent Directors as on 31-03-2012. The composition of the Board, attendance of the Directors at the Meetings and also other directorships/memberships of the Committees, are as follows :

Name of the Directors	Category of Director	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Committee Memberships	
					As a Member	As a Chairman
Mr. Karan Thapar	Chairman (Non-Executive Promoter)	4	No	8	2	-
Mr. S.K. Toshniwal	Non-Executive Independent	4	Yes	2	-	1
Mr. Vijay Rai	Non-Executive Independent	4	Yes	8	3	1
Mr. J.K. Jain	Non-Executive Independent	4	No	2	3	0
Mr. P.Sachdev	Non-Executive Independent	4	No	3	3	-
Mr. Rahul Gupta	Executive Director	4	No	-	1	-

As on 31-03-2012, the Directors of the Company are not related to each other and are independent of each other.

2.2 Board Meetings

The meetings of the Board of Directors of the Company are usually held at Company's Corporate Office at Gurgaon and generally chaired by Mr. Karan Thapar, Chairman of the Company. During the year, the Company held four Board Meetings on 27th April, 2011, 25th July, 2011, 25th October, 2011 and 2nd February, 2012.

3. AUDIT COMMITTEE

3.1 Composition

The Audit Committee comprises of three Independent Directors viz. Mr. Vijay Rai, Mr. J.K. Jain and Mr. P.Sachdev. Mr. Vijay Rai is appointed by the Committee as the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. The Executive Director and Senior Vice President (Corporate Finance, Accounts & Administration) are the permanent invitees at the Committee Meetings.

During the year, the Committee met four times, on 27th April, 2011, 25th July, 2011, 25th October, 2011 and 2nd February, 2012.

Attendance of the Members at the Committee Meetings was as under :-

Name	Number of Meetings attended
Mr. Vijay Rai	4
Mr. J.K. Jain	4
Mr.P. Sachdev	4

3.2 Terms of Reference

The terms of reference of the Audit Committee inter alia, include the following :

- To discuss with the Auditors both Internal Auditors as well as Statutory Auditors on adequacy of internal controls in systems and procedures.
- Adherence to significant Accounting Policies and compliance with the Accounting Standards.
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Internal as well as Statutory Auditors and the fixation of audit fees and fees for other services rendered by the Auditors.
- To review periodic financial results before submission to the Board with particular reference to;
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by Management.
  - Any qualification in draft audit report.
  - Compliance with Accounting Standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
- Review of financial reporting system.
- Ensuring regulatory compliances.
- To review the related party transactions.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To investigate any activity within its terms of reference.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders Grievance/Share Transfer Committee comprises of Mr. S.K. Toshniwal as Chairman of the Committee and Mr. Karan Thapar, Mr. Rahul Gupta, Executive Director and Mr.P. Sachdev as other members of the Committee.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, redressing of investor's complaint such as non receipt of shares/dividends etc. and other matters related to shares of the Company.

Mr. P.S. Saini, Company Secretary is the Compliance Officer of the Company. During the year, the Committee has not met since there was no request for transfer and transmission of shares and complaint from the shareholders.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of following three Directors;

1. Mr. J.K. Jain, Chairman
2. Mr. Vijay Rai, Member
3. Mr.Rahul Gupta, Executive Director

During the financial year 2011-12, the Committee met two times. The Company has well defined Risk Assessment and Minimization Policy duly approved by the Board of Directors of the Company. The Committee evaluated the anticipated risks associated with the affairs of the Company and the necessary steps had been taken to mitigate/ minimize the risks.

6. REMUNERATION TO DIRECTORS

A. Executive Director **(Amount in ₹)**

	Salary	Perquisites	Retirement Benefits	Commission	Total
MR. RAHUL GUPTA	78,54,000/-	54,600/-	3,96,000/-	--	83,04,600/-

B. Non-Executive Directors

I. **(Amount ₹)**

Name	Sitting Fees
Mr. Karan Thapar	80,000/-
Mr. S.K. Toshniwal	80,000/-
Mr. Vijay Rai	1,80,000/-
Mr. J.K. Jain	1,60,000/-
Mr. P. Sachdev	1,20,000/-

II. **(Amount ₹)**

Chairman	Commission
MR. KARAN THAPAR	23,85,142/-

The members of the Company in their Annual General meeting held on 08-09-2009 approved the payment of Commission @ 1% per annum, in aggregate, to the Non-Executive Directors of the Company u/s 309 of the Companies Act, 1956 on the Net Profit of the Company as calculated u/s 349 and 350 of the Companies Act, 1956. Keeping in view the overall involvement of Shri Karan Thapar, Chairman of the Company in the affairs of the Company's business, the Directors resolved to give 1% commission to Shri Karan Thapar.

III. Director's Shareholding

The following non-executive directors are holding shares in the Company as on 31 03-2012 :-

	No. of Shares
1. Mr. Karan Thapar	72000
2. Mr. Vijay Rai	12836
3.Mr. S.K. Toshniwal	6875

7. GENERAL MEETINGS

Last three Annual General Meetings were held as under :-

Financial year Ended	Date of Meeting	Time	Venue
31st March, 2011	10th June, 2011	11.00 a.m	TC-79/4, Veli, Thiruvananthapuram, Kerala
31st March, 2010	29th June, 2010	11.30 a.m.	TC-79/4, Veli, Thiruvananthapuram, Kerala
31st March, 2009	8th September, 2009	11.30 a.m.	TC-79/4 Veli, Thiruvananthapuram, Kerala

A Special resolution under Section 309 read with Section 198 of the Companies Act, 1956 approving payment of 1% Commission to Non-Executive Directors on net profit of the Company as calculated U/s 349 & 350 of the Companies Act, 1956 for a period of 5 years commencing from 1st April, 2009 was unanimously passed in the Annual General Meeting held on 8th September, 2009.

A Special resolution approving issue of 10,00,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each u/s 81(1-A) of the Companies Act, 1956 was unanimously passed in the Annual General Meeting held on 8th September, 2009.

A Special resolution under Section 16, 31 and 94 of the Companies Act, 1956 approving alteration of Clause V of Memorandum of Association and Article 5 of Articles of Association of the Company for the substitution of increased Authorised Capital from Rs. 380,000,000/- to 480,000,000/- was unanimously passed in the Annual General Meeting held on 29th June, 2010.

A Special resolution approving sub-division of Equity Shares of Rs.10/- each into Equity Shares of Rs. 2/- each was unanimously passed in the Annual General Meeting held on 29th June, 2010.

A Special resolution approving issue of 27,931,119 Bonus Equity Shares of Rs. 2/- each in the ratio of 5:4 by utilizing Capital Redemption Reserve was unanimously passed in the Annual General Meeting held on 29th June, 2010.

There is no special resolution passed through postal ballot during the last year.

8. DISCLOSURES

a. Related Party Transactions

With respect to the detail of related party transactions of material nature, a suitable disclosure as required by Accounting Standard (AS-18) has been made in the Annual Report. All the directors have disclosed their interest in Form 24AA pursuant to section 299 of the Companies Act, 1956 and as and when any changes in their interest take place, they are placed before the Board at its meetings.

The Company did not have any material significant related party transaction which may have potential conflict with the interest of the Company.

b. Compliance by the Company

There were no instances of non-compliance of any requirements of the Stock Exchange, SEBI and other statutory authorities on any matters relating to capital market during the last 3 years ending March 31, 2012

c. Code of Conduct

The Company's Code of Conduct as adopted by the Board of Directors of the Company at its meeting held on 28th October, 2005 is a comprehensive Code laying down in detail the standards of business conduct, ethics and governance. The Code is available on the Company's Website: www.eicl.in.

The Code has been circulated to all the members of the Board and the Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Executive Director of the Company is given below :

"I hereby confirm that all Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2012".

Sd/-
Place : Gurgaon Rahul Gupta
Date : 01- 05- 2012 Executive Director

d. CEO/CFO Certification

The Executive Director and Senior Vice President (Corporate Finance & Accounts and Admn.) Have signed a joint certificate accepting responsibility for the financial statements and confirming the effectiveness of the internal control systems, as required in Clause 49 of the Listing Agreement as per Annexure 1.

9. MEANS OF COMMUNICATION

The Company usually publishes quarterly, half-yearly and annually, its financial results in Cochin edition of *Financial Express* in English and *Mangalam* in Malayalam Language. The said result are promptly furnished to the stock exchange for display on their website and are also displayed on the Company's website : www.eicl.in.

Information about the Company in general, management, its financials, its products etc. can be accessed at the Company's website.

Management Discussion and Analysis Report is appended and form part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Disclosures regarding re-appointment of Directors

a. Mr. Vijay Rai

Mr. Vijay Rai aged 66 years is B.Tech in Mechanical Engineering from I.I.T., Kharagpur. He has rich experience of over 41 years in different Industries including Industrial Chemicals, Pharmaceuticals and Engineering. He was the Vice President of Bombay Chamber of Commerce & Industry and member of several industry associations. He has been associated with the Company from the year 2000. He holds 12836 Equity Shares in the Company.

Other Directorships

1. Punjab Chemicals and Crop Care Ltd.
2. Akola Chemicals (India) Ltd.
3. Greaves Cotton Ltd.
4. Greaves Leasing Finance Ltd.
5. Princeware Industries International Pvt. Ltd.
6. Sri Biotech Laboratories Ltd.
7. Polygel Industries Pvt. Ltd.
8. Tech Pak Ltd. (Nairobi, Kenya)
9. Princeware Africa Ltd. (Tanzania)

Committee Memberships

Audit Committee

1. English Indian Clays Ltd. - Chairman
2. Greaves Cotton Ltd.
3. Punjab Chemical & Crop Care Ltd.

Shareholders Grievance Committee

1. Greaves Cotton Ltd.

b. Mr. T. Balakrishnan

Mr. T. Balakrishnan aged 61 years was appointed as an Additional/ Independent Director on the Board of the Company w.e.f. 1st May, 2012 and his appointment is proposed as Director of the Company u/s 257 of the Companies Act 1956. After a distinguished academic career leading to Masters Degree from Delhi University, Mr. T. Balakrishnan entered the Indian Administrative Service in the year 1980. Assigned to the Kerala Cadre, after the standard field tenures in sub divisions and districts, he was on the Board of public/private sector undertakings like Travancore Titanium Products Ltd. Transformers & Electricals Kerala Ltd, Kerala Minerals & Metals Ltd., Hindustan News Print Ltd., Indian Rare Earth Ltd etc. as Government nominee. He served as an Additional Chief Secretary to Government of Kerala, before retiring in 2011. At present he is the Managing Director of M/s. INKEL Ltd. and continues to serve as Director on the Boards and Governance committees of well known Government/Public companies. Mr. T. Balakrishnan is not holding any shares in the Company and holds Directorship in following Companies:

Other Directorships

1. Kerala High Speed Rail Corporation Ltd.
2. Kerala State Industrial Development Corporation(KSIDC)
3. INKEL Ltd

10.2 Forthcoming Annual General Meeting

The Forty Eighth Annual General Meeting of the Company is scheduled to be held on Friday, 22nd June, 2012 at TC-79/4, Veli, Thiruvananthapuram, Kerala at 11.00 a.m. inter-alia, to consider and adopt the Annual Accounts for the year ended 31st March, 2012.

10.3 Financial Calendar

The financial year - 1st April to 31st March

Announcement of financial results

For year ended 31st March, 2012 on 01 - 05 - 2012.

The Board of Directors had declared an interim dividend @ Re 0.30 per equity share on 50276013 Equity Shares of Rs.2/- each and Rs.5.50/- per Preference Share on 11% 30,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each respectively for the year ended 31st March, 2012 . The said interim equity dividend was paid on 21-11-2011.

The Board of Directors have recommend a final dividend @ Rs.5.50/- per preference share (Rs.5.50 per preference share as an interim dividend is already paid) on 11% 30,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each respectively for the year ended 31st March, 2012.

The quarterly/half yearly results for the financial year 2012-13 will be announced as follows :-

First Quarter ending 30th June, 2012 by 14th August, 2012

Half yearly ending 30th September, 2012 by 14th November, 2012.

Third Quarter ending 31st December, 2012 by 14th February, 2013.

Annual audited results by 30th May, 2013.

10.4 BOOK CLOSURE

The Register of Members of the Company will remain closed from 21-06-2012 to 22-06-2012 (both days inclusive).

10.5 LISTING ON STOCK EXCHANGE & SHARE CODE NO.

The Shares of the Company are listed on the Bombay Stock Exchange Ltd. as per details given below :-

Name	Address	Stock Code
Bombay Stock Exchange Ltd	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001	526560

10.6 MARKET PRICE DATA – Bombay Stock Exchange

MONTH	HIGHEST (Rs.) OF THE MONTH	LOWEST (Rs.) OF THE MONTH
April, 2011	61.70	44.55
May, 2011	60.70	47.00
June, 2011	51.00	42.20
July, 2011	51.40	43.35
August, 2011	48.70	31.60
September, 2011	39.50	31.75
October, 2011	35.00	30.05
November, 2011	38.40	33.00
December, 2011	36.00	32.10
January, 2012	40.80	34.00
February, 2012	47.60	36.95
March, 2012	45.90	38.00

10.7 REGISTRAR AND SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-106, Sector -2, Noida - 201 301, U.P.
Phone : 0120-4015880 Fax : 0120-4015839
Email : shares@rcmcdelhi.com

10.8 SHARE TRANSFER SYSTEM

Share lodged in physical form for transfer/Transmission, are usually transferred/Transmitted within 15 days, if the documents are clear in all aspects. Requests received for dematerialization of shares are processed and the confirmation is given by the Registrar & Transfer Agent to the Depositories within 21 days.

10.9 DISTRIBUTION OF EQUITY SHAREHOLDING PATTERN AS ON MARCH 31, 2012

CATEGORY	NO. OF SHARES OF Rs. 2/- EACH	PERCENTAGE
Promoters	39174603	77.92
Indian Institutional Investors	0	-
Other Bodies Corporate	2370616	4.72
Foreign Institutional Investors	2993544	5.95
NRIs/OCBs	103417	0.21
Mutual Funds	0	-
General Public	5605366	11.14
Directors & Relatives	28467	0.06
TOTAL	**50276013**	**100**

10.10 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

Shareholding of Nominal value (Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	15816	98.10	3834730	7.63
5001-10000	152	0.94	530753	1.06
10001-20000	82	0.51	543953	1.08
20001-30000	31	0.19	370339	0.74
30001-40000	5	0.03	87817	0.17
40001-50000	11	0.07	245887	0.49
50001-100000	12	0.07	423685	0.84
100001 & above	14	0.09	44238849	87.99
TOTAL	**16123**	**100**	**50276013**	**100**

10.11 DEMATERIALISATION OF SHARES

The Equity Shares of the Company can be traded on the Bombay Stock Exchange only in dematerialized form.

The ISIN Number allotted to Equity Shares is INE 267F01024.

As on March 31, 2012, 49,800,327 Equity Shares being 99.05% of the total Equity Shares Capital are in dematerialized form with NSDL/CDSL.

10.12 PLANT LOCATIONS

UNIT	ADDRESS
Clay Unit	TC-79/4, Veli, Thiruvananthapuram – 695 021, KERALA
Corn Wet Milling Unit	Radaur Road, P.O. Yamunanagar 135 001, HARYANA
Specialty Starch Unit	Plot No 145, SEZ Road Machenahalli Indusrial Area, Nidige Post, Shimoga 577222, KARNATAKA.

10.13 ADDRESS FOR CORRESPONDENCE

English Indian Clays Ltd.
TC-79/4, Veli,Thiruvananthapuram 695 021, KERALA
Phone : (0471) 741133, 741833,
Fax : (0471) 742233 Email : sect@eicl.in

English Indian Clays Ltd.
Global Business Park, 801-803, Tower-B,
M.G. Road, Gurgaon 122 001, Haryana
Phone : (0124) 280 3379-83
Fax : (0124) 280 3372 Email : sect@eicl.in

11. NON MANDATORY REQUIREMENT

The Company has provided and maintained a Chairman's Office with requisite facilities, for use by its Non-Executive Chairman, at the Company's expense. The Company also reimburse all expenses incurred in his furthering the Company's business interest.

For & on behalf of the Board
Sd/-
KARAN THAPAR
Chairman

Place : Gurgaon
Date : 01-05-2012

EXECUTIVE DIRECTOR AND CFO CERTIFICATION

To,
The Board of Directors
English Indian Clays Ltd.

We, Rahul Gupta, Executive Director and S.K. Jain, Sr. Vice President (Corporate Finance & Accounts), responsible for the finance function certify that :

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware, and the steps have been taken to rectify these deficiencies.

d) We have also indicated to the Auditors and the Audit Committee that :

   i) There has not been any significant change in internal control over financial reporting during the year under reference;

   ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii) We are not aware of any instance of fraud during the year with involvement therein of the management or any employee having a significant role in the Company's internal control system with respect to financial reporting.

Sd/-
RAHUL GUPTA
Executive Director

Sd/-
S.K. JAIN
Sr.Vice President
(Corpt. F&A)

Place : Gurgaon
Date : 01-05-2012

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members
English Indian Clays Limited

We have examined the compliance of conditions of Corporate Governance by English Indian Clays Limited (“the Company”) for the year ended on March 31, 2012, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and as per representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

Sd/-
per **David Jones**
Partner
Membership No. 98113

Place: Gurgaon
Date : May 1, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Competitive and External Environment

a. The growth in manufacturing slowed down significantly to 3.7% from 8.7% last year. The industry segments of concern to EICL that are impacted adversely, were Paper & Board (throughout the year) and Paint (during peak season in Q3). In addition, the recession in Textile Industry continued. Superimposed on the above was the inception of the down turn in the Starch commodity cycle from August 2011 onwards, the significant increase in fuel prices, and imposition of anti dumping duty on some of the major imported chemicals.

b. The macro economic environment is not very healthy. The company is impacted in the short-medium term by higher interest rate and increasing cost of fuel and chemicals. On the positive side, exports are becoming increasingly more viable, and the company is focusing sharply on leveraging this opportunity.

c. There is an increasing competition in Calcined Clay Business segment from a few smaller companies that have commenced commercial production in Gujarat. The company has responded by setting up warehouses in strategic locations to offset the long delivery cycle in Kerala. The Company has also acquired land in Bhuj for setting up a manufacturing facility.

d. There is increasing competition in the modified starch business segment from domestic players who have, like us, migrated up the value chain. The Company is responding by increased effort in developing of import substitution products and applications; also in development of export markets in Asia and Africa. It is expected that the high oil prices will drive some switch back to Starch from the petroleum based substitutes.

e. A number of multinational majors have been actively looking at manufacturing opportunities in India. While in Clay Business the raw material integration is creating an entry barrier, in Starch Business there are reports of M&A activity in process. The Company is tracking these developments carefully and is taking appropriate measures to protect its market positioning. The commissioning of the modern facility at Shimoga (Karnataka) is a step in this direction.

2. Overall Performance

a. Net Sales Turnover increased to Rs. 378 Cr., showing growth of 6% over the previous year. EBIDTA and PAT declined by 20% and 50% to Rs. 57 Cr. and Rs.15 Cr. respectively, mainly due to the adverse business environment.

b. The Greenfield Specialty Starch plant was commissioned during the year at Shimoga, Karnataka at expense of approx. Rs. 45 cr. The smaller unviable Unit at Pondicherry was shut down and assets relocated to Yamuna Nagar and to Shimoga. This would result in a more competitive fixed cost base. The settlement expenses relating to employees have been provided in the P&L statement.

c. Various modernization projects were undertaken at total expense of approx. Rs. 10 Cr. at all the locations towards reduction in energy costs, other operating cost, and production of higher level of Value Added Products.

d. The land bank of Kaolin raw material at Kerala continued to be augmented. Total committed during the year was approx. Rs. 8 Cr. In addition, various opportunities were also explored outside Kerala and outside India.

e. The Company's R&D Unit continued to play a key role in developing new products, and new applications; also in offering application support to the customers. The new products that were developed and commercialized included Delaminated Clays, high DS Starch, and One Shot Starch formulation for Textile sizing.

f. Direct export of Starch products was commenced during the year with notable success in the mid east region. It is expected that 2012-13 would be the year of growth in the export activity.

3. **Segment Wise Business Performance**

(₹ Crores)

	2010-11			**2011-12**		
	Starch	**Clay**	**Total**	**Starch**	**Clay**	**Total**
Net Sales	165.81	189.43	355.24	172.75	205.33	378.08
EBIDTA	16.56	55.19	71.75	8.20	49.19	57.39
EBIT	12.55	47.45	60.00	3.90	40.67	44.57

The Cash un-allocable expenses for the year were ₹ 0.76 Cr.

a. **Clay**

i. The Sales of the Clay Business were flat in volume terms and 8% higher in Sales realization due to higher price and richer product mix. Export volumes grow by about 10%.

ii. The margins reduced substantially due to fuel and chemicals price increase, which could not be fully passed on. The R&M expenses were also higher than the earlier years due to the campaign to reduce downtime through predictive maintenance.

iii. The commercialization of delaminated Clay products developed by in-house R&D augers well for future growth.

iv. The plant at Kollam, acquired from Wolkem, has been found to be unviable due to various external and internal factors. It is intended to be closed down.

b. **Starch**

i. There was a marginal increase of 3% in net Sales, resulting from increase in Sales realization.

ii. The margins reduced very significantly due to higher raw material and fuel cost which could not be passed on due to the depressed off-take from the paper and other industry segments; also due to the slow pace of product approval from the newly commissioned Shimoga plant, which incurred EBIDTA loss during the Financial Year.

iii. The peaceful closure of Pondicherry plant was successfully completed during the year. There was however, some production loss during the process of plant relocation.

4. **Outlook for 2012-13**

a. The macro economic environment has shown no sign of recovery and the market growth forecast has been scaled down to about 6-8% for Clays and 4-5% for modified Starches.

It is expected that there would be further currency devaluation leading to higher fuel and chemical prices.

Interest rates may reduce marginally during the course of the year.

b. The competitive environment is expected to remain at the present level with no significant capacity increase during the coming year, other than in Calcined Clay and in Paper Starches.

c. Considering the above factors, no significant capacity increase is being planned during the year. Focus will be on consolidation, improving the operating efficiency and capacity utilization.

d. Shimoga plant is expected to reach 80% capacity utilization by Q3, thereafter no longer incurring cash losses.

e. Overall, we expect to recover from the dip experienced during 2011-12, in both businesses.

f. Various areas of diversification and growth are under study and there are expected to take shape by H2 of 2012-13, for following year implementation.

5. **Internal Control Systems**

The Company has a structured system of internal controls to ensure compliance with applicable statutory laws and regulations as also internal policies. The Company has in place the following mechanism:

a. Monthly and Quarterly Reviews of each Division's performance by Senior and Top Management.

b. Biannual Internal Audits of all Divisions.

c. Quarterly Review of efficacy of Internal Audits and Company performance by the Audit Committee of the Board.

d. Regular reporting to the Board on investor related matters as well as fulfillment of SEBI Listing Agreement requirements and other Corporate Laws.

e. All Units are linked and operating on SAP ERP.

f. All Divisions (other than new Unit at Shimoga) continued to be certified for ISO 9001:2000 compliance and Yamunanagar Starch division is also certified for Operational HACCP Specification MI-H02.

6. Human Resources

Recruitment and Retention of human resource capital is a major challenge in India today, more so for smaller companies and at factory location.

In order to meet the strategic objective of profitable growth, following initiatives have been taken up and continued.

1. Structured training on Managerial Skill Development for Middle and Senior Management.

2. Development of leadership capabilities amongst Senior Management team, through training, exposure, job rotation etc.

3. Recruitment of young managers (including Management and Engineering trainees) as a corporate pool.

4. Induction of Senior Management professionals in critical gap areas.

7. Risks and Concerns

a. The company's risk profile is renewed bi-annually by a Risk Audit Committee comprising of three Board Members.

b. Both businesses are sensitive to energy prices due to high level of fuel intensiveness. Various energy conservation measures have been implemented and being implemented, to mitigate the impact of the rising energy cost.

c. The economic slowdown has resulted in supply exceeding demand in Starch business. Simultaneously, the entry of new players in the Clay market has created further competitive pressure. The company is focusing on exports and on new application development to reduce the impact of these external factors

d. There is a public hostility on mining activity. The company is spending considerable effort in carrying out mining in a safe and environment friendly way, and in addition taking care of the needs of the community.

8. Corporate Social Responsibilities

a) The Company continued to pursue its agenda on social responsibility during the year. The Rain Water Harvesting scheme is working efficiently and the water stored in the reservoir is shared with surrounding villages.

b) The Company also regularly conducts Medical Camps for the villages around the various Mines and factories.

9. Statement of Caution

Representations and statements made under 'Management Discussions and Analysis' is based on the projection and expectation on the basis of the present market conditions. Actual results may materially differ due to several factors which could influence the Company's business operations such as demand and supply conditions, prices of input, changes in Government levies and regulations, industrial relations and other economic developments in the country.

Auditors' Report

To,
The Members of English Indian Clays Limited

1. We have audited the attached Balance Sheet of **English Indian Clays Limited** (the 'Company') as at March 31, 2012, the Statement of Profit and Loss and also the Statement of Cash Flows for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to above, we report that:

   a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

   e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and 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, in the case of:

      i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      ii) the Statement of Profit and Loss of the profit for the year ended on that date; and

      iii) the Statement of Cash Flows, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.001076N

Sd/-
Per **David Jones**
Partner
Membership No. 98113

Place: Gurgaon
Date : May 1, 2012

Annexure to the Auditors' Report of even date to the members of English Indian Clays Limited on the financial statements for the year ended March 31, 2012

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification 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) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) Physical verification of inventory (except stocks lying with third parties, confirmations for which have been obtained and stocks in transit) have been conducted at reasonable intervals by the management.

(b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.

(b) The Company has taken unsecured loans from parties covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was ₹ 22,875,000 and the year-end balance was ₹ 22,865,000.

(c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(d) In respect of loans taken, repayment of principal amount is as stipulated and payment of interest has been regular.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.

(b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prevailing market prices at the relevant time.

(vi) In our opinion, the Company has complied with the provisions of sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of the Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

(ix) (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. 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 sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess, etc. on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses claimed relating to lease transactions	₹ 13,317,940	AY 1996-1997	High Court of Kerala
Income Tax Act, 1961	Non deduction of tax on commission paid on export sales	₹ 733,590	AY 2004-2005	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Non deduction of tax on commission paid on export sales	₹ 668,551	AY 2005-2006	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Non deduction of tax on commission paid on export sales	₹ 701,603	AY 2006-2007	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Misclassification of maize starch	₹ 63,494,596	April 1, 1997 to December 18, 2001	CESTAT, New Delhi
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	₹ 54,905,715	Year 2000 to 2004	CESTAT, New Delhi
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	₹ 52,464,020 (out of this amount paid is ₹ 1,241, 379)	Year 2000 to 2004	CESTAT, New Delhi

(x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) In our opinion, the Company has not defaulted in repayment of dues to any bank or financial institution. The Company has no dues payable to debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) The Company has given guarantee for loans taken by others from banks the terms and conditions where of in our opinion are not prima facie prejudicial to the interest of the Company.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.

(xvii) In our opinion, funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.001076N

Sd/-
per **David Jones**
Partner
Membership No. 98113

Place: Gurgaon
Date : May 1, 2012

Balance Sheet as at	Notes	March 31, 2012 ₹	March 31, 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	400,552,026	400,552,026
Reserves and surplus	3	1,142,975,696	1,050,419,019
		1,543,527,722	**1,450,971,045**
Non current liabilities			
Long term borrowings	4	586,981,520	398,291,000
Deferred tax liabilities (net)	5	228,043,125	203,680,112
Other long term liabilities	6	13,892,863	17,652,787
Long term provisions	7	18,610,660	24,514,762
		847,528,168	**644,138,661**
Current liabilities			
Short term borrowings	8	505,177,602	384,101,609
Trade payables	9	307,969,604	303,283,437
Other current liabilities	10	477,592,476	561,551,960
Short term provisions	11	54,925,724	84,950,282
		1,345,665,406	**1,333,887,288**
TOTAL		**3,736,721,296**	**3,428,996,994**
ASSETS			
Non current assets			
Fixed assets	12		
Tangible assets		2,430,538,224	2,019,863,486
Intangible assets		5,439,191	3,615,375
Capital work in progress		85,264,661	312,297,219
Non current investments	13	500,000	500,000
Long term loans and advances	14	80,992,990	86,125,272
Other non-current assets	15	5,411,028	8,625,665
		2,608,146,094	**2,431,027,017**
Current assets			
Inventories	16	425,428,310	366,203,484
Trade receivables	17	463,196,755	460,420,933
Cash and cash balances	18	56,190,042	52,104,393
Short term loans and advances	19	144,161,361	117,714,565
Other current assets	20	39,598,734	1,526,602
		1,128,575,202	**997,969,977**
TOTAL		**3,736,721,296**	**3,428,996,994**

Statement on 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, Chandiok & Co**
Chartered Accountants

Sd/-
David Jones
Partner

Place : Gurgaon
Date : May 1 , 2012

Sd/-
S K Jain
Sr. Vice President
Corporate Finance,Accounts & Administration

Sd/-
Karan Thapar
Chairman

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

Sd/-
Rahul Gupta
Executive Director

Statement of Profit & Loss for the year ended	Notes	March 31, 2012 ₹	March 31, 2011 ₹
INCOME			
Revenue from operations (gross)	21	3,901,358,749	3,671,100,170
Less: Excise duty		120,506,701	109,601,889
Revenue from operations (net)		**3,780,852,048**	**3,561,498,281**
Other income	22	18,443,422	17,599,524
Increase in inventories of finished goods and work in progress	23	51,654,776	4,795,069
Total income		**3,850,950,246**	**3,583,892,874**
EXPENSES			
Cost of materials consumed		1,583,948,266	1,420,970,139
Purchase of traded goods		48,942,079	-
Employee benefit expenses	24	362,528,753	321,299,495
Finance costs	25	187,342,948	129,778,256
Depreciation and amortisation expense	12	133,680,240	123,636,870
Other expenses	26	1,289,205,928	1,134,403,714
Total expenses		**3,605,648,214**	**3,130,088,474**
Profit before tax and exceptional items		245,302,032	453,804,400
Exceptional items	27	22,169,932	-
Profit before tax and after exceptional items		**223,132,100**	**453,804,400**
Tax expense:			
- Current tax		49,601,383	138,000,000
- Tax earlier years		800,000	(900,388)
- Deferred tax		24,363,013	12,799,540
Profit for the period		**148,367,704**	**303,905,248**
Earnings per share:	28		
Basic		2.19	5.28
Diluted		2.19	5.23
Statement on significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements.
This is the statement of profit & loss referred to in our report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

Sd/-
David Jones
Partner

Place : Gurgaon
Date : May 1 , 2012

Sd/-
S K Jain
Sr. Vice President
Corporate Finance,Accounts & Administration

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

Sd/-
Karan Thapar
Chairman

Sd/-
Rahul Gupta
Executive Director

Statement of Cash Flows for the year ended	March 31, 2012 ₹	March 31, 2011 ₹
A. Cash flow from operating activities:		
Net profit before tax	223,132,100	453,804,400
Adjustments for:		
Depreciation	133,680,240	123,636,870
Interest expense	196,322,621	131,995,206
Interest income	(3,290,600)	(2,216,950)
Unrealised exchange fluctuation	(1,593,957)	(611,533)
Loss/(profit) on sale of fixed assets (net)	2,358,526	(1,603,496)
Debts/advances written off	176,088	-
Provision for bad & doubtful debts/advances	2,878,616	6,982,959
Liability no longer required written back	(5,394,103)	(4,027,265)
Government grant	(267,818)	(267,818)
Operating profit before working capital changes	**548,001,713**	**707,692,373**
Adjustments for changes in working capital :		
- Movement in Sundry debtors	(4,247,476)	(79,091,681)
- Movement in other receivables (current and non current)	(14,451,619)	(40,660,748)
- Movement in inventories	(59,224,826)	(71,187,185)
-Movement in trade and other payables (current and non current)	779,655	20,079,410
Cash generated from operations	**470,857,447**	**536,832,169**
Direct taxes paid	(54,049,641)	(137,028,773)
Net cash generated from operating activities	**416,807,806**	**399,803,396**
B. Cash flow from investing activities:		
Additions to fixed assets and capital work in progress	(365,609,094)	(392,243,526)
Proceeds from sale of fixed assets	6,390,040	16,776,734
Investment/ (withdrawl) in fixed deposits with banks	8,649,633	(16,026,379)
Dividend accounts	32,282	(395,608)
Interest received	2,932,759	2,068,229
Net cash used in investing activities	**(347,604,380)**	**(389,820,550)**
C. Cash flow from financing activities:		
Proceeds from borrowings		
- Receipts	427,535,000	350,000,000
- Payments	(357,108,620)	(248,326,000)
Proceeds from public deposits (net)	6,875,000	14,267,000

Repayment of inter corporate deposits	25,000,000	15,000,000
Proceeds from cash credits/working capital demand loan (net)	121,075,993	58,941,829
Interest paid	(194,671,748)	(133,191,782)
Dividends paid	(73,263,241)	(77,337,184)
Dividend taxes	(11,878,246)	(12,910,464)
Net cash used in financing activities	**(56,435,862)**	**(33,556,601)**
Net increase/(decrease) in cash & cash equivalents	**12,767,564**	**(23,573,755)**
Cash and cash equivalents at the beginning of the year	**26,627,141**	**50,200,896**
Cash and cash equivalents at the end of the year	**39,394,705**	**26,627,141**
Cash and cash equivalents comprise		
Cash [including cheques in hand of ₹ 1,166,409 (2010-11 : ₹1,073,689)]	2,232,410	2,896,034
Savings account with post office	272	272
Deposit accounts (other than pledged)	35,000,000	-
Balance with scheduled banks in current accounts	2,162,023	23,730,835
	39,394,705	**26,627,141**

Note :

Figures in brackets indicate cash outflow.

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

For **Walker, Chandiok & Co**
Chartered Accountants

Sd/-
David Jones
Partner

Place : Gurgaon
Date : May 1 , 2012

Sd/-
S K Jain
Sr. Vice President
Corporate Finance,Accounts & Administration

Sd/-
Karan Thapar
Chairman

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

Sd/-
Rahul Gupta
Executive Director

Notes on accounts for the year ended March 31, 2012

1. **STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

1. **Background and nature of operations**

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 referred to in the Companies (Accounting Standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). 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 recognized 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 know how 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 recognized 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 XIV to the Companies Act, 1956 or

b) Depreciation on revalued value based on the residual life of the asset.*

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

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

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

b) **Intangible assets**

Intangible assets including technical know-how/brand and computer software/ licence fee are amortized 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 realizable 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 realizable value. Cost is ascertained on weighted average basis.

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

9. Employees benefits

(a) Short term employee benefits

Short term employee benefits are recognized 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 recognized 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 profit and loss account as and when they become payable. In addition, the Company recognizes 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 profit and loss account.

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 recognized as and when incurred.

(iii) Other employee benefits

Leave encashment – The Company has recognized 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 recognized 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 amortized 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 recognized 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 recognized as income/expense for the period.

11. Research & development expenses

Revenue expenditure incurred on research and development is charged to profit and loss account 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 recognized in the profit and loss account over the remaining useful life of the related assets.

13. Revenue recognition

Revenue is recognized 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 recognized 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 recognized 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 capitalized 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 recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

16. **Segment accounting**

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

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

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

17. **Earnings per share (EPS)**

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

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

18. **Leases**

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

19. **Mine restoration**

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

20. **Provisions & 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, 2012 Number	₹	As at March 31, 2011 Number	₹
Authorised share capital				
Equity shares of ₹ 2 each	90,000,000	180,000,000	90,000,000	180,000,000
Preference shares of ₹ 100 each	3,000,000	300,000,000	3,000,000	300,000,000
		480,000,000		**480,000,000**
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	50,276,013	100,552,026	50,276,013	100,552,026
11% cumulative redeemable preference shares of ₹ 100 each	3,000,000	300,000,000	3,000,000	300,000,000
		400,552,026		**400,552,026**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity shares

Particulars	As at March 31, 2012 Number	₹	As at March 31, 2011 Number	₹
Shares outstanding at the beginning of the year	50,276,013	100,552,026	22,344,895#	44,689,790
Bonus Shares issued during the year	-	-	27,931,118	55,862,236
Shares outstanding at the end of the year	50,276,013	100,552,026	50,276,013	100,552,026

During the previous year, the equity shares of the Company have been sub divided into 5(five) equity shares of ₹ 2 each fully paid up against 1 (one) equity share of ₹ 10 each fully paid up.

Preference shares

Particulars	As at March 31, 2012 Number	₹	As at March 31, 2011 Number	₹
Shares outstanding at the beginning of the year	3,000,000	300,000,000	3,000,000	300,000,000
Shares outstanding at the end of the year	3,000,000	300,000,000	3,000,000	300,000,000

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, 2012 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.30 (2010-11: ₹ 1 per share).

In the events 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 cumulative preference shares. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31,2012 the amount of per share dividend recognised as distributions to preference shareholders was ₹ 11.00 (2010-11: ₹ 11.00 per share) of which dividend proposed by the board of directors subject to the approval of the shareholders is ₹ 5.50 per share (2010-11 : ₹ 5.50 per share).

11% Cumulative redeemable preference shares are redeemable at par at the option of the Company not earlier than 18 months but not later than 5 years from the date of allotment / renewal September 4, 2011 and October 1, 2009 for ₹ 200,000,000 and ₹ 100,000,000 respectively, i.e. between March 04, 2013 to September 04,2016 and March 31, 2011 to September 30, 2014 respectively.

d) Shares held by Holding Company

Equity shares

Particulars	**As at March 31, 2012**		**As at March 31, 2011**	
	Number	**₹**	**Number**	**₹**
DBH International Private Limited, Holding Company	25,658,240	51,316,480	24,398,752	48,797,504

Preference shares

Particulars	**As at March 31, 2012**		**As at March 31, 2011**	
	Number	**₹**	**Number**	**₹**
DBH International Private Limited, Holding Company	2,000,000	200,000,000	2,000,000	200,000,000

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 No. of shares)**				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Equity Shares :					
Fully paid up by way of bonus shares	27,931,118	-	-	-	-

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

	As at March 31, 2012		**As at March 31, 2011**	
Name of Shareholder	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
Equity Shares :				
DBH International Private Limited	25,658,240	51.03	24,398,752	48.53
Karun Carpets Private Limited	13,399,375	26.65	13,899,375	27.65
Lotus Global Investments Ltd.	2,993,544	5.95	2,993,544	5.95
11% Preference shares				
DBH International Private Limited	2,000,000	66.66	2,000,000	66.66
Karun Carpets Private Limited	1,000,000	33.34	1,000,000	33.34

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Capital reserves	**633,688**	**633,688**
Capital redemption reserve		
Balance at the beginning of the year	44,137,764	100,000,000
Less: Adjusted against issue of bonus shares	-	(55,862,236)
Balance at the end of the year	**44,137,764**	**44,137,764**
General reserve		
Balance at the beginning of the year	465,455,805	435,065,280
Add: Transferred from surplus in profit and loss account for the year	14,836,770	30,390,525
Balance at the end of the year	**480,292,575**	**465,455,805**
Foreign currency monetary item translation difference account		
Balance at the beginning of the year	-	-
Add: Amount recognised during the year	82,920	
Less: Amount amortised during the year	(10,907)	
Balance at the end of the year	**72,013**	**-**
Surplus in Profit and Loss account		
Balance at the beginning of the year	540,191,762	363,623,332
Add: Profit for the year	148,367,704	303,905,248
Appropriations		
Less : Proposed dividends		
- Preference shares	16,500,000	16,500,000
- Equity shares	-	25,138,007
Less: Interim dividends		
- Preference shares	16,500,000	16,500,000
- Equity shares	15,082,804	25,138,007
Less: Corporate dividend tax	7,800,235	13,670,279
Less: Transfer to general reserve	14,836,770	30,390,525
Balance at the end of the year	**617,839,656**	**540,191,762**
Total	**1,142,975,696**	**1,050,419,019**

4 LONG TERM BORROWINGS

Particulars	As at March 31, 2012 ₹ Non current	Current	As at March 31, 2011 ₹ Non current	Current
Secured				
Term Loans				
Rupee term loan from banks (note a)	446,875,000	277,500,000	358,750,000	323,750,000
Foreign currency loans from banks (note b)	75,285,520	1,961,940	-	-
	522,160,520	**279,461,940**	**358,750,000**	**323,750,000**
Unsecured				
Public Deposits (note d)				
From public	45,821,000	83,488,000	39,541,000	82,893,000
From related parties	19,000,000	3,865,000	-	21,644,000
Other loans and advances (note e)				
Intercorporate deposits	-	25,000,000	-	50,000,000
	64,821,000	**112,353,000**	**39,541,000**	**154,537,000**
Total	**586,981,520**	**391,814,940**	**398,291,000**	**478,287,000**

Notes:

a) Rupee term loan from banks comprises of:

(i) Loan of ₹ 200,000,000 taken from Axis Bank during the financial year 2007-08 and carries interest @ base rate+2.50% p.a. The loan is repayable in 16 equal quarterly installments starting from September 28, 2008.

(ii) Loan of ₹ 250,000,000 taken from Axis Bank during the financial year 2010-11and carries interest @ base rate+2.50% p.a. The loan is repayable in 16 equal quarterly installments starting from September 27, 2011.

(iii) Loan of ₹ 200,000,000 taken from State Bank of India during the financial year 2008-09 and carries interest @ base rate + 3.50%p.a.The loan is repayable in 16 quarterly installments starting from June 30, 2009. It includes ₹ 40,000,000 (2010-11: ₹120,000,000) borrowed from a bank and is convertible into equity shares in case of default.

(iv) Loan of ₹ 250,000,000 taken from State Bank of India during the financial year 2010-11 and carries interest @ base rate +3.25% p.a. The loan is repayable in 16 equal quarterly installments starting from October 28, 2011.

(v) Loan of ₹ 200,000,000 taken from Yes Bank during the financial year 2009-10 and carries interest @ base rate+2.80% p.a. The loan is repayable in 8 equal quarterly installments starting from December 24, 2010.

(vi) Loan of ₹ 200,000,000 taken from IndusInd Bank during the financial year 2011-12 and carries interest @ base rate+2.00% p.a. The loan is repayable in 12 equal quarterly installments starting from September 30, 2012.

b) Loan of ₹ 275,000,000 (including ECB of USD5,000,000) sanctioned by ICICI Bank of which USD 1,500,000 taken from ICICI Bank during the financial year 2011-12 and carries interest @ Libor + 4.65%p.a.The loan is repayable in 56 quarterly installments starting from March 8, 2012.

c) All term loans from banks are secured by an equitable charge of 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 (save and except book debts) subject to prior charges created in favour of the Company's bankers on stocks of raw materials, consumable stores, finished goods etc. For working capital facilities. The above charges rank pari-passu with charges created/to be created by the Company in favour of other term lending banks.

d) Deposits from public

Deposits from public carry interest rate ranging from 9.00% to10.50% p.a. and the same is repayble within a period of 1 to 3 years from the date of deposit as per the scheme opted by the deposit holder.

e) Other loans and advances

Intercorporate deposits includes loan taken from Sewastuti Finance Pvt. Ltd. @ 10.00% and is repayable within 1 year from the date of deposit.

f) Current maturities of long term liabilities are disclosed under the head other current liabilites.

5 DEFERRED TAXES (NET)

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial year	252,559,769	230,935,737
Gross deferred tax liability	**252,559,769**	**230,935,737**
Deferred tax assets		
Employee benefits	14,360,051	16,529,856
Provision for doubtful debts and advances	7,957,921	8,384,652
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income-tax	2,198,672	2,341,117
Gross deferred tax assets	**24,516,644**	**27,255,625**
Deferred tax liability(net)	**228,043,125**	**203,680,112**

6 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Deferred government grants	3,112,368	3,380,186
Deposits from employees	221,641	3,624,936
Deposits from vendors (note a)	5,983,854	5,972,665
Deposits from customers (note a)	4,575,000	4,675,000
Total	**13,892,863**	**17,652,787**

Notes:

a) Deposits from vendors/customers are considered as long term in view of long term business relationship.

7 LONG TERM PROVISIONS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Provision for employee benefits		
Gratuity (funded)	10,203,302	15,832,487
Leave encashment (unfunded)	8,407,358	8,682,275
Total	**18,610,660**	**24,514,762**

8 SHORT TERM BORROWINGS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Secured		
Loans repayable on demand		
From banks		
Cash credit account with scheduled banks	155,177,602	94,101,609
Working capital demand loans	350,000,000	200,000,000
	505,177,602	294,101,609
Unsecured		
Loans repayable on demand		
From banks	-	90,000,000
Total	**505,177,602**	**384,101,609**

Notes:

a) Cash credit and working capital demand loans along with 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, Puducherry, 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 ₹ 300,000,000 sanctioned by Axis Bank is repayable on demand and carries interest rate at base rate + 2.50% p.a. (Including a sub-limit of ₹ 300,000,000 as working capital demand loan at base rate + 2.00% p.a.).

(ii) Cash credit / working capital demand loan of ₹ 200,000,000 from State Bank of India is repayable on demand and carries interest rate at base rate + 3.25% p.a. Working capital demand loan of ₹100,000,000 is availed at 11.25% p.a.

(iii) Cash credit /working capital demand of ₹100,000,000 from Yes Bank is repayable on demand and carries interest rate at base rate+2.25% p.a.

(iv) Cash credit / working capital demand loan of ₹150,000,000 from IndusInd Bank is repayable on demand and carries interest rate at base rate + 2.25% p.a. Working capital demand loan of ₹150,000,000 is availed at 11.55 % p.a.

9 TRADE PAYABLES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
- Due to Micro, Small & Medium Enterprises *	3,621,322	4,301,943
- Total outstanding dues to units other than Micro, Small & Medium Enterprises	183,979,003	147,889,375
- Creditors for expenses	120,369,279	151,092,119
Total	**307,969,604**	**303,283,437**

* 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). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2012 has been made in the financial statements based on information 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 not expected to be material).

10 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Current maturities of long term borrowings	391,814,940	478,287,000
Interest accrued but not due on borrowings	10,166,947	8,358,932
Interest accrued and due on borrowings	-	157,142
Unpaid dividends	2,205,211	2,247,640
Unclaimed matured public deposits	1,263,000	573,000
Employee related payables	20,747,034	15,495,439
Capital creditors	20,510,831	28,113,460
Advance from customers	4,325,961	9,586,525
Deferred government grants	267,818	267,818
Statutory dues		
Excise duty payable	5,258,450	1,910,258
PF payable	3,018,694	2,811,013
Sales tax payable	8,130,534	6,844,785
TDS payable	4,321,659	3,401,295
ESI payable	398,329	506,155
Other statutory dues	15,345	6,530
Other liabilities		
Other payables	5,147,723	2,984,968
Total	**477,592,476**	**561,551,960**

11 SHORT TERM PROVISIONS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Provision for employee benefits		
Gratuity payable	12,517,014	12,546,058
Leave encashment payable	23,131,997	23,886,491
Others		
Proposed dividend (note a)	16,500,000	41,638,008
Provision for taxes on dividend	2,676,713	6,754,725
Provision for wealth tax	100,000	125,000
Total	**54,925,724**	**84,950,282**

Note :

a) Details with respect to proposed dividend

Dividend proposed to		
- Equity shareholders	-	25,138,007
- Preference shareholders	16,500,000	16,500,000
Proposed dividend per share		
- Equity shareholders	-	0.50
- Preference shareholders	5.50	5.50

12 FIXED ASSETS

For the year ended March 31, 2012

(Amount in ₹)

Particulars	Gross Block					Depriciation / Amortization				Net Block	
	Opening Balance	Additions during the year	Borrowing cost capitalised	Sale/ adjustments	Upto March 31, 2012	Upto March 31, 2011	For the year	Sale/ adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets											
Land & site development											
Leasehold	15,040	-	-	-	15,040	15,040	-	-	15,040	-	-
Freehold	584,611,768	138,345,420	540,650	18,373,383	705,124,455	21,293	-	-	21,293	705,103,162	584,590,475
Factory & other Buildings	363,217,929	134,049,238	3,254,454	28,822,426	471,699,195	69,082,785	12,497,597	7,394,211	74,186,171	397,513,024	294,135,144
Plant & Machinery	1,779,361,730	293,162,873	6,466,140	15,809,090	2,063,181,653	663,957,586	112,746,447	13,197,662	763,506,371	1,299,675,282	1,115,404,144
Furniture, fixtures & office	31,101,625	6,948,224	-	3,178,939	34,870,910	19,214,970	3,088,871	2,709,083	19,594,758	15,276,152	11,886,655
Leasehold improvements	6,250,000	-	-	-	6,250,000	5,688,237	87,035	-	5,775,272	474,728	561,763
Vehicles & cycles	23,370,477	4,900,076	-	5,588,135	22,682,418	10,085,172	2,109,531	2,008,161	10,186,542	12,495,876	13,285,305
Total tangible assets	**2,787,928,569**	**577,405,831**	**10,261,244**	**71,771,973**	**3,303,823,671**	**768,065,083**	**130,529,481**	**25,309,117**	**873,285,447**	**2,430,538,224**	**2,019,863,486**
Intangible assets											
Technical know-how/brand	67,118,471	-	-	-	67,118,471	67,118,471	-	-	67,118,471	-	-
Computer software / licence fees	16,720,037	4,974,576	-	16,500	21,678,113	13,104,662	3,150,759	16,499	16,238,922	5,439,191	3,615,375
Total intangible assets	**83,838,508**	**4,974,576**	**-**	**16500**	**88,796,584**	**80,223,133**	**3,150,759**	**16,499**	**83,357,393**	**5,439,191**	**3,615,375**
Total	**2,871,767,077**	**582,380,407**	**10,261,244**	**71,788,473**	**3,392,620,255**	**848,288,216**	**133,680,240**	**25,325,616**	**956,642,840**	**2,435,977,415**	**2,023,478,861**
Capital work in progress	-	-	-	-	-	-	-	-	-	**85,264,661**	**312,297,219**

For the year ended March 31, 2011

(Amount in ₹)

Particulars	Gross Block					Depriciation / Amortization				Net Block	
	Opening Balance	Additions during the year	Borrowing cost capitalised	Sale/ adjustments	Upto March 31, 2011	Upto March 31, 2010	For the year	Sale/ adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets											
Land & site development											
Leasehold	15,040	-	-	-	15,040	15,040	-	-	15,040	-	-
Freehold	542,449,248	48,307,792	-	6,145,272	584,611,768	21,293	-	-	21,293	584,590,475	542,427,955
Factory & other Buildings	346,684,503	22,691,426	-	6,158,000	363,217,929	62,301,117	10,065,988	3,284,320	69,082,785	294,135,144	284,383,386
Plant & Machinery	1,669,794,508	118,888,785	-	9,321,563	1,779,361,730	571,352,909	97,986,113	5,381,436	663,957,586	1,115,404,144	1,098,441,599
Furniture, fixtures & office	30,748,082	2,658,248	-	2,304,705	31,101,625	18,176,152	2,861,863	1,823,045	19,214,970	11,886,655	12,571,930
Leasehold improvements	6,250,000	-	-	-	6,250,000	5,340,098	348,139	-	5,688,237	561,763	909,902
Vehicles & cycles	25,122,032	1,511,131	-	3,262,686	23,370,477	9,291,237	2,324,123	1,530,188	10,085,172	13,285,305	15,830,795
Total tangible assets	**2,621,063,413**	**194,057,382**	**-**	**27,192,226**	**2,787,928,569**	**666,497,846**	**113,586,226**	**12,018,989**	**768,065,083**	**2,019,863,486**	**1,954,565,567**
Intangible assets											
Technical know-how / brand	67,118,471	-	-	-	67,118,471	60,406,621	6,711,850	-	67,118,471	-	6,711,850
Computer software / licence fees	16,688,852	31,185	-	-	16,720,037	9,765,868	3,338,794	-	13,104,662	3,615,375	6,922,984
Total intangible assets	**83,807,323**	**31,185**	**-**	**-**	**83,838,508**	**70,172,489**	**10,050,644**	**-**	**80,223,133**	**3,615,375**	**13,634,834**
Total	**2,704,870,736**	**194,088,567**	**-**	**27,192,226**	**2,871,767,077**	**736,670,335**	**123,636,870**	**12,018,989**	**848,288,216**	**2,023,478,861**	**1,968,200,401**
Capital work in progress	-	-	-	-	-	-	-	-	-	**312,297,219**	**135,499,200**

Notes:

a) Additions to Plant and Machinery include additions to research and development assets amounting to ₹4,104,099 (2010-11: ₹5,432,014) and depreciation charge for the year includes ₹ 2,209,729 (2010-11: ₹1,943,239) on account of research and development assets.

b) 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 allotment consideration and the land shall be transferred in the name of the Company on a freehold basis at end of 10 years, payment of registration charges, stamp duty at prevailing price upon fulfillment of certain conditions. As per agreement the land has been transferred on lease basis to Company for the period of 10 years and Company is required to pay lease rent of ₹ 68,410 and maintenance charges of ₹ 99,600 per annum.

c) Capital work in progress include borrowing cost of ₹ 331,383 (2010-11: ₹ 4,914,461)

d) Adjustments include fixed assets held for sale which represent land and buildings of gross book value ₹ 45,092,126 (2010-11 : ₹ 45,132,426), net book value ₹ 37,714,290 (2010-11 : ₹ 38,632,678) located at Puducherry 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.

13 NON CURRENT INVESTMENT

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments	500,000	500,000
Total	**500,000**	**500,000**

Details of trade investments (unquoted)

Name of the body corporate	No. of Shares		Face Value(₹)	Partly Paid/ Fully paid	Amout (₹)	Amount (₹)
1		2	3	4	5	6
	2012	2011			2012	2011
Equity						
Kerala Enviro Infrastructures Limited	50,000	50,000	10	Fully paid	500,000	500,000
	50,000	**50,000**			**500,000**	**500,000**

14 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Secured, considered good		
Capital advances (note a)	4,850,729	18,864,564
Unsecured, considered good		
Capital advances	12,267,140	6,199,641
Security deposits	30,586,285	30,658,176
Loans and advances to related parties (note b)	5,200,000	5,200,000
Other loans and advances		
Taxes paid under protest recoverable	20,599,741	20,200,000
Others	7,489,095	5,002,891
Unsecured, considered doubtful		
Amounts paid under protest	15,365,255	15,365,255
Less: Provision for doubtful advances	(15,365,255)	(15,365,255)
Total	**80,992,990**	**86,125,272**

Notes:

a) Capital advances are secured by way of bank guarantees received from the supplier of equipments/ services relating to capital jobs.

b) Amounts due from related parties:

- DBH International Private Limited	5,000,000	5,000,000
- Bharat Starch Products Limited	200,000	200,000

15 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Deposit with maturity more than twelve months	775,000	-
Margin money (note a)	3,318,528	8,374,212
Pledged deposits (note b)	1,317,500	251,453
Total	**5,411,028**	**8,625,665**

Notes:

(a) Margin money deposits are pledged with banks, for issuance of bank guarantee and letter of credits.

(b) Pledged deposits include deposits pledged with government authorities.

16 INVENTORIES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Raw materials	184,752,314	188,539,976
Work in progress	20,866,936	31,837,181
Finished goods	114,386,331	51,761,310
Stores and spares [including goods in transit of ₹ 694,000 (2010-11:₹ 4,734,064)]	105,422,729	94,065,017
Total	**425,428,310**	**366,203,484**

17 TRADE RECEIVABLES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	7,320,570	811,092
Unsecured, considered good	447,188,140	456,182,341
	454,508,710	**456,993,433**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	39,790	96,145
Unsecured, considered good	8,648,255	3,331,355
Unsecured, considered doubtful	9,162,163	10,477,408
Less: Provision for doubtful debts (note a)	(9,162,163)	(10,477,408)
	8,688,045	**3,427,500**
Total	**463,196,755**	**460,420,933**

Note:

a) Out of this ₹ 2,500,000 (total provision ₹ 3,209,882) have been recovered during the current year and therefore the provision has been written back.

18 CASH AND BANK BALANCES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Cash and cash equivalents		
Cheques in hand	1,166,409	1,073,689
Cash in hand	1,066,001	1,822,345
Post office savings deposits	272	272
Current accounts	2,162,023	23,730,835
Demand deposits with original maturity of less than three months	35,000,000	-
	39,394,705	**26,627,141**
Other bank balances		
Deposit with original maturity more than three months	10,810,632	11,048,552
Margin money (note a)	2,304,691	9,947,604
Pledged deposits (note b)	1,413,200	2,182,000
Unpaid dividend accounts	2,266,815	2,299,097
	16,795,337	**25,477,252**
Total	**56,190,042**	**52,104,393**

Notes:

(a) Margin money deposits are pledged with banks, for issuance of bank guarantee and letter of credits.

(b) Pledged deposits include deposits pledged with government authorities.

19 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Unsecured, considered good		
Advances to vendors	9,115,599	11,992,383
Loans and advances to related parties (note a)	1,725,436	987,564
Other loans and advances		
- Advance income tax [net of provision ₹ 191,006,960 (2010-11 : ₹ 139,805,577)]	41,838,388	38,190,130
- Deposits with excise & other tax authorities	64,218,389	57,088,844
- Prepaid expenses	10,464,119	6,905,329
- Others (note b)	16,799,430	2,550,315
Total	**144,161,361**	**117,714,565**

Notes:

a)	Amounts due from related parties:		
	- Premium Transmission Limited	1,725,436	987,564
b)	Includes insurance claim receivable ₹ 10,946,435 (2010-11 : Nil) with respect to damaged inventory.		

20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Unsecured, considered good		
Fixed assets held for sale (note a)	37,714,290	-
Interest receivable	1,884,444	1,526,602
Total	**39,598,734**	**1,526,602**

Note:

a) Fixed assets held for sale represent land and buildings of gross book value ₹ 45,092,126 (2010-11 : ₹ 45,132,426), net book value ₹ 37,714,290 (2010-11 : ₹ 38,632,678) located at Puducherry 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	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Sale of products	3,880,495,800	3,661,982,990
Other operating revenues		
- Sale of scrap	20,862,949	9,117,180
Total	**3,901,358,749**	**3,671,100,170**

Details of products sold

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Clay products	2,019,581,913	1,863,807,699
Starch and allied products	1,642,887,725	1,599,282,543
By products & others	238,889,111	208,009,928
	3,901,358,749	**3,671,100,170**

22 OTHER INCOME

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Government grants	267,818	267,818
Other income	12,781,501	8,962,121
Net gain on sale of fixed assets	-	1,603,496
Exchange fluctuation	-	2,738,828
Liabilities no longer required written back	5,394,103	4,027,261
Total	**18,443,422**	**17,599,524**

23 INCREASE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Opening stock		
Finished goods	51,761,310	59,474,027
Stock in process	31,837,181	19,329,395
Total	**83,598,491**	**78,803,422**
Closing stock		
Finished goods	114,386,331	51,761,310
Stock in process	20,866,936	31,837,181
Total	**135,253,267**	**83,598,491**
Increase in inventory of finished goods and work-in-progress	**51,654,776**	**4,795,069**

Details of inventory

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Finished goods		
Clay products	58,268,815	16,648,099
Starch and allied products	54,071,805	33,192,503
By products & others	2,045,711	1,920,708
Total	**114,386,331**	**51,761,310**
Stock in process		
Clay products	4,115,439	13,766,428
Starch and allied products	16,546,051	18,070,753
By products & others	205,446	-
Total	**20,866,936**	**31,837,181**

24 EMPLOYEE BENEFIT EXPENSES

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Salaries, wages and bonus	324,489,304	283,251,582
Contribution to provident and other funds	16,039,920	14,278,248
Gratuity expense (note a)	5,409,785	10,741,789
Staff welfare expenses	22,580,266	19,816,127
Total	**368,519,275**	**328,087,746**
Less: Amount capitalised during the year	5,990,522	6,788,251
	362,528,753	**321,299,495**

Notes:

a) Net of amount receivable from related parties ₹ 113,772.

b) Employee benefit expenses includes research and development expenses (note 41).

25 FINANCE COSTS

Particulars		As at March 31, 2012 ₹		As at March 31, 2011 ₹
Interest expense (gross)				
- On fixed period loans		112,381,554		97,358,975
- Others		83,941,067		39,550,692
Less: Interest capitalised		(5,678,166)		(4,914,461)
Less: Interest received on deposits (gross)		(3,290,600)		(2,216,950)
Interest expense (net)		**187,353,855**		**129,778,256**
Amortisation of foreign currency monetary item translation difference account		(10,907)		
		187,342,948		**129,778,256**

Note: Interest expense includes amount paid or payable to directors ₹ 58,004 (2010-11: ₹ 81,275)

26 OTHER EXPENSES

Particulars		As at March 31, 2012 ₹		As at March 31, 2011 ₹
a) Manufacturing expenses				
Stores consumed		41,257,336		31,982,226
Power and fuel		811,506,265		694,728,000
Repairs and maintenance				
- Plant & machinery		85,161,338		67,186,351
- Factory buildings		6,097,342		3,146,221
- Others		14,093,208		11,073,993
Other manufacturing expenses		52,490,686		55,872,215
Royalty		8,447,400		9,856,960
Increase in excise duty on finished goods		2,494,408		1,106,891
Total		**1,021,547,983**		**874,952,857**
b) Administration expenses				
Rent		19,007,150		17,133,063
Rates & taxes		8,601,625		7,429,694
Insurance		6,529,306		6,433,577
Directors' sitting fees		620,000		388,000
Exchange fluctuation (net)		995,072		-
Office & other expenses (note a)		73,337,239		69,831,932
Travelling & conveyance		30,431,952		26,245,690
Charity & donation		1,317,300		924,800
Bad debts/advances written off	1,869,947		1,868	
Less: Provisions for doubtful debts/advances written back	(1,693,859)	176,088	(1,868)	-
Provisions for doubtful debts/advances		2,878,616		6,982,959
Other financing charges		5,306,668		5,596,277
Loss on sale/write off of fixed assets		2,358,526		-
Total		**151,559,542**		**140,965,992**
c) Selling and distribution expenses				
Packing & forwarding expenses		37,038,021		42,510,654
Commission to selling agents and others		39,052,512		39,657,375
Cash discount		12,034,419		11,984,924
Other selling expenses		27,973,451		24,331,912
Total		**116,098,403**		**118,484,865**
Total		**1,289,205,928**		**1,134,403,714**

Note:

(a) Office and other expenses includes research and development expenses (note 41)

27 **Exceptional items**

Exceptional items relates to expenses incurred on settlement of workers/ staff amounting to ₹ 22,169,932 arising from the closure of Puducherry operations w.e.f October 10, 2011.

28 **Earnings per share**

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
a) Weighted average number of equity shares		
Number of equity shares at the beginning of the year	50,276,013	50,276,013
Net profit after tax	148,367,704	303,905,248
Less : Dividend on 11% cumulative redeemable preference shares (including tax)	38,353,425	38,417,156
Net profit after tax available to equity shareholders	**110,014,279**	**265,488,092**
b) **Potential number of equity shares at the end of the year**		
Total number of equity shares as per (a) above	50,276,013	50,276,013
Number of equity shares deemed converted at the beginning of the year	2,430,290	2,709,480
Potential dilutive shares	52,706,303	52,985,493
c) Net profit after tax available for potential equity shareholders		
Net profit after tax available to equity shareholders	110,014,279	265,488,092
Income on dilutive potential equity shares (net of tax)	7,846,766	11,510,701
	117,861,045	**276,998,793**
d) Basic EPS (₹)	**2.19**	**5.28**
e) Diluted EPS (₹)	**2.19**	**5.23**
f) Nominal value of equity share (₹)	**2**	**2**

29 **Amount paid / payable to auditors**

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
As auditors	3,000,000	2,500,000
For company law matters	-	-
For reimbursement of expenses	657,208	623,361
Total	**3,657,208**	**3,123,361**

30 **Employee benefits**

During the year, the Company has recognised the following amounts in the statement of profit and loss :

Defined contribution plans

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Employer's contribution to provident fund *	15,648,697	14,266,821
Employer's contribution to superannuation fund *	265,635	342,738
Employer's contribution to ESI**	2,479,743	2,307,492

* 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, 2012** ₹	**Year ended March 31, 2011** ₹
Discount rate	8.50%	8.00%
Expected rate of increase in compensation levels	9.00%	9.00%

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

Particulars	**Year ended March 31, 2012** ₹	**Year ended March 31, 2011** ₹
Projected benefit obligation	97,825,168	90,851,422
Current service cost	6,781,708	6,094,757
Interest cost	7,826,013	7,268,114
Benefits paid	(10,501,823)	(6,790,391)
Actuarial loss/ (gain)	(5,465,770)	401,266
Projected benefit obligation	**96,465,296**	**97,825,168**

c. Reconciliation of fair value of assets :-

Particulars	**Year ended March 31, 2012** ₹	**Year ended March 31, 2011** ₹
Fair value of plan assets at the beginning of the year	69,446,621	46,424,275
Expected return on plan assets	5,555,730	3,713,942
Contributions	10,000,000	26,790,391
Benefits paid	(9,320,035)	(6,790,391)
Actuarial loss on plan assets	(1,937,336)	(691,596)
Fair value of plan assets at the end of the year	**73,744,980**	**69,446,621**

d. Gratuity expense recognised in the statement of profit and loss

Particulars	**Year ended March 31, 2012** ₹	**Year ended March 31, 2011** ₹
Current service cost	6,781,708	6,094,757
(Expected return on plan assets)	(5,555,730)	(3,713,944)
Interest cost	7,826,013	7,268,114
Actuarial (gain) / loss	(3,528,434)	1,092,862
Total	**5,523,557**	**10,741,789**

31 **Lease commitments:**

The Company has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancelable at the option of the Company. Rent expense on account of cancelable leases for the year ended March 31, 2012 amounts to ₹19,007,150 (2010-11 : ₹ 17,133,063).

32 **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.

A. Primary segment

Particulars	CLAY 31-Mar-12 ₹	CLAY 31-Mar-11 ₹	STARCH 31-Mar-12 ₹	STARCH 31-Mar-11 ₹	TOTAL 31-Mar-12 ₹	TOTAL 31-Mar-11 ₹
- Segment revenue						
Gross sales to external customers	2,053,281,298	1,829,080,559	1,848,077,451	1,842,019,611	3,901,358,749	3,671,100,170
Other income	721,969	10,088,496	17,666,859	7,511,028	18,388,828	17,599,524
					3,919,747,577	**3,688,699,694**
Segment result (operating profit)	406,751,623	480,284,500	38,963,336	125,515,679	445,714,959	605,800,179
Less :						
Un-allocated expenses (net of other income ₹ 54,594 ; 2010-11 : Nil)					13,069,979	22,217,523
Interest expense/income (net)					187,342,948	129,778,256
Exceptional items					22,169,932	-
Tax expense					74,764,396	149,899,152
Net profit as per statement of profit & loss					**148,367,704**	**303,905,248**
- Total carrying amount of segment assets	2,112,517,242	2,007,316,072	1,515,327,677	1,341,606,067	3,627,844,919	3,348,922,139
Un-allocated					108,876,377	80,074,855
					3,736,721,296	**3,428,996,994**
- Segment liabilities	383,359,500	260,218,410	618,032,640	586,606,886	1,001,392,140	846,825,296
Un-allocated					1,191,801,433	1,131,200,654
					2,193,193,573	**1,978,025,950**
- Capital expenditure during the year	158,674,052	133,187,296	201,580,400	252,368,066	360,254,452	385,555,362
Un-allocated					5,354,642	809,821
					365,609,094	**386,365,183**
- Depreciation/amortisation	85,231,074	77,411,211	42,974,089	40,039,917	128,205,163	117,451,128
Un-allocated					5,475,077	6,185,742
					133,680,240	**123,636,870**

B. Secondary segment

Particulars ₹	India 31-Mar-12 ₹	India 31-Mar-11 ₹	Outside India* 31-Mar-12 ₹	Outside India* 31-Mar-11 ₹	Total 31-Mar-12 ₹	Total 31-Mar-11
- Revenue	3,648,164,710	3,502,708,123	253,194,039	168,392,046	3,901,358,749	3,671,100,170
- Total assets	3,692,370,026	3,407,527,508	44,351,270	21,469,486	3,736,721,296	3,428,996,994
- Capital expenditure during the year	365,609,094	386,365,183	-	-	365,609,094	386,365,183

* Represents exports to Japan, Korea, New Zealand, Australia, Egypt, Kenya, Mauritious, UAE, Yemen, Oman, Saudi Arabia, Iran, Jordan, Bahrain, Sri Lanka, Malaysia, Indonesia, Thailand, Philippines, Turkey, Germany, Poland, Italy, Greece, South Africa, Kuwait, Singapore and Malta.

33. In accordance with the required Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

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 Ltd.
Premium Transmission Ltd.
Pembril Industrial & Engineering Co. Pvt. Ltd.
Greaves Leasing Finance Ltd.
Dee Greaves Ltd.
Bharat Starch Products Ltd.
Aravali Sports & Cultural Foundation
DBH Consulting Limited
DBH Investments Pvt. Ltd.
Greaves Farymann Diesel GmbH
Greaves Auto Ltd.
Greaves Cotton Netherlands B.V.

D. Key management personnel & 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)
Ms. Sulochna Thapar (Mother of Mr. Karan Thapar)
Mr. Rahul Gupta (Executive Director)
Mr. S.K. Jain (Sr. Vice President Corporate Finance, Accounts & Administration)
Mr. P.S. Saini (Company Secretary & Head Corporate Legal)

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	
	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹	2011-12	2010-11 ₹	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹₹
Purchase of goods										
DBH International Private Limited	37,128,328	14,351,965	-	-	-	-	-	-	37,128,328	14,351,965
Premium Transmission Limited	-	-	-	-	84,559	553,804	-	-	84,559	553,804
Reimbursement of expenses										
Premium Transmission Limited	-	-	-	-	13,721,060	12,298,130	-	-	13,721,060	12,298,130
Receiving of services										
Karun Carpets Private Limited	-	-	8,183,002	9,076,064	-	-	-	-	8,183,002	9,076,064
Receipt of public deposit										
Mrs. Sulochna Thapar	-	-	-	-	-	-	19,000,000	-	19,000,000	-
Mr. Rahul Gupta	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Rent paid										
DBH International Private Limited	1,929,804	1,529,013	-	-	-	-	-	-	1,929,804	1,529,013
Bharat Starch Products Limited	-	-	-	-	1,654,500	1,601,556	-	-	1,654,500	1,601,556
Dividend paid on preference shares										
DBH International Private Limited	22,000,000	22,000,000	-	-	-	-	-	-	22,000,000	22,000,000
Karun Carpets Private Limited	-	-	11,000,000	8,250,000	-	-	-	-	11,000,000	8,250,000
Chairman commission										
Mr. Karan Thapar	-	-	-	-	-	-	2,385,142	4,687,560	2,385,142	4,687,560
Sale of fixed assets										
Bharat Starch Products Limited	-	-	-	-	-	3,233,410	-	-	-	3,233,410
Remuneration										
Mr. S. K. Jain	-	-	-	-	-	-	3,868,699	3,916,248	3,868,699	3,916,248
Mr. P.S. Saini	-	-	-	-	-	-	3,298,348	2,250,992	3,298,348	2,250,992
Mr. Rahul Gupta	-	-	-	-	-	-	8,304,600	7,251,000	8,304,600	7,251,000
Other expenses										
Aravali Sports & Cultural Foundation	-	-	-	-	1,000,000	700,000	-	-	1,000,000	700,000
DBH Consulting Limited	-	-	-	-	-	-	-	718,400	-	718,400
Mrs. Sulochna Thapar	-	-	-	-	-	-	1,771,782	1,500,000	1,771,782	1,500,000
Mr. Karam Thapar	-	-	-	-	-	-	102,343	238,865	102,343	238,865
Ms. Devika Thapar	-	-	-	-	-	-	278,940	230,138	278,940	230,138
Mr. Rahul Gupta	-	-	-	-	-	-	58,004	90,306	58,004	90,306

b) Outstanding balances :

Particulars		As at March 31, 2012 ₹	As at March 31, 2011 ₹
1.	Holding company		
	DBH International Private Limited	5,000,000	5,000,000
	DBH International Private Limited	(17,942,092)	(7,121,664)
2.	Associates which have significant influence over the Company		
	Karun Carpets Private Limited	(929,648)	-
3.	Enterprises over which substantial shareholders and their relatives have significant influence		
	Bharat Starch Products Limited	200,000	200,000
	Premium Transmission Limited	1,725,436	987,564
4.	Key management personnel & their relatives		
	Mr. Karan Thapar	(2,385,142)	(4,687,560)
	Ms. Sulochna Thapar	(19,000,000)	(15,000,000)
	Mr. Karam Thapar	(1,000,000)	(2,510,000)
	Ms. Devika Thapar	(2,865,000)	(2,634,000)
	Mr. Rahul Gupta	-	(1,500,000)
	(Figures in parenthesis denote credit balances)		

34 Details of raw material and components consumed

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Clay matrix	139,693,107	59,692,954
Maize	866,304,959	710,064,340
Maize starch	131,134,846	124,196,982
Tapioca starch	56,008,494	66,740,972
Others (note a)	109,373,043	71,083,939
Total	**1,302,514,449**	**1,031,779,187**

Note:

a) Others do not include consumables, clay mining expenses etc.

35 Value of imports calculated on C.I.F basis during the year in respect of:

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Raw material	16,043,131	20,176,308
Stores and spare parts	32,181,698	40,829,572
Capital goods	3,297,937	1,205,895
Total	**51,522,766**	**62,211,775**

36 **Earnings in foreign exchange calculated on F.O.B. Basis:**

		As at March 31, 2012 Amount (₹)	As at March 31, 2011 Amount (₹)
Export of:	Clay products	208,178,467	166,600,349
	Starch and allied products	34,443,572	2,567,948
	By Products	10,572,000	4,603,000
		253,194,039	**173,771,297**

37 **Expenditure in foreign currency (cash basis)**

	As at March 31, 2012 Amount (₹)	As at March 31, 2011 Amount (₹)
Commission	1,616,160	2,595,175
Travelling	1,411,815	810,781
Consultancy	2,799,171	933,047
Others	339,848	578,166
	6,166,994	**4,917,169**

38 **The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:**

Particulars	**As at March 31, 2012**		**As at March 31, 2011**	
	$	₹	$	₹
- Sundry debtors	105,837	5,379,695	376,346	17,022,042
- Sundry creditors	(19,950)	(1,030,019)	-	-
- Foreign currency loans	(1,496,000)	(77,238,480)	-	-
	(1,410,113)	**(72,888,804)**	**376,346**	**17,022,042**

39 **Value of indigenous and imported raw materials, stores and spare parts consumed during the period and percentage of each to the total consumption :**

		Indigenous		Imported		Total
		Value		Value		Value
		Amount (₹)	%	Amount (₹)	%	Amount (₹)
Raw material(s)						
	2011-12	1,297,108,788	99.58%	5,405,661	0.42%	1,302,514,449
	2010-11	999,892,133	96.91%	31,887,054	3.09%	1,031,779,187
Store & spare parts						
	2011-12	370,013,226	91.90%	32,593,466	8.10%	402,606,692
	2010-11	423,706,446	91.95%	37,073,824	8.05%	460,780,270

40 Contingent liabilities and commitments

1) Contingent liabilities

	Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
a)	Outstanding bank guarantees and letter of credits	23,257,609	35,724,935
b)	Bills and cheques discounted	155,141,766	92,438,167
c)	Indemnity bond countersigned by the Company and given to bank with respect to release of interest on deposit received by group companies	24,984,972	24,984,972
d)	Excise & sales tax matters:		
	i) Demand received from Commissioner of Central Excise, Panchkula on account of misclassification of plain maize starch against which stay has been granted by CESTAT, New Delhi (including penalty of ₹ 31,747,298; (2010-11: ₹31,747,298) against which an amount of ₹ 507,000 (2010-11: ₹ 507,000) deposited under protest (note 4).	63,494,596	63,494,596
	ii) Haryana Local Area Development Tax levied by the State Government on the goods received from other state, pending before Supreme Court of India against which an amount of ₹ 3,216,191 (2010-11: ₹ 3,216,191) deposited under protest.	3,216,191	3,216,191
	iii) Entry tax levied by the Government of Kerala on Special Kerosene Oil (SKO), pending before Supreme Court of India against which an amount of ₹15,133,588 (2010-11 : ₹ 15,133,588) deposited under protest.	15,133,588	15,133,588
e)	Income tax matters [note 2 (a) & (b)]	15,421,684	40,275,139

2) a) In respect of demand aggregating to ₹ 38,171,395 (including demand raised towards penalty of ₹ 24,853,455) for the assessment year 1996-97 raised by the assessing officer in view of order of Hon'ble High Court of Kerala disallowing certain expenses, a revised petition was filed by the Company with the Hon'ble High Court of Kerala for re-hearing the facts of the case and an appeal was filed with the CIT(Appeals) against the demand raised towards penalty of ₹ 24,853,455. The same has been decided in favour of the Company and the penalty levied in the case has been accordingly cancelled.

b) In respect of demands aggregating to ₹ 733,590, ₹ 668,551 and ₹ 701,603 for the assessment years 2004-05, 2005-06 and 2006-07 respectively raised by the assessing officer (International Tax), the Company has filed appeals with the CIT (Appeals).

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

3) Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 54,185,183 (2010-11: ₹ 83,446,000).

4) Contingent liabilities with respect to excise and sales tax matters referred in paragraph 1 (d) above excludes demands aggregating ₹ 107,369,734 for the year 2000 to 2004 relating to inputs used in manufacturing of excisable and as well as exempted goods and cenvat credit of service tax, pending with Central Excise and Service Tax Appellate Tribunal (CESTAT) were set aside and remitted to the relevant authorities for a fresh decision and revision in demand. Consequently amount deposited under protest amounting to ₹ 1,241,379 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.

41 Research and development expenses include the following:

Particulars	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Employee benefit expenses	12,280,535	7,998,334
Office and other expenses	6,916,399	5,280,470

42 Previous year figures

Till the year ended March 31, 2011 the Company was using pre-revised schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012 the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to confirm to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

Sd/-
S K Jain
Sr. Vice President
Corporate Finance,Accounts & Administration

Sd/-
Karan Thapar
Chairman

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

Sd/-
Rahul Gupta
Executive Director

Place : Gurgaon
Date : May 1 , 2012