



EICL LIMITED

CIN : L26939KL1963PLC002039

Regd. Office : TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA)

Corp. Office : 801-803, Tower-B, Global Business Park, M.G. Road, Gurgaon – 122 002, Haryana

NOTICE

The Fiftieth Annual General Meeting of the members of the Company will be held at its registered office at TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA) on Friday, 20th June, 2014 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2014, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend on 11% Preference Shares and Equity Shares.
3. To appoint Mr. Vijay Rai as an Independent Director for a period of 3 years, whose office was subject to retirement by rotation as per the terms of his earlier appointment and retire at this Annual General Meeting.
4. To appoint Mr. Praveen Sachdev as a Director for a period of one year, whose office was subject to retirement by rotation as per the terms of his earlier appointment and retire at this Annual General Meeting.
5. To appoint the Auditors and to fix their remuneration :-
“RESOLVED that M/s Walker, Chandiook & Co. LLP, Chartered Accountants, be and are hereby appointed as auditors of the Company for one year from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.
“RESOLVED THAT Mr. Vijay Kishore Sharma be and is hereby appointed as an Independent Director on the Board of the Company for a period of 3 years”.
7. To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.
“RESOLVED THAT pursuant to section 197 read

with section 198 of the Companies Act, 2013 and other applicable provisions, if any, including the rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force), consent of the Company be and is hereby given to pay a commission @ 1%, in aggregate, to the Non-Executive Directors of the Company, on Net Profit of the Company as calculated under section 198 of the Companies Act, 2013, for a period of 5 financial years commencing from 1st April, 2014 and such commission shall be distributed amongst the Non-Executive Directors, or some or any of them, in such proportion or in such manner as may be decided by the Board of Directors or Committee thereof from time to time”.

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED that the consent of the Company be and is hereby accorded in terms of section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force), to the Board of Directors of the Company to create equitable mortgage as first charge or second charge as may be agreed between the Company and the Lenders, on all immovable properties of the Company situated at Thiruvananthapuram, (Kerala), Yamunanagar, (Haryana) ,and Nidige and Machenahali, village, Shimoga, in favour of any Bank, both present and future, of the whole or substantially the whole of the said undertaking of the Company in such form and in such manner as the Board may think fit for securing any Financial Assistance obtained from Banks to the extent of Rs.50 Crores from time to time apart from loan/financial assistance already obtained as on date”.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise with the Banks, the documents in relation to or for creating the mortgage as aforesaid and to do all such acts, deeds, matters and things including execution of any documents as may be necessary or expedient for giving effect to this resolution”.

- “RESOLVED FURTHER that the aforesaid charge shall be pari-passu to the charge/mortgage created/ to be created in favour of other Bank(s) in respect of other financial assistance obtained and as may be agreed between the Company and respective lender”.
9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED that in supersession of the earlier resolution passed by the Shareholders in their Annual General Meeting held on 10th June, 2011, the consent of the members of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions and rules framed thereunder of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), to the Board of Directors of the Company to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.300 Crores”.
10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED THAT pursuant to the provisions of Section 14 and other application provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded, for alteration of existing Articles of Association of the Company by deleting the existing set of regulations 1 to 184 (both inclusive) and substituting with new set of regulations 1 to 96 (both inclusive), as required under the Companies Act, 2013”.
2. THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED FROM 18-06-2014 TO 20-06-2014 (BOTH DAYS INCLUSIVE)
3. THE COMPANY IS IN THE PROCESS OF DELISTING ITS SHARES FROM STOCK EXCHANGES. AFTER DELISTING, THE COMPANY WILL CONTINUE TO BE LINKED UP WITH THE NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) IN RESPECT OF THE SHARES HELD IN DEMAT FORM BY THE REMAINING SHAREHOLDERS OF THE COMPANY.
4. AS PER COMPANIES UNPAID DIVIDEND (TRANSFER TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT) RULES, 1978, MEMBERS ARE HEREBY INFORMED THAT ANY UNPAID DIVIDEND DECLARED IN RESPECT OF THE YEAR ENDED UPTO 31ST MARCH, 2006 HAVE BEEN TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND OF THE GOVT.
5. THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR BANK ACCOUNT DETAIL/THEIR ADDRESS TO THEIR DEPOSITORY PARTICIPANTS (DPs) IN RESPECT OF SHARES HELD IN DEMATERIALIZED FORM AND TO THE COMPANY OR ITS REGISTRAR & TRANSFER AGENTS, IN RESPECT OF THE SHARES HELD IN PHYSICAL FORM TOGETHER WITH A PROOF OF ADDRESS VIZ. COPY OF ELECTRICITY BILL/ TELEPHONE BILL/RATION CARD/VOTER ID CARD/ PASSPORT ETC.
6. ALL SHAREHOLDERS HOLDING SHARES IN DEMAT FORM ARE REQUESTED TO INFORM/UPDATE THEIR EMAIL ID WITH THE DEPOSITORY PARTICIPANT AND ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO INFORM THEIR EMAIL ID TO THE COMPANY AT ITS ADDRESS 801- 803, TOWER- B, GLOBAL BUSINESS PARK, M.G. ROAD, GURGAON – 122002, HARYANA AND/OR REGISTRAR OF THE COMPANY AT ITS ADDRESS RCMC SHARE REGISTRY PVT. LTD., B-106, SECTOR -2, NOIDA - 201301, U.P.

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY’S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.

By Order of the Board
for EICL LIMITED

Place : Gurgaon
Date : 02-05-2013

Sd/-
P.S. SAINI
COMPANY SECRETARY

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 3, 4 & 6

Mr. Vijay Rai and Mr. Praveen Sachdev were appointed as the independent Directors subject to retirement by rotation, under the Companies Act, 1956 and being longest in the Office, are liable to retire by rotation. Mr. Vijay Kishore Sharma was appointed as an Additional Director of the Company w.e.f. 28-10-2013 and he would hold office upto the date of ensuing Annual General Meeting of the Company. Now the Companies Act, 2013 requires that the appointment of Independent Director can be made for a term upto 5 consecutive years and the Independent Director shall not be liable to retire by rotation. Notice U/s 160(1) of the Companies Act, 2013 has been received proposing the appointment of Mr. Vijay Rai and Mr. Vijay Kishore Sharma for a period of 3 years and Mr. Praveen Sachdev for a period of one year as Independent Directors of the Company.

The brief profiles of Mr. Vijay Rai, Mr. Praveen Sachdev and Mr. Vijay Kishore Sharma are given below :-

a. Mr. Vijay Rai

Mr. Vijay Rai aged 67 years is B.Tech in Mechanical Engineering from I.I.T., Kharagpur. He has rich experience of over 43 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.

b. Mr. Praveen Sachdev

Mr. Praveen Sachdev aged 69 years is an Engineering Graduate and brings with him rich experience of more than four decades in diverse areas, in Greaves cotton Ltd, of which he was the Managing Director and CEO.

c. Mr. Vijay Kishore Sharma

Mr. Vijay Kishore Sharma aged 60 years is a Graduate Mechanical Engineer from IIT Kanpur and also has an MBA from IIM Ahmedabad. Mr. Sharma is a senior finance professional with extensive experience in wholesale banking, Investment Banking Private Equity, M&A activities across the globe and as CFO of a multinational company.

All the above Directors to be appointed as Independent Directors are well qualified and well experienced and in the opinion of the Board of Directors of the Company, they fulfill the conditions specified in the

Companies Act, 2013 and the rules framed thereunder for their appointment as Independent Directors and the proposed Directors are independent of the management. The Company has received their consent to act as Independent Directors in Form '-DIR-2'.

Hence, the resolution is recommended for your approval.

Mr. Vijay Rai, Mr. Praveen Sachdev and Mr. Vijay Kishore Sharma are concerned or interested in respect of the resolutions regarding their appointments and none of other Directors of the Company is in any way concerned or interested in the resolutions.

ITEM NO. 7

The Shareholders in their meeting held on 8th September, 2009 had approved payment of 1% Commission to Non-Executive Directors for a period of 5 financial years which expires on 31st March, 2014. In view of the increased demand on the time of and contribution required from the Non-Executive Directors of the Company, time spent by them for attending Board and various committee meetings, it is proposed to pay a Commission @ 1%, in aggregate, on the Net Profit of the Company as calculated U/s 198 of the Companies Act, 2013 to the members of the Board of Directors of the Company for a period of 5 financial years commencing from 1st April, 2014. The above commission will be distributed in such proportion and in such manner amongst the Directors as may be determined by the Board from time to time. To pay commission to the Non Executive Directors, shareholders approval is required U/s 197 of the Companies Act, 2013.

Hence, the resolution is recommended for your approval.

All the Directors except Dr. Venkatesh Padmanabhan is concerned or interested in the resolution.

ITEM NO. 8

The Company has been availing term loan/ working capital facilities from banks (outstanding as on 31-03-2014 Rs. 190.5 crores) and these loan/ credit facilities are secured by first charges/ second charges in favour of the Banks, on the movable and immovable properties of the Company. During the financial year 2014-15, the Company may be required to borrow funds from the Banks to the extent of Rs.50 Crores, from time to time, apart from the loan already availed as on date. These financial assistance shall be secured by creation of charge/equitable mortgage on all moveable and immovable properties of the Company. These charges will be pari-passu to the first charge(s)/second charge(s) created/to be created in favour of the Banks and as may be agreed between the Company and respective lender. For Creation of Charge on

Company's immovable properties, shareholders' approval is required U/s 180(1) (a) of the Companies Act, 2013.

Hence, the resolution is recommended for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

ITEM NO. 9

The Shareholders in their Annual General Meeting held on 10th June, 2011 had authorised the Board of Directors of the Company to borrow money to the extent of Rs. 300 Crores excluding working capital credit facilities granted by the bankers in the ordinary course of business u/s 293(1)(d) of the Companies Act, 1956. In view of the enactment of new Companies Act, 2013 it is considered necessary to get the authorization of Shareholders U/s 180(1)(c) of the Companies Act, 2013 to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.300 Crores.

Hence, the resolution is recommended for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

ITEM NO. 10

In view of the enactment of new Companies Act, 2013 and rules framed thereunder, it has become necessary to change the Articles of Association of the Company. It is proposed to adopt a completely new set of articles and replace the existing articles with these adopted articles, under the Companies Act, 2013. To change the Articles of Association of the Company, shareholders approval is required U/s 14 of the Companies Act, 2013. The new set of Articles of Association of the Company is as follows :-

ARTICLES OF ASSOCIATION OF EICL LIMITED

PUBLIC COMPANY LIMITED BY SHARES

Interpretation

1. In these regulations—

(a) “the Act” means the Companies Act, 2013,

(b) “the seal” means the common seal of the company.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

3. The Company shall forthwith enter into an agreement with English China Clays Limited of St. Austell, Cornwall, England, in the terms of the draft, a copy whereof has for the purpose of identification, been subscribed by Mr. B.P. Ray, Solicitor of Calcutta and the Board shall carry the said agreement into effect with full power nevertheless (subject to the provisions of Section 61 of the Companies Act, 1956) from time to time to agree to any modification of the terms of such agreement either before or after the execution thereof.

The basis on which the Company is established is that the Company shall enter into the said agreement on the terms there in set forth, subject to such modification (if any) as aforesaid and that Mr. Alan Nugent Goring Dalton and Mr. Mavelikalathu Narayana Iyer Ramakrishnan are to be the first Directors of the Company, and accordingly it shall be no objection to the said agreement that the said Mr. Alan Nugent Goring Dalton and the said Mr. Mavelikalathu Narayana Iyer Ramakrishnan as promoters and Directors stand in a fiduciary position towards the Company and that the Directors do not in the circumstances constitute an independent Board and every members of the Company, present and future, is to be deemed to join the Company on this basis.

Share capital and variation of rights

4. The Authorised Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association and the same may be increased, decreased, consolidated, subdivided or otherwise dealt with in accordance with the provisions of the Act and the statutory regulations for the time being in force in this regard. These shares will carry such preferential, qualified or special rights, privileges as may be conferred on them from time to time by these regulations or by the terms of issue of such security.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or

after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of a sum for each certificate after the first, as may be decided by the Board subject to the rules framed in this respect.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of a sum for each certificate, as may be decided by the Board subject to the rules framed in this respect..

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

8. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not

exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

10. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

12. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution or special resolution, as the case may be, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may determine.

Lien

13. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or

- in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
14. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
15. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- Calls on shares**
17. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
18. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
20. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at twelve per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
21. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
23. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register as a holder, or one of the holders of the numbers of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened

or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Transfer of shares

24. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
25. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
26. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
27. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

28. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him

with other persons.

29. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
30. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

32. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the

call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

33. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
34. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
35. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
36. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
37. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor

shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

38. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

39. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such class and such amount, as may be specified in the resolution.
40. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
41. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits

of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

42. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

43. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

44. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

45. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

46. All general meetings other than annual general meeting shall be called extraordinary general meeting.

47. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

48. (i) No business shall be transacted at any general meeting unless a quorum of members is present at

the time when the meeting proceeds to business.

- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

49. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

50. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

51. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

52. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

54. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

55. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by

the order in which the names stand in the register of members.

56. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

57. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

58. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

59. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

60. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time appointed for holding the meeting and in default the instrument of proxy shall not be treated as valid.

61. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

62. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

63. Until otherwise determined by Special resolution, the number of the Directors of the Company shall not be less than three or more than fifteen or such maximum number as may be prescribed by the Central Govt. from time to time.

64. At the date of adoption of these articles, the persons named hereinafter are the Directors :-
1. Mr. Karan Thapar, Chairman
 2. Mr. Vijay Rai
 3. Mr. J.K. Jain
 4. Mr. Praveen Sachdev
 5. Mr. T. Balakrishnan
 6. Mr. Vijay Kishore Sharma
 7. Dr. Venkatesh Padmanabhan
65. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - (b) in connection with the business of the company.
66. The Board may pay all expenses incurred in getting up and registering the company.
67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
70. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
- (iii) The Board can appoint one of its members as a Chairman as well as Managing Director or Chief Executive Officer of the Company.
71. (i) The Board of Directors of a Company may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India.
- (ii) The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.
- (iii) If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board
- Proceedings of the Board**
72. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
73. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
74. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
75. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may

choose one of their number to be Chairperson of the meeting.

76. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
77. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
78. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
79. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
80. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

81. Subject to the provisions of the Act,—
- (i) A chief executive officer or manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer or manager, company secretary and chief financial

officer so appointed may be removed by means of a resolution of the Board;

- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
82. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

83. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors or one director and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

84. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
85. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
86. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

87. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
88. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
89. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid in any electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
90. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
91. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
92. No dividend shall bear interest against the company.
93. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

Accounts

94. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of

them, shall be open to the inspection of members not being directors.

- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
- (iii) Where under any provision of the Act any person, whether a member of the company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 a.m. and 12 noon on such business days as the Act requires them to be open for inspection.

Winding up

95. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

96. Every director and officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and of subscribers	Witnesses (along with names, addresses, occupations descriptions and occupations)
(Sd) Barendra Prasad Ray, Solicitor, 29, Netaji Subhas Road, Calcutta-1 Son of the Late Barada Prasad Ray,	(Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Pramo Dekumar Ray Choudhary, Solicitor, 29, Netaji Subhas Road, Calcutta-1 Son of Mr. Jonendra V. Roy Choudhary	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Prasad Sen Gupta, Solicitor Son of late Sundhir Kumar Sengupta 29, Netaji Subhas Road, Calcutta-1	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Sudhir Comar Ghose, Solicitor 29, Netaji Subhas Road, Calcutta-1 Son of late Sasanka Comar Ghose	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Monkomp Sambahivam Ramdas, "Shobana", Mullackal, Alleppey, Business Son of Late Dr. M.K. Sambahivam	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Narayana Swami Santanam, "Kottaram", Ponnurangam Road West, R.S. Puram, Coimbatore – 2, Business, Son of M.K. Narayanaswami	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar
(Sd) Mavellikalam Narayana Iyer Ramakrishnan, Temple Road, Kottayam, Business, Son of v. Narayana Iyer	Sd) P.K. Majumadar, Service 29, Netaji Subhas Road, Calcutta-1 Son of Indra Kumar Majumdar

Dated the 18th day of November, 1963

Hence, the resolution is recommended for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

**By Order of the Board
for EICL LIMITED**

Place : Gurgaon
Date : 02-05-2014

Sd/-
P.S. SAINI
COMPANY SECRETARY

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CIN : L26939KL1963PLC002039

EICL LIMITED

Regd. Office : TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA)

Corp. Office : 801-803, Tower-B, Global Business Park, M.G. Road, Gurgaon – 122 002, Haryana

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature :, or failing him

2. Name : Address :

E-mail Id : Signature :, or failing him

3. Name : Address :

E-mail Id : Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fiftieth Annual general meeting of the company, to be held on Friday, 20th June, 2014 at 11:00 a.m. at TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA)**. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1

2

3

4

5

6

7

8

9

10

Signed this..... day of..... 2014

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Company Information

CIN : L26939KL1963PLC002039

CHAIRMAN

Mr. Karan Thapar

DIRECTORS

Mr. J. K. Jain

Mr. Vijay Rai

Mr. Praveen Sachdev

Mr. T. Balakrishnan

Mr. V. K. Sharma (w.e.f. 28.10.2013)

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Dr. Venkatesh Padmanabhan

SR. VICE PRESIDENT

CORPORATE FINANCE ACCOUNTS & ADMINISTRATION

Mr. S. K. Jain

COMPANY SECRETARY HEAD CORPORATE - LEGAL

Mr. P. S. Saini

REGISTERED OFFICE

TC-79/4, Veli

Thiruvananthapuram-695 021

Kerala

HEAD OFFICE

5th Floor, PTI Building

16/7, Miller Tank Band Area

Vasanth Nagar

Bangalore -560052 (Karnataka)

AUDITORS

Walker, Chandiook & Co LLP

Chartered Accountant

L-41, Connaught Circus

New Delhi - 110001

COST AUDITORS

A. R. Narayanan & Co.

Cost Accountants

Door No. 62/5621, 1st Floor,

Prabhat Building

T.D Road, Ernakulam, Cochin- 682011

BANKERS

Axis Bank Limited

State Bank of India

Yes Bank Limited

ICICI Bank Limited

IndusInd Bank Ltd.

CORPORATE OFFICE

801-803, Tower-B, 8th Floor

Global Business Park, M. G. Road

Gurgaon-122 002 (Haryana)

WORKS

Thiruvananthapuram (Kerala)

Yamunanagar (Haryana)

Shimoga (Karnataka)

THE SHARES OF THE COMPANY ARE LISTED ON BSE LIMITED AND CALCUTTA STOCK EXCHANGE LTD.
LISTING FEE FOR THE YEAR 2014-2015 HAS BEEN PAID

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

To,
The Members:

Your Directors have pleasure in presenting the Annual Report with audited statement of accounts for the year ended 31st March, 2014.

(₹ in Crores)

	31st March 2014	31st March 2013
Gross operating Profit (before interest and depreciation)	55.44	49.83
Profit on sale of Land	-	5.50
Gross Profit before interest, depreciation & tax	55.44	55.33
Less : Interest	17.30	19.29
Gross Profit before Depreciation	38.14	36.04
Less : Depreciation	13.48	14.89
Profit before tax and exceptional items	24.66	21.15
Less : Exceptional Items	-	1.29
Tax Expenses :		
Current Tax	9.00	6.72
Deferred Tax	(0.44)	1.27
Profit after Tax	16.10	11.87
To which is added :		
- Balance brought forward from the previous year	67.44	61.78
Leaving a balance of	83.54	73.65
Which your Directors recommend to be appropriated as under :		
Interim Dividend Paid		
- ₹ 5.50 per Preference Share on 3000000 11% Preference Shares of ₹ 100/- each (last year ₹ 5.50 per preference share)	1.65	1.65
Proposed Dividend		
- @ ₹ 5.50 on 3000000 11% Preference Shares of ₹ 100/- each (last year ₹ 5.50 per preference share)	1.65	1.65
- @ ₹ 0.30 per Equity Share of ₹ 2/- each (Last year ₹ 0.20 per Equity Share)	1.50	1.00
Tax on Dividend	0.82	0.72
Transfer to General Reserve	1.61	1.19
Carried forward to next year's account	76.31	67.44

DIVIDEND

Your Directors are pleased to recommend a dividend @ ₹ 0.30 per Equity Share on 5,02,76,013 Equity Shares, face value of ₹ 2/- each, amounting to ₹ 1,50,82,804/- and final dividend of ₹ 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/-.

During the year, the Company had declared and paid an interim dividend @ ₹ 5.50 per preference share on 30,00,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each for the year ended 31st March, 2014 amounting to ₹ 1,65,00,000/-.

The total outgo on account of dividend including dividend tax of ₹ 81,71,672/- will be ₹ 5,62,54,476/-.

OPERATIONS

During the year under review, the operations of your Company were adversely affected due to slow down in the manufacturing sector particularly in the paper, board and textile industries. The economic slow down has resulted in supply exceeding demand in starch business and the entry of new players in the clay market has put pressure on the margins of the Company's products.

Your Company has registered a marginal growth of 9%, with a net turnover of ₹ 462 Crores as against ₹ 421 Crores in the previous year. Your Company's efforts on process improvement coupled with price increases resulted in an increase of 33% in the PAT (Profit after Tax) to ₹ 16 Crores from ₹ 12 Crores in the previous year.

The speciality starch plant at Shimoga has taken a longer period for its stabilization, incurring EBIDTA loss during the year under review. However, the plant is expected to reach EBIDTA breakeven during the current financial year.

As informed earlier, the Company had put Bhuj Clay project on hold due to adverse economic conditions and management is constantly reviewing the same.

A detailed review of the operations and performance of the clay and starch businesses is contained in the Management Discussion & Analysis Report which is appended to the Directors' Report and forms part of it.

EXPORTS

The continued thrust on export activities has resulted in volume growth by 16% during the financial year under review. Your Company's total exports were at ₹ 48.32

Crores in the year under review as compared to ₹ 28.04 Crores in the previous year, showing a growth of 72%.

RESEARCH & DEVELOPMENT ACTIVITIES

The R&D activities of the Company gives required impetus in new product development, offering application support to customers and technical support to plant operations. Various new products are being developed and expected to be marketed in coming years in both the segments.

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, 2014 fixed deposits amounting to ₹ 22,52,000/- which became due for repayment had remained unclaimed by 22 depositors.

CORPORATE GOVERNANCE

The Company has complied with the code on corporate governance as prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. A compliance report alongwith Auditor's Certificate confirming the compliance is appended herewith and forms part of 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 in respect of starch division and detail of Technology absorption in respect of Starch and Clay Divisions are annexed herewith in Form A.

The company has recorded export earnings of ₹ 48.32 Crores and remittance of foreign currency equivalent to ₹ 5.94 Crores towards various purposes details of which have been incorporated in the Notes to Accounts No. 35 to 37.

DIRECTORS

Mr. Vijay Rai and Mr. Praveen Sachdev were appointed as the independent Directors subject to retirement by rotation, under the Companies Act, 1956 and being longest in the Office, are liable to retire by rotation.

Mr. Vijay Kishore Sharma was appointed as an Additional Director of the Company w.e.f. 28-10-2013 and he would hold office upto the date of ensuing Annual General Meeting of the Company.

Now the Companies Act, 2013 requires that the appointment of Independent Director can be made for a term upto 5 consecutive years and the Independent Director shall not be liable to retire by rotation.

Notice U/s 160(1) of the Companies Act, 2013 has been received proposing the appointment of Mr. Vijay Rai and Mr. Vijay Kishore Sharma for a period of 3 years and Mr. Praveen Sachdev for a period of one year as Independent Directors of the Company. The Profiles of Mr. Vijay Rai, Mr. Praveen Sachdev and Mr. Vijay Kishore Sharma seeking reappointment, forms part of the Corporate Governance Report.

DELISTING

In response to the request of M/s DBH International Pvt. Ltd. (Acquirer), one of the promoters of the Company, to voluntarily delist the Equity Shares of the Company from the Stock Exchanges, your Company had obtained the in-principle approval from the Stock Exchanges for the delisting of Equity Shares of the Company. The Acquirer had made necessary public announcement and Letter of Offer for acquisition of shares from the public shareholders and has accepted the exit price of ₹ 48/- per Equity Share. The shareholders who did not participate in the Reverse Book Building process or whose bids had been rejected, can offer to sell their shares to the promoter M/s DBH International Pvt. Ltd. upto one year from the date of delisting of Equity Shares.

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) DBH Consulting Ltd. (12) Greaves Auto Ltd. (13) Ascot International FZC, (14) Premium Transmission Cooperatie UA, (15) DBH Stephan Ltd. and (16) Premium Stephan B.V.

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'.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been re-appointed as Cost Auditors to conduct the cost audit of the accounts maintained by the company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013.

AUDITORS

M/s Walker Chandiook & Co. LLP (formerly Walker, Chandiook & Co.), Chartered Accountants, the existing Auditors retire and are eligible for reappointment. Their appointment and remuneration is recommended for your approval for one year i.e. for the financial year 2014-15, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

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 31-03-2014 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, 2014 and of the profit of the year ended 31.03.2014.
- 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

Your 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. Your Company also regularly conducts Medical Camps for the villages around the various Mines and factories.

HUMAN RESOURCES

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

FOR AND ON BEHALF OF THE BOARD

Place : Gurgaon
Date : 02-05-2014

Sd/-
Karan Thapar
Chairman

FORM-A**ENERGY CONSERVATION STATEMENT**

Power & Fuel Consumption	Current year ended 1/4/2013 to 31/3/2014	Previous year ended 1/4/2012 to 31/3/2013
1. ELECTRICITY		
(a) Purchased Units	14933181	12680410
Total amount (₹ in Lacs)	983.32	832.29
Rate/Unit (₹)	6.58	6.56
(b) Own Generation		
(i) Through Diesel Generator sets		
Units (KWH)	81525	1455715
Units Per Ltr. of Diesel	2.55	3.00
Cost/Unit (₹)	19.39	13.27
(ii) Through Co-generation		
Power Point (Units)	5178	498274
2. Fuel		
a. Coal & Lignite		
- Quantity (MT)	1744	1575
- Total cost (₹ Lacs)	124.34	103.79
- Average Rate/MT (₹)	7130	6589
b. Agro waste – Husk, Wood waste etc.		
- Quantity (MT)	15323	32523
- Total cost (₹ Lacs)	637.10	832.82
- Average Rate/MT (₹)	4158	2561
c. Furnace Oil		
- Quantity (Per '000 KL)	-	132
- Total cost (₹ Lacs)	-	49.64
- Average Rate/K. Ltr.(₹)	-	37473
Consumption per unit of production		
i) Electricity (Units/MT)	292.57	256
ii) Fuel		
a. Coal and Lignite (Kg)	37.42	27.54
b. Agro waste – Husk, wood waste etc. (kg)	298.48	568.62
c. Furnace Oil (KL)	-	2.32

FORM - B**1. Specific Areas in which R & D Carried out by the Company.****Clay Division**

- Developed specialized filler material for cables and pipes.
- Prepared high porosity clay for catalyst support.
- Developed specialty filler for natural latex.
- Identified energy intensive areas in operations towards targeting cost savings via novel technologies.

Starch Division

- Developed Drilling Starch formulations with high thermal stability.
- Developed high temperature organic binder for fine ore briquetting.
- Developed printing ink thickener.

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

- Able to get value addition to existing metakaolin and better market potential via import substitution.
- Increased penetration into non-traditional clay markets.
- Developed applications wherein shade and colour are not critical quality parameters.

Starch Division

- Increased export volumes of oil well drilling starch.
- Entry in new application segments
- Created a starch based alternative to natural gum.

3. Future Plan of Action :-**Clay Division**

- Development of specialty clays with superior properties while lowering specific energy usage in manufacturing.
- Process improvement via reduction of energy and water usage.
- Enhancement of process stability and product quality by

fine tuning of the process via pilot studies.

Starch Division

- Development of high thermal stability starch derivatives for the energy and primary metals segment.
- Development of novel environment friendly products for oil well drilling and other energy applications.
- Development of high performance and environment friendly products for textiles.

4. Expenditure on R & D :-

	31st March, 2014 (₹)	31st March, 2013 (₹)
a) Capital	--	33,35,200/-
b) Recurring	2,04,42,767/-	1,68,14,917/-
c) Total	2,04,42,767/-	2,01,50,117/-
d) Total R&D Expenditure as a percentage of total turnover	0.44	0.46

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, 2014.

Sr No.	Name	Designation	Gross Remuneration (₹)	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
1	Dr. Venkatesh Padmanabhan	Managing Director & Chief Executive Officer	1,08,74,679	B.S.-BITS, Mesra (Mech. Engineering), M.s.-University of Pittsburg, USA (Ind. Engineering), Ph.D-University of Pittsburg, USA (Ind. Engineering)	23 Years	11.03.2013	50	Eicher Motors Ltd
2	Mr. Praneet Mehrish *	Sr. Vice President (Corp. HR)	68,15,589	PGD (PM & IR) Xavier Institute of Social Service	33 Years	01.06.2010	58	Essar Steel Group
3	Mr. Asim Patel **	Chief Operating Officer & Business Head - Minerals, Business	61,11,268	B.Tech-IIT Delhi (Chemical Engineering), PGDM-IIM Kolkata	23 Years	30.04.2010	47	Polyplex Corporation Ltd
4	Mr. Rajesh Keshave Naik ***	Vice President-Markets	36,22,987	B.E-chemical-MS University Baroda, PG Diploma in Financial Management	22 Years	07.10.2013	45	E.I. Dupont Ltd

* Ceased W.E.F-14.01.2014

** Ceased W.E.F -03.01.2014

*** Joined On 07.10.2013

Notes

- Gross Remuneration includes Salary, Allowances, Performance Incentive, Leave Travel Concession, Company's Contribution to Provident Fund And Superannuation Fund, Leave Salary, Gratuity paid if any, and taxable value of perquisites wherever applicable.
- None of the employees listed above, is a relative of any director of the company
- The appointment of Dr Venkatesh Padmanabhan, Managing Director & CEO is contractual

CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY

The Company believes that the essence of Corporate Governance is transparency, accountability, investor protection, better compliance with statutory laws and regulations, value creation for its various constituents such as stakeholders, customers, employees and creditors. The Company recognizes the importance of strong Corporate Governance which is an important mechanism to achieve its objectives. During the year under review your Company has followed all mandatory requirements provided under Clause 49 of the Listing Agreement with the Stock Exchange.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors

The composition of the Board is in full compliance of Clause 49 of Listing Agreement and has optimum combination of executive and non executive Directors. The Board of Directors consist of seven directors, comprising of a Non-Executive Chairman, a Managing Director & CEO and Five Non-Executive/ independent Directors as on 31-03-2014. The composition of the Board, attendance of the Directors at the Meetings and also other directorships/memberships/ Chairmanship 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)	5	No	8	1	
Mr. Vijay Rai	Non-Executive Independent	5	Yes	9	3	1
Mr. J.K. Jain	Non-Executive Independent	3	No		3	
Mr. P.Sachdev	Non-Executive Independent	5	No	1	2	1
Mr. Vijay Kishore Sharma w.e.f.28-10-2013.	Non-Executive Independent	3	No	1		2
Mr. T. Balakrishnan	Non-Executive Independent	5	Yes			
Dr. Venkatesh Padmanabhan	Managing Director & CEO	5	Yes			1

As on 31-03-2014 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 five Board Meetings on 3rd May, 2013, 1st August, 2013, 28th October, 2013, 10th February, 2014 and 6th March, 2014.

3. AUDIT COMMITTEE

3.1 Composition

The Audit Committee of the Company was re-organized during the year.

The Audit Committee consists of three Independent Directors viz. Mr. Vijay Kishore Sharma, Mr. J.K. Jain and Mr. P.Sachdev. Mr. Vijay Kishore Sharma is appointed by the Committee as the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. The Managing 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 3rd May, 2013, 1st August, 2013, 28th October, 2013, and 10th February, 2014.

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

Name	Number of Meetings attended
Mr. Vijay Kishore Sharma w.e.f. 10-02-2014	0
Mr. J.K. Jain	2
Mr. P. Sachdev	4
Mr. Vijay Rai upto 10-02-2014	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 judgment 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. Karan Thapar, Dr. Venkatesh Padmanabhan, Managing Director & CEO as members and Mr. P. Sachdev as Chairman 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. The complaints received during the year were addressed to the satisfaction of the shareholders.

Mr. P.S. Saini, Company Secretary is the Compliance Officer of the Company. During the year, the Committee met twice on 02-04-2013, 15-05-2013 and 6-03-2014.

5. RISK MANAGEMENT COMMITTEE

During the year the Board of Directors of the Company re-constituted the Committee as Strategy & Risk Review and Corporate Social Responsibility Committee consisting of Mr. Karan Thapar, Mr. Vijay Rai, Mr. Vijay Kishore Sharma and Dr. Venketesh Padmanabhan, Managing Director & CEO. Mr. Karan Thapar is the Chairman of the Committee. During the financial year 2013-14, the Committee met twice on 28-10-2013 and 10th February, 2014. 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. Managing Director & CEO**

(Amount in ₹)

	Salary	Perquisites	Retirement Benefits	Commission	Total
Dr. VENKATESH PADMANABHAN	1,03,19,355	28,800	5,26,524	-	1,08,74,679

B. Non-Executive Directors**I. (Amount ₹)**

Name	Sitting Fees
Mr. Karan Thapar	1,22,000/-
Mr. Vijay Kishore Sharma	70,000/-
Mr. Vijay Rai	2,00,000/-
Mr. J.K. Jain	1,00,000/-
Mr. P. Sachdev	1,46,000/-
Mr. T. Balakrishnan	1,10,000/-

II. (Amount ₹)

Chairman	Commission
MR. KARAN THAPAR	27,89,263

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 31-03-2014 :-

	No. of Shares
1. Mr. Karan Thapar	72000
2. Mr. Vijay Rai	12836

7. GENERAL MEETINGS

Last three Annual General Meetings were held as under :-

Financial year ended	Date of Meeting	Time	Venue
31st March, 2013	12th June, 2013	11.00 a.m	TC-79/4, Veli, Thiruvananthapuram, Kerala
31st March, 2012	22nd June, 2012	11.00 a.m	TC-79/4, Veli, Thiruvananthapuram, Kerala
31st March, 2011	10th June, 2011	11.00 a.m	TC-79/4, Veli, Thiruvananthapuram, Kerala

A Special resolution approving to change the name of the Company from ENGLISH INDIAN CLAYS LIMITED to "EICL LIMITED" and alteration of the Memorandum of Association and the Articles of Association, Books of Accounts, Statutory Records, Letterheads, Name plates etc. accordingly was unanimously passed in the Annual General Meeting held on 22nd June, 2012.

A Special resolution through Postal Ballot was passed on 7th June, 2013 in accordance with the provisions of Section 192A of the Companies Act, 1956 approving the delisting of Equity Shares of the Company from Stock Exchanges.

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, 2014.

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 Managing Director & CEO 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, 2014.

Sd/-

Place : Gurgaon
Date : 02-05-2014

Dr. Venkatesh Padmanabhan
Managing Director & CEO

d. MD & CEO/CFO Certification

The Managing Director & CEO 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 results 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 67 years is B.Tech in Mechanical Engineering from I.I.T., Kharagpur. He has rich experience of over 43 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 Protection Ltd.
2. Akola Chemicals (India) Ltd.
3. Greaves Cotton Ltd.
4. Greaves Leasing Finance Ltd.
5. Princeware International Pvt. Ltd
6. Sri Biotech Laboratories India Ltd.
7. Pimex India Pvt. Ltd
8. South India Research Institute Pvt. Ltd.

Committee Memberships

Audit Committee

1. Greaves Cotton Ltd. - Member
2. Punjab Chemical & Crop Protection Ltd. - Member

Shareholders Grievance Committee

1. Greaves Cotton Ltd.

b. Mr. Praveen Sachdev

Mr. Praveen Sachdev aged 69 years is an Engineering Graduate and brings with him rich experience of more than four decades in diverse areas, in Greaves Cotton Ltd, of which he was the Managing Director and CEO. He is not holding any shares in the Company and holds Directorship in following Companies:

Other Directorship

DBH International Pvt. Ltd.

Committee Memberships**Audit Committee**

EICL Limited

Share Transfer/ Shareholders Grievance Committee

EICL Limited

c. Mr. Vijay Kishore Sharma

Mr. Vijay Kishore Sharma aged 60 years is a Graduate Mechanical Engineer from IIT, Kanpur and also has an MBA from IIM, Ahmedabad. Mr. Sharma is a senior finance professional with extensive experience in whole sale banking, Investment Banking, Private Equity, M&A activities across the globe and as CFO of a multinational company. He was appointed on the Board of the Company w.e.f. 28th October, 2013. He is an Independent Director. He is not holding any shares in the Company. He is holding directorship in following Company.

Other Directorships

Premium Transmission Ltd

Committee Memberships

1 EICL Limited

- Audit Committee -Chairman

- Strategy & Risk Review and CSR Committee - Member

2 Premium Transmission Ltd

- Audit Committee -Chairman

- Strategy & Risk Review and CSR Committee - Member

10.2 Forthcoming Annual General Meeting

The Fiftieth Annual General Meeting of the Company is scheduled to be held on Friday i.e. 20th June, 2014 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, 2014.

10.3 Financial Calendar

The financial year – 1st April to 31st March

Announcement of financial results

For year ended 31st March, 2014 on 02-05-2014.

The Board of Directors had declared an interim dividend of ₹ 5.50/- per Preference Share on 11% 30,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each for the year ended 31st March, 2014. The said interim dividend was paid on 07-11-2013.

The Board of Directors have recommend a final dividend @ ₹ 0.30/- per Equity Share of ₹ 2/- each and @ ₹ 5.50/- per preference share (₹ 5.50 per preference share as an interim dividend is already paid) on 11% 30,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each respectively for the year ended 31st March, 2014.

10.4 Book Closure

The Register of Members of the Company will remain closed from 18-06-2014 to 20-06-2014. (both days inclusive)

10.5 Listing on Stock Exchanges & Share Code No.

The Shares of the Company are listed on the BSE Limited and Calcutta Stock Exchange as per details given below :-

Name	Address	Stock Code
BSE Ltd.	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001	526560
The Calcutta Stock Exchange Ltd.	7, Lyons Range, Kolkotta- 700 001	15109

10.6 Market Price Data – The BSE Ltd.

MONTH	HIGHEST (₹) OF THE MONTH	LOWEST(₹) OF THE MONTH
April, 2013	36.00	29.30
May, 2013	43.50	36.25
June, 2013	39.00	33.30
July, 2013	42.75	37.00
August, 2013	42.10	37.25
September, 2013	40.00	35.50
October, 2013	41.50	36.05
November, 2013	40.10	37.00
December, 2013	39.75	35.10
January, 2014	44.00	34.40
February, 2014	43.80	41.10
March, 2014	43.85	41.00

DELISTING

In response to the request of M/s DBH International Pvt. Ltd. (Acquirer), one of the promoters of the Company, to voluntarily delist the Equity Shares of the Company from the Stock Exchanges, your Company had obtained the in-principle approval from the Stock Exchanges for the delisting of Equity Shares of the Company. The Acquirer had made necessary public announcement and Letter of Offer for acquisition of shares from the public shareholders and has accepted the exit price of Rs.48/- per Equity Share. The shareholders who did not participate in the Reverse Book Building process or whose bids had been rejected, can offer to sell their shares to the promoter M/s DBH International Pvt. Ltd. upto one year from the date of delisting of Equity Shares.

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, 2014

CATEGORY	NO. OF SHARES OF ₹ 2/- EACH	PERCENTAGE
Promoters	39174603	77.92
Indian Institutional Investors	-	-
Other Bodies Corporate	3206982	6.38
Foreign Institutional Investors	2993544	5.95
NRI/OCBs	87407	0.17
Mutual Funds	-	-
General Public	4683653	9.32
Directors & Relatives	129824	0.26
TOTAL	50276013	100

10.10 Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal value (₹)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	12976	98.14	3076656	6.12
5001-10000	113	0.85	395157	0.79
10001-20000	69	0.52	456337	0.91
20001-30000	20	0.15	241633	0.48
30001-40000	7	0.05	123700	0.25
40001-50000	5	0.04	111171	0.22
50001-100000	14	0.11	482828	0.96
100001 & above	18	0.14	45388531	90.28
TOTAL	13222	100	50276013	100

10.11 Dematerialisation of Shares

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

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

As on March 31, 2014, 4,98,01,452 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 Industrial Area, Nidige Post, Shimoga 577222 KARNATAKA

10.13 Address for Correspondence

EICL Limited
TC-79/4, Veli, Thiruvananthapuram–695021,
KERALA
Phone : (0471) 4095111,
Fax : (0471) 2742233 Email : sect@eicl.in

EICL Limited
Global Business Park, 801-803, Tower-B,
M.G. Road, Gurgaon – 122 002, 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/-

Sd/-

Place : Gurgaon
Date : 02-05-2014

Karan Thapar
Chairman

Dr. Venkatesh Padmanabhan
Managing Director & CEO

MANAGING DIRECTOR & CEO AND CFO CERTIFICATION

**To,
The Board of Directors
EICL Limited**

We, Dr. Venkatesh Padmanabhan, Managing Director & CEO 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, 2014 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, 2014 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/-

**Dr. Venkatesh Padmanabhan
Managing Director & CEO**

Sd/-

**S.K. Jain
Sr. Vice President
(Corpt. F&A)**

Place : Gurgaon
Date : 02-05-2014

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

To the Members of **EICL Limited** (formerly known as English Indian Clays Limited)

We have examined the compliance of conditions of Corporate Governance by EICL Limited (“the Company”), (formerly known as English Indian Clays Limited) for the year ended on March 31, 2014, 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 the 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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

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

Place : Gurgaon
Date : May 02, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Competitive and External Environment

- a. The economic growth in India in financial year 2013-14 had slowed down to 4.9% which is the lowest in a decade. The high borrowing cost to combat inflation coupled with lower private consumption, low investment in infrastructure and other sectors were responsible for this. Although agriculture and allied sectors had shown improvement following a good monsoon and exports grew due to the depreciation in the value of the Indian Rupee, the economic growth was mainly pulled down by the manufacturing & mining sector.
- b. The low economic growth appears to have bottomed out and increase in economic activity is expected from the middle of 2014 after formation of new stable Government.
- c. The industry segments of concern to EICL that are impacted adversely, were Paper & Board and Textile Industry. Superimposed on the above was the inception of the down turn in the Starch commodity cycle in the first half of the financial year. Clay business is an energy intensive segment and sourcing of fuel at stable prices is always an area of concern. The Company is working on alternative fuel as well as on approaches to reduce the consumption of fuel.
- d. The macro-economic environment is not very healthy. The starch industry is highly competitive and the increased competition in Calcined Clay and Value added Clay Business segment from imports and new small players are putting pressure on margins. The Shimoga (Karnataka) starch manufacturing facility has also not yet started paying back.
- e. The Company has put on hold its Bhuj Project for setting up a manufacturing facility and closely watching the economic changes. Initiatives are being taken to establish outsourced manufacturing to grow the business.

2. Overall Performance

- a. Net Sales Turnover increased to ₹ 462 Cr., showing growth of 10% over the previous year. Operating EBIDTA increased by 12% mainly due to focus on process improvement and price increases which resulted in growth of 36% in PAT which moved from ₹ 11.87 Cr to ₹ 16.10 Cr for the year.
- b. The land bank of Kaolin raw material at Kerala continued to be augmented. Total committed during the year was approx. Rs. 4 Cr. In addition, various opportunities are being explored outside Kerala and outside India.
- c. The Company's R&D units continued to play a key role in developing new products, and new applications; also in offering application support to the customers. Various new products are being developed and expected to be marketed in coming years in both the segments.

3. Segment Wise Business Performance

(₹ Crores)

	2012-13			2013-14		
	Starch	Clay	Total	Starch	Clay	Total
Net Sales	186.37	235.14	421.51	190.20	272.59	462.79
EBIDTA	1.62	48.75	50.37	4.09	52.27	56.36
EBIT	(3.32)	39.16	35.84	(0.98)	44.30	43.32

The un-allocable expenses for the year were ₹ 1.37 Cr. (2012-13: ₹ 0.90 Cr)

a. Clay

- i. The Sales of the Clay Business were higher in volume by 3% and value terms by 16% due to better price realization. Export volumes grew by about 16%.
- ii. Despite increase in selling price, the margins were little lower than last year mainly due to sharp increase in the fuel cost towards end of last financial year and increase in fixed costs due to focus on R&D activities.

- iii. The land and buildings relating to Kollam plant has been put-up for sale.

b. Starch

- i. The Sales of the Starch Business were lower in volume by 5% and in value terms higher by 2% due to drop in sale of low margin products.
- ii. The margins increased due to exit of low margin products; also the starch margins are lower due to the slow pace of stabilization of Shimoga plant, which incurred EBIDTA loss during the current financial year also.
- iii. Going forward, the company has started exiting from the products which are giving low or negative margins to focus on value added products.

4. Outlook for 2014-15

- a. The macro-economic environment is expected to grow from mid of 2014 after formation of new Government.
- b. In view of the discussion with end user industry and studying the microeconomic environment, the Company estimates a growth of 8% for FY 2014-15.
- c. It is expected that there would not be much currency fluctuation during the current financial year and may result in stable fuel and chemical prices.
- d. Interest rates may reduce marginally during the course of the year.
- e. 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 Modified Starches.
- f. Considering the above factors, no significant capacity increase is being planned during the year. Focus will be on consolidation, improving the operating efficiency and contract manufacturing and outsourcing.

- g. Shimoga plant is expected to reach EBIDTA break even during current financial year.
- h. Overall, we expect to grow significantly in terms of bottom-line.
- i. Various areas of diversification and growth are under study and there are expected to take shape towards end of the current financial year.

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.

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

- b. Development of leadership capabilities amongst Senior Management team, through training, exposure, job rotation etc.
- c. Recruitment of young managers (including Management and Engineering trainees) as a corporate pool.
- d. Induction of Senior Management professionals in critical gap areas.

7. Risks and Concerns

- a. The company's risk profile is reviewed bi-annually by a Strategy & Risk Review and Corporate Social Responsibility Committee comprising of four 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.

Independent Auditors' Report

To the Members of EICL Limited

(formerly known as English Indian Clays Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of **EICL Limited**, ("the Company"), (formerly known as English Indian Clays Limited) which comprise of the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. on the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

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

Place: Gurgaon
Date : May 02, 2014

Annexure to the Independent Auditor's Report of even date to the members of EICL Limited (formerly known as English Indian Clays Limited) on the Financial Statement for the year ended March 31, 2014

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit.
- (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 between physical inventory and book records 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 4(iii)(d) of the Order are not applicable.
- (b) The Company has taken unsecured loans from two parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 5,865,407 and the year-end balance is ₹ 4,851,717.
- (c) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, *prima facie*, prejudicial to the interest of the Company.
- (d) In respect of loans taken, repayment of the principal amount and the interest is 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. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (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) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) 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, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Misclassification of maize starch	63,494,596	-	April 1, 1997 to December 18, 2001	Central Excise and Service Tax Appellate Tribunal, New Delhi
	MODVAT claimed on lubricant and transformer oil	54,905,715	-	Year 2000 to 2004	Central Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	52,464,020	1,241,379	Year 2000 to 2004	Central Excise and Service Tax Appellate Tribunal, New Delhi
Govt. of Kerala	Entry tax	15,133,588	15,133,588	Year 2002 to 2004 and Year 2005 to 2007	Supreme Court
Income Tax Act, 1961	Disallowance in respect of contributions made towards a gratuity fund	21,765,100	-	AY 2010-11	Income-tax Appellate Tribunal (ITAT)
	Disallowance in respect of interest claimed on lease transactions	52,438,548	-	AY 1997-98 and AY 1999 to 2002	Commissioner of Income Tax (Appeals)
	Disallowance in respect of interest claimed as deductible expense			AY 1997-98	Commissioner of Income Tax (Appeals)
	Income tax and interest thereon	56,153,668	-	AY 1995-96	Commissioner of Income Tax (Appeals)
	Income tax and interest thereon	4,334,460	-	AY 2007-08	Commissioner of Income Tax (Appeals)
	Income tax and interest thereon	5,360,180	-	AY 2008-09	Commissioner of Income Tax (Appeals)

- (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) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures 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, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing 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 not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and 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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

Sd/-

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

Place : Gurgaon
Date : May 02, 2014

Balance Sheet as at	Notes	March 31, 2014 ₹	March 31, 2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	40,05,52,026	40,05,52,026
Reserves and surplus	3	1,31,60,72,061	1,21,13,35,022
		1,71,66,24,087	1,61,18,87,048
Non current liabilities			
Long term borrowings	4	33,26,93,735	46,63,15,307
Deferred tax liabilities (net)	5	23,62,62,520	24,07,04,865
Other long term liabilities	6	1,44,59,672	1,41,69,385
Long term provisions	7	1,32,49,970	1,66,47,286
		59,66,65,897	73,78,36,843
Current liabilities			
Short term borrowings	8	59,16,82,073	52,28,19,559
Trade payables	9	34,89,87,381	34,53,36,857
Other current liabilities	10	38,96,85,319	40,81,23,442
Short term provisions	11	10,41,47,471	6,58,45,825
		1,43,45,02,244	1,34,21,25,683
		3,74,77,92,228	3,69,18,49,574
ASSETS			
Non current assets			
Fixed assets	12		
Tangible assets		2,46,13,39,353	2,45,74,29,264
Intangible assets		31,90,336	40,77,150
Capital work in progress		1,65,76,925	5,56,32,595
Non current investments	13	5,00,000	5,00,000
Long term loans and advances	14	5,68,62,780	5,61,75,465
Other non current assets	15	25,57,496	31,56,000
		2,54,10,26,890	2,57,69,70,474
Current assets			
Inventories	16	45,60,84,995	45,73,99,975
Trade receivables	17	61,37,61,741	54,54,96,643
Cash and bank balances	18	4,41,57,527	2,25,14,411
Short term loans and advances	19	7,65,30,490	7,34,84,786
Other current assets	20	1,62,30,585	1,59,83,285
		1,20,67,65,338	1,11,48,79,100
		3,74,77,92,228	3,69,18,49,574
TOTAL			
Summary of significant accounting policies and other explanatory information			
The accompanying notes are an integral part of the financial statements			
This is the Balance Sheet referred to in our report of even date			

Summary of significant accounting policies and other explanatory information 1

The accompanying notes are an integral part of the financial statements

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

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

Ashish Gupta
Partner

Place: Gurgaon
Date: May 2, 2014

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan
Managing Director and Chief Executive Officer

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

Sd/-
Karan Thapar
Chairman

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

Statement of Profit and Loss for the year ended	Notes	March 31, 2014 ₹	March 31, 2013 ₹
INCOME			
Revenue from operations (gross)	21	4,76,10,80,280	4,36,93,24,223
Less: Excise duty		13,31,09,495	15,41,95,168
Revenue from operations (net)		4,62,79,70,785	4,21,51,29,055
Other income	22	77,07,472	6,30,85,751
Total income		4,63,56,78,257	4,27,82,14,806
EXPENSES			
Cost of materials consumed		1,75,14,72,693	1,79,34,68,750
(Decrease)/ Increase in inventories of finished goods and work in progress	23	2,11,73,119	(6,36,00,030)
Purchase of traded goods		3,91,73,118	4,95,93,040
Employee benefits expense	24	52,98,22,433	44,60,38,525
Finance costs	25	17,28,94,354	19,29,81,259
Depreciation and amortisation expense	12	13,48,22,102	14,88,61,711
Other expenses	26	1,73,97,65,267	1,49,93,82,493
Total expenses		4,38,91,23,086	4,06,67,25,748
Profit before tax and exceptional items		24,65,55,171	21,14,89,058
Exceptional items	27	-	1,29,12,715
Profit before tax and after exceptional items		24,65,55,171	19,85,76,343
Tax expense:			
- Current tax		9,00,06,000	5,96,32,000
- Tax earlier years		-	76,06,291
- Deferred tax		(44,42,345)	1,26,61,740
Profit for the year		16,09,91,516	11,86,76,312
Earnings per share:	28		
- Basic		2.43	1.60
- Diluted		2.43	1.60

Summary of significant accounting policies and other explanatory information**The accompanying notes are an integral part of the financial statements****This is the Statement of Profit and Loss referred to in our report of even date**

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

Ashish Gupta
Partner

Place: Gurgaon

Date: May 2, 2014

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan
Managing Director and Chief Executive Officer

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

Sd/-
Karan Thapar
Chairman

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

Statement of Cash Flows for the year ended	March 31, 2014 ₹	March 31, 2013 ₹
A. Cash flow from operating activities:		
Net profit before tax	24,65,55,171	19,85,76,343
Adjustments for:		
Depreciation and amortisation	13,48,22,102	14,88,61,711
Interest expense	17,28,94,354	19,29,81,259
Interest income	(43,57,083)	(58,33,796)
Unrealised exchange fluctuation loss	34,51,923	35,03,183
Loss/ (profit) on sale of fixed assets (net)	68,65,448	(5,33,26,925)
Receivables/advances written off	42,35,551	31,02,863
Provision for bad and doubtful debts/advances	58,97,149	37,77,439
Liability no longer required written back	(27,63,372)	(17,63,326)
Amortisation of government grant	(2,23,478)	(2,67,818)
Operating profit before working capital changes	56,73,77,765	48,96,10,933
Adjustments for changes in working capital :		
- Movement in trade receivables	(8,18,49,722)	(9,26,83,374)
- Movement in other receivables (current and non current)	(22,61,379)	5,46,11,629
- Movement in inventories	13,14,980	(3,19,71,665)
- Movement in trade and other payables (current and non current)	(35,00,973)	4,73,82,082
Cash generated from operations	48,10,80,671	46,69,49,605
Direct taxes paid	(6,46,73,187)	(2,63,55,820)
Net cash generated from operating activities	41,64,07,484	44,05,93,785
B. Cash flow from investing activities:		
Additions to fixed assets and capital work in progress	(11,45,76,003)	(16,16,92,254)
Proceeds from sale of fixed assets	47,21,323	9,82,76,564
Investment in fixed deposits with banks	(27,44,647)	72,35,381
Dividend accounts	5,39,340	(23,202)
Interest received	40,33,394	64,72,163
Net cash used in investing activities	(10,80,26,593)	(4,97,31,348)
C. Cash flow from financing activities:		
Proceeds from borrowings		
- Receipts	7,30,00,000	10,00,00,000
- Payments	(20,51,30,697)	(27,95,98,380)
Proceeds from public deposits (net)	(25,86,000)	(19,61,000)
Repayment of inter corporate deposits	-	(2,50,00,000)

Statement of Cash Flows for the year ended	March 31, 2014 ₹	March 31, 2013 ₹
Proceeds from cash credits/working capital demand loan (net)	6,88,62,514	1,76,41,957
Interest paid	(17,27,79,389)	(19,23,33,327)
Dividends paid	(4,35,90,781)	(3,29,76,742)
Dividend taxes	(73,17,233)	(53,53,426)
Net cash used in financing activities	(28,95,41,586)	(41,95,80,918)
Net (decrease)/ increase in cash & cash equivalents	1,88,39,305	(2,87,18,479)
Cash and cash equivalents at the beginning of the year	1,06,76,225	3,93,94,705
Cash and cash equivalents at the end of the year	2,95,15,530	1,06,76,225
Cash and cash equivalents comprise		
Cash [including cheques in hand of ₹ 4,754,451 (2012-13 : ₹ 431,011)]	58,56,108	16,99,521
Savings account with post office	272	272
Deposit accounts (other than pledged)	1,74,706	1,65,706
Balance with scheduled banks in current accounts	2,34,84,444	88,10,726
Total	2,95,15,530	1,06,76,225

Note:

Figures in parentheses indicate cash outflow

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

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

Sd/-
Ashish Gupta
Partner

Place: Gurgaon
Date: May 2, 2014

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan
Managing Director and Chief Executive Officer

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

Sd/-
Karan Thapar
Chairman

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****1. Background and nature of operations**

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

2. Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards 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 recognised prospectively in the current and future periods.

4. Fixed assets

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

The revalued fixed assets are restated at their

estimated current replacement values as on the date of revaluation as determined by the approved valuers.

Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably in accordance with Accounting Standard – 26, 'Intangible Assets'.

5. Depreciation/Amortisation**a) Tangible fixed assets**

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

- a) Depreciation on original cost as specified in Schedule 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 amortised on straight line basis over their useful lives of 10 years and 5 years respectively from the date of acquisition / implementation. The amortisation period and method are reviewed at each year end.

6. Investments

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

investments are carried at lower of cost and fair value.

7. **Impairment of assets**

All assets other than inventories, investments and deferred tax asset are reviewed for impairment in accordance with the applicable accounting standard wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets where carrying value exceeds the recoverable amount are written down to the recoverable amount.

8. **Inventories**

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

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

9. **Employees benefits**

(a) **Short term employee benefits**

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

(b) **Long term employee benefits**

(i) **Provident fund and employees state insurance schemes**

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

Government of India.

In respect of employees, the Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust administered by the Company. The minimum interest payable by the provident fund trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on respective investments of the trust and the notified interest rate.

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

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

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

(ii) **Gratuity**

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

Company. The Company has taken gratuity policy with HDFC Insurance to cover the liability. The Company provides for the gratuity plan based on actuarial valuations in accordance with Accounting Standard 15 (revised).

Actuarial gains and losses are recognised as and when incurred.

(iii) Other employee benefits

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

10. Foreign currency transactions

i) Initial recognition

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

ii) Conversion

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

iii) Exchange differences

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

As per the amendment of the Companies (Accounting Standard) Rules, 2006-'AS 11' relating to 'The Effects of Changes in Foreign Exchange Rates' exchange difference arising on conversion of long term foreign currency monetary items is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortised over period not extending beyond, earlier of March 31, 2020 or maturity date of underlying long term foreign currency monetary items.

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

11. Research & development expenses

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

12. Government grant

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

13. Revenue recognition

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

i) Sales

a) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually

associated with ownership; and

- b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

ii) Interest

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

14. Borrowing costs

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

15. Taxation

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

16. Segment accounting

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

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

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

17. Earnings per share (EPS)

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

average number of shares outstanding during the year.

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

18. Leases

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

19. Mine restoration

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

20. Provisions and contingencies

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

2. SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Authorised share capital				
Equity shares of ₹ 2 each	9,00,00,000	18,00,00,000	9,00,00,000	18,00,00,000
Preference shares of ₹ 100 each	30,00,000	30,00,00,000	30,00,000	30,00,00,000
		48,00,00,000		48,00,00,000
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	5,02,76,013	10,05,52,026	5,02,76,013	10,05,52,026
11% cumulative redeemable preference shares of ₹ 100 each	30,00,000	30,00,00,000	30,00,000	30,00,00,000
		40,05,52,026		40,05,52,026

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

b) Terms and rights attached to equity shares

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

During the year ended March 31, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.3 per share (2012-13 : ₹ 0.2 per share) of which dividend proposed by the board of directors subject to the approval of the shareholders is ₹ 0.30 per share (2012-13: ₹ 0.20 per share).

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

c) Terms and rights attached to preference shares

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

During the year ended March 31, 2014, the amount of per share dividend recognised as distributions to preference shareholders was ₹ 11.00 (2012-13 : ₹ 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 (2012-13 : ₹ 5.50 per share).

11% Cumulative redeemable preference shares are redeemable at par at the option of the Company not earlier than 18 months but not later than 5 years from the date of allotment/renewal September 04, 2011 and October 01, 2009 for ₹ 20,00,00,000 and ₹ 10,00,00,000 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, 2014		As at March 31, 2013	
	Number	₹	Number	₹
DBH International Private Limited	2,56,58,240	5,13,16,480	2,56,58,240	5,13,16,480

Preference shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
DBH International Private Limited	30,00,000	30,00,00,000	20,00,000	20,00,00,000

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

Particulars	Year (aggregate number of shares)					
	2012-13	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Equity shares :						
Fully paid up by way of bonus shares	-	-	2,79,31,118	-	-	-

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

Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares				
DBH International Private Limited	2,56,58,240	51.03	2,56,58,240	51.03
Karun Carpets Private Limited	1,33,99,375	26.65	1,33,99,375	26.65
Lotus Global Investments Limited	29,93,544	5.95	29,93,544	5.95
11% Preference shares				
DBH International Private Limited	30,00,000	100.00	20,00,000	66.66
Karun Carpets Private Limited	-	-	10,00,000	33.34

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Capital reserves	6,33,688	6,33,688
Capital redemption reserve	4,41,37,764	4,41,37,764
General reserve		
Balance at the beginning of the year	49,21,60,206	48,02,92,575
Add: Transferred from surplus in Statement of Profit and Loss for the year	1,60,99,151	1,18,67,631
Balance at the end of the year	50,82,59,357	49,21,60,206
Foreign currency monetary item translation difference account		
Balance at the beginning of the year	-	72,013
Less: Amount capitalised during the year	-	(72,013)
Balance at the end of the year	-	-
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	67,44,03,364	61,78,39,656
Add: Profit for the year	16,09,91,516	11,86,76,312
Appropriations		
Less: Proposed dividends		
- Preference shares	1,65,00,000	1,65,00,000
- Equity shares	1,50,82,804	1,00,55,203
Less: Interim dividends		
- Preference shares	1,65,00,000	1,65,00,000
- Equity shares	-	-
Less: Corporate dividend tax	81,71,673	71,89,770
Less: Transfer to general reserve	1,60,99,151	1,18,67,631
Balance at the end of the year	76,30,41,252	67,44,03,364
Total	1,31,60,72,061	1,21,13,35,022

4 LONG TERM BORROWINGS

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non current	Current	Non current	Current
Secured				
Term loans				
Rupee term loan from banks (note a)	20,26,71,855	21,87,62,668	35,10,41,667	19,58,33,333
Foreign currency loans from bank (note b)	7,36,52,880	82,02,600	7,43,14,640	59,45,400
	<u>27,63,24,735</u>	<u>22,69,65,268</u>	<u>42,53,56,307</u>	<u>20,17,78,733</u>
Unsecured				
Public deposits (note d)				
From public	5,63,69,000	8,66,09,000	4,09,59,000	10,47,65,000
From related parties	-	46,49,000	-	44,89,000
	<u>5,63,69,000</u>	<u>9,12,58,000</u>	<u>4,09,59,000</u>	<u>10,92,54,000</u>
Total	<u>33,26,93,735</u>	<u>31,82,23,268</u>	<u>46,63,15,307</u>	<u>31,10,32,733</u>

Notes:

- a) Rupee term loans from banks comprises of:
- Loan of ₹ 25,00,00,000 taken from Axis Bank during the financial year 2010-11 and carries interest @ base rate+2.50% p.a. The loan is repayable in 16 equal quarterly installments starting from September 27, 2011.
 - Loan of ₹ 25,00,00,000 taken from State Bank of India during the financial year 2010-11 and carries interest @ base rate+2.25% p.a. The loan is repayable in 16 equal quarterly installments starting from October 28, 2011.
 - Loan of ₹ 20,00,00,000 taken from IndusInd Bank during the financial year 2011-12 and carries interest @ base rate+2.00% p.a. The loan is repayable in 12 equal quarterly installments starting from September 30, 2012.
 - Loan of ₹ 27,50,00,000 (including ECB of US\$ 1,500,000) sanctioned by ICICI Bank of which loan of ₹ 100,000,000 and ₹ 7,30,00,000 taken from ICICI Bank during the financial year 2012-13 and 2013-14 respectively, which carries interest @ base rate+2.75% p.a. The loan is repayable in 24 and 28 equal quarterly installments starting from February 14, 2014 & March 29, 2014 respectively.
- b) Loan of ₹ 27,50,00,000 (including ECB of US\$ 1,500,000) sanctioned by ICICI Bank of which US\$ 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 28 quarterly installments starting from March 08, 2012.
- c) All term loans from banks are secured by an equitable charge on all immovable properties of the Company, both present and future and are also secured by way of hypothecation of the Company's movable properties including movable plant and machinery, machinery spares, tools and accessories and other movables both present and future (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 carry interest rate ranging from 9.50% to 10.50% p.a. and the same is repayable within a period of 1 to 3 years from the date of deposit as per the scheme opted by the deposit holder.
- e) Current maturities of long term liabilities are disclosed under the head other current liabilities (refer note 10).

5 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial year	27,15,76,654	26,61,25,187
Gross deferred tax liabilities	27,15,76,654	26,61,25,187
Deferred tax assets		
Employee benefits	1,90,22,040	1,40,46,318
Provision for doubtful debts and advances	1,29,53,104	95,08,997
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income-tax	33,38,990	18,65,007
Gross deferred tax assets	3,53,14,134	2,54,20,322
Deferred tax liabilities (net)	23,62,62,520	24,07,04,865

6 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Deferred government grants	26,66,668	28,88,890
Deposits from employees	-	2,21,641
Deposits from vendors (note a)	76,57,854	65,83,854
Deposits from customers (note a)	41,35,150	44,75,000
Total	1,44,59,672	1,41,69,385

Note:

a) Deposits from vendors/customers are considered as long term in view of long term purpose and nature of deposits.

7 LONG TERM PROVISIONS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Provision for employee benefits		
Gratuity (funded) (refer note 30)	64,55,984	68,64,303
Leave encashment (unfunded)	67,93,986	97,82,983
Total	1,32,49,970	1,66,47,286

8 SHORT TERM BORROWINGS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Secured		
Loans repayable on demand		
From banks		
Cash credit account with scheduled banks (note a and b)	25,16,82,073	9,28,19,559
Working capital demand loans (note a and b)	34,00,00,000	43,00,00,000
Total	59,16,82,073	52,28,19,559

Notes:

- a) Cash credit and working capital demand loans along with bank guarantees and letters of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts at Yamunanagar, Thiruvananthapuram and Shimoga factories and second pari passu charge on block of fixed assets of the Company.
- b) Cash credit and working capital demand loans from the bank comprises of the following:
- Cash credit of ₹ 30,00,00,000 sanctioned by Axis Bank is repayable on demand and carries interest rate at base rate+2.50% p.a. (including a sub-limit of ₹ 30,00,00,000 as working capital demand loan at base rate+1.25% p.a.).
 - Cash credit/working capital demand loan of ₹ 20,00,00,000 from State Bank of India is repayable on demand and carries interest rate at base rate+0.50% p.a. Working capital demand loan of ₹ 10,00,00,000 is availed at 10.75% p.a.
 - Cash credit/working capital demand loan of ₹ 5,00,00,000 from Yes Bank is repayable on demand and carries interest rate at base rate+2.25% p.a. The outstanding as on 31st March 14 is NIL.
 - Cash credit/working capital demand loan of ₹ 10,00,00,000 from IndusInd Bank is repayable on demand and carries interest rate at base rate+2.25% p.a. Working capital demand loan of ₹ 10,00,00,000 is availed at 11.25% p.a.
 - Cash credit/working capital demand loan of ₹ 10,00,00,000 sanctioned by ICICI Bank during the financial year 2012-13 is repayable on demand and carries interest @ base rate+2.75% p.a. Working capital demand loan of Rs. 9,00,00,000 is availed at 12.10% p.a.

9 TRADE PAYABLES

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Due to Micro, Small and Medium Enterprises *	49,26,329	57,13,807
Total outstanding dues to units other than Micro, Small and Medium Enterprises	15,96,21,102	18,40,76,056
Creditors for expenses	18,44,39,950	15,55,46,994
Total	34,89,87,381	34,53,36,857

- * The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) on the basis of responses received to a confirmation circulated by the company in this regard. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2014 has been made in the financial statements based on informations received and available with the Company. (Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is inconsequential).

10 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Current maturities of long term borrowings (note 4)	31,82,23,268	31,10,32,733
Interest accrued but not due on borrowings	1,09,29,844	1,08,14,879
Unpaid dividends	16,92,890	22,28,469
Unclaimed matured public deposits	22,52,000	36,38,000
Employee related payables	1,53,85,160	2,43,10,491
Capital creditors	90,26,978	1,91,60,993
Advance from customers	82,66,275	78,20,724
Deferred government grants	2,22,222	2,23,478
Statutory dues		
Excise duty payable	33,86,077	89,05,730
Provident fund payable	40,06,855	32,40,923
Sales tax payable	72,52,015	73,43,905
TDS payable	58,92,613	44,83,807
ESI payable	2,94,239	3,24,105
Other statutory dues	54,877	17,400
Other liabilities		
Other payables	28,00,006	45,77,805
Total	38,96,85,319	40,81,23,442

11 SHORT TERM PROVISIONS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Provision for employee benefits		
Gratuity payable (funded) (refer note 30)	1,56,37,807	1,28,38,985
Leave encashment payable (unfunded)	2,70,75,857	2,18,38,580
Others		
Provision for taxes (net of advance taxes paid including tax deducted at source ₹ 324,073,974)	2,43,76,895	-
Proposed dividend (note a)	3,15,82,804	2,65,55,203
Provision for taxes on dividend	53,67,498	45,13,057
Provision for wealth tax	1,06,610	1,00,000
Total	10,41,47,471	6,58,45,825

Note:

a) Details with respect to proposed dividend:

Dividend proposed to:		
- Equity shareholders	1,50,82,804	1,00,55,203
- Preference shareholders	1,65,00,000	1,65,00,000
Proposed dividend per share:		
- Equity shareholders	0.30	0.20
- Preference shareholders	5.50	5.50

12 FIXED ASSETS For the year ended March 31, 2014

Particulars	Gross block			Depreciation/ amortisation			Net block				
	Opening balance	Addition during the year	Borrowing cost capitalised	Sale/ adjustments	Upto March 31, 2014	Upto March 31, 2013	For the year adjustments	Upto March 31, 2014	Upto March 31, 2013	As at March 31, 2014	As at March 31, 2013
Tangible assets											
Land & site development											
Leasehold	15,040				15,040	15,040		15,040	15,040		
Freehold	74,22,81,172	3,76,90,530			77,99,71,702	21,293		21,293	21,293	77,99,50,409	74,22,59,879
Factory and other buildings	50,40,68,687	3,00,07,640			53,40,76,327	9,77,09,015		11,32,60,954	11,32,60,954	42,08,15,373	40,63,59,672
Plant and equipment	2,16,10,42,617	6,28,63,551		3,37,13,406	2,19,01,92,762	87,86,74,001	2,43,66,489	96,75,16,307	96,75,16,307	1,22,26,76,455	1,28,23,68,616
Furniture, fixtures	1,09,82,640	1,09,35,201		29,250	2,18,88,591	83,08,013	6,07,468	89,09,878	89,09,878	1,29,78,713	26,74,627
Office Equipment	2,69,32,107	47,72,793		14,57,516	3,02,47,384	1,15,51,101	28,46,311	1,36,45,036	1,36,45,036	1,66,02,348	1,53,81,006
Leasehold improvements	62,50,000				62,50,000	59,88,896		59,88,896	59,88,896	2,61,104	2,61,104
Vehicles and cycles	1,65,14,629	28,15,657		27,60,275	1,65,70,011	83,90,269	13,73,999	12,49,208	85,15,060	80,54,951	81,24,360
Total tangible assets	3,46,80,86,892	14,90,85,372		3,79,60,447	3,57,92,11,817	1,01,06,57,628	13,35,88,512	2,63,73,676	1,11,78,72,464	2,46,13,39,353	2,45,74,29,264
Intangible assets											
Technical know-how/brand	6,71,18,471				6,71,18,471	6,71,18,471			6,71,18,471		
Computer software/licence fees	2,16,78,113	2,70,384			2,19,48,497	1,76,00,963			1,87,58,161	31,90,336	40,77,150
Total intangible assets	8,87,96,584	2,70,384			8,90,66,968	8,47,19,434			8,58,76,632	31,90,336	40,77,150
Total	3,55,68,83,476	14,93,55,756		3,79,60,447	3,66,82,78,785	1,09,53,77,062	13,47,45,710	2,63,73,676	1,20,37,49,096	2,46,45,29,689	2,46,15,06,414
Capital work in progress										1,65,76,925	5,56,32,594

For the year ended March 31, 2013

Particulars	Gross block			Depreciation/ amortisation			Net block				
	Opening balance	Addition during the year	Borrowing cost capitalised	Sale/ adjustments	Upto March 31, 2013	Upto March 31, 2012	For the year adjustments	Upto March 31, 2013	Upto March 31, 2012	As at March 31, 2013	As at March 31, 2012
Tangible assets											
Land and site development											
Leasehold	15,040				15,040	15,040		15,040	15,040		
Freehold	70,51,24,455	4,86,86,885		1,15,30,168	74,22,81,172	21,293		21,293	21,293	74,22,59,879	70,51,03,162
Factory and other buildings	47,16,99,195	3,58,92,721		35,23,229	50,40,68,687	7,41,86,171	2,38,39,032	9,77,09,015	9,77,09,015	40,63,59,672	39,75,13,024
Plant and equipment	2,06,31,81,653	10,23,50,896		48,21,315	2,16,10,42,617	76,35,06,372	11,81,59,763	29,92,134	87,86,74,001	1,28,23,68,616	1,29,96,75,281
Furniture, fixtures	1,27,63,123	1,14,030	3,31,383	18,94,513	1,09,82,640	87,54,773	2,88,441	7,35,201	83,08,013	26,74,627	40,08,349
Office Equipment	2,21,07,787	78,18,377		29,94,057	2,69,32,107	1,08,39,985	24,69,116	17,58,000	1,15,51,101	1,53,81,006	1,12,67,803
Leasehold improvements	62,50,000				62,50,000	57,75,272	2,13,624		59,88,896	2,61,104	4,74,728
Vehicles and cycles	2,26,82,418	11,68,976		73,36,765	1,65,14,629	1,01,86,542	18,72,775	36,69,048	83,90,269	81,24,360	1,24,95,876
Total tangible assets	3,30,38,23,671	19,60,31,885	3,31,383	3,21,00,047	3,46,80,86,892	87,32,85,448	14,68,42,751	94,70,571	1,01,06,57,628	2,45,74,29,264	2,43,05,38,223
Intangible assets											
Technical know-how / brand	6,71,18,471				6,71,18,471	6,71,18,471			6,71,18,471		
Computer software / licence fees	2,16,78,113				1,62,38,922	1,62,38,922			1,76,00,963	40,77,150	54,39,191
Total intangible assets	8,87,96,584				8,87,96,584	8,33,57,393	13,62,041		8,47,19,434	40,77,150	54,39,191
Total	3,39,26,20,255	19,60,31,885	3,31,383	3,21,00,047	3,55,68,83,476	95,66,42,841	14,82,04,792	94,70,571	1,09,53,77,062	2,46,15,06,414	2,43,59,77,414
Capital work in progress										5,56,32,594	8,52,64,661

Notes :

- Additions to plant and machinery include additions to research and development assets amounting to ₹ Nil (2012-13: ₹ 33,35,200) and depreciation charge for the year includes ₹ Nil (2012-13: ₹ 23,87,906) on account of research and development assets.
- Pursuant to the sale cum lease agreement dated May 22, 2008, the Company has acquired land for the purpose of setting up a starch manufacturing plant at Shimoga, Karnataka. The Company has paid an amount of ₹ 5,31,30,000 as allotment consideration and the land shall be transferred in the name of the Company on a freehold basis at end of 10 years, payment of registration charges, stamp duty at prevailing price upon fulfillment of certain conditions. As per agreement the land has been transferred on lease basis to Company for the period of 10 years and Company is required to pay lease rent of ₹ 68,410 and maintenance charges of ₹ 99,600 per annum.
- Gross book value and net book value does not include fixed assets held for sale amounting to ₹ 1,50,53,397 (2012-13: ₹ 1,50,53,397) and ₹ 1,46,60,891 (2012-13: ₹ 1,47,37,209) respectively, located at Kollam unit, which management intends to divest within the next 12 months at amount equal to or exceeding the asset carrying values at the respective balance sheet dates.
- Additions to factory and other buildings includes ₹ 32,24,124 (2012-13: ₹ 1,960,760) and additions to plant and machinery includes ₹ 50,61,536 (2012-13: ₹ 30,78,187) on account of capitalisation of foreign exchange fluctuation of long term borrowings.
- Depreciation for the year excludes depreciation amounting of ₹ 76,390 (2012-13: ₹ 6,56,919) on assets held for sale (Kollam Unit).

13 NON CURRENT INVESTMENT

Particulars	As at March 31, 2014		As at March 31, 2013			
	₹		₹			
Trade investments (valued at cost unless otherwise stated)						
Investment in equity instruments	5,00,000		5,00,000			
Total	5,00,000		5,00,000			
Details of trade investments (unquoted)						
Name of the body corporate	No. of shares	Face value (₹)	Partly paid/ Fully paid	Amount (₹)	Amount (₹)	
1	2	3	4	5	6	
	March 31, 2014	March 31, 2013		March 31, 2014	March 31, 2013	
Equity						
Kerala Enviro Infrastructures Limited	50,000	50,000	10	Fully paid	5,00,000	5,00,000
	50,000	50,000			5,00,000	5,00,000

14 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹		₹	
Unsecured, considered good				
Capital advances	60,42,171		36,14,611	
Security deposits	3,08,09,404		2,66,81,230	
Loans and advances to related parties (note a)	2,00,000		2,00,000	
Other loans and advances				
- Amounts paid under protest recoverable	1,73,83,550		2,05,99,741	
- Others	24,27,655		50,79,883	
Unsecured, considered doubtful				
Amounts paid under protest	1,53,65,255		1,53,65,255	
Less: Provision for doubtful advances	(1,53,65,255)		(1,53,65,255)	
Total	5,68,62,780		5,61,75,465	

Note:

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

15 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Margin money deposits (note a)	25,57,496	31,56,000
Total	25,57,496	31,56,000

Note:

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

16 INVENTORIES

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Raw materials [including goods in transit of ₹ 34,185,154 (2012-13: ₹ Nil)]	15,46,14,465	12,78,83,795
Work in progress	1,61,32,881	3,25,13,699
Finished goods	16,15,47,297	16,63,39,598
Stores and spares [including goods in transit of ₹ Nil (2012-13: ₹ 256,618)]	12,37,90,352	13,06,62,883
Total	45,60,84,995	45,73,99,975

17 TRADE RECEIVABLES

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	8,08,344	42,17,233
Unsecured, considered good	60,58,64,193	53,15,50,185
	60,66,72,537	53,57,67,418
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	7,35,901	1,42,798
Unsecured, considered good	63,53,303	95,86,427
Unsecured, considered doubtful	1,85,07,761	1,26,10,612
Less: Provision for doubtful debts (note a)	(1,85,07,761)	(1,26,10,612)
	70,89,204	97,29,225
Total	61,37,61,741	54,54,96,643

Note:

a) Out of this ₹ Nil (2012-13 : ₹ 3,28,990) 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, 2014 ₹	As at March 31, 2013 ₹
Cash and cash equivalents		
Cash on hand	11,01,657	12,68,510
Cheques on hand	47,54,451	4,31,011
Post office savings deposits	272	272
Bank balances		
in current accounts	2,34,84,444	88,10,726
in deposits with original maturity of less than three months	1,74,706	1,65,706
	2,95,15,530	1,06,76,225
Other bank balances		
Deposit with original maturity more than three months but less than twelve months	58,60,129	27,69,284
Margin money (note a)	68,35,826	64,93,602
Pledged deposits (note b)	1,95,365	2,85,283
Unpaid dividend accounts	17,50,677	22,90,017
	1,46,41,997	1,18,38,186
Total	4,41,57,527	2,25,14,411

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, 2014 ₹	As at March 31, 2013 ₹
Unsecured, considered good		
Advances to vendors	2,56,96,347	1,18,00,220
Loans and advances to related parties (note a)	17,69,950	13,06,500
Other loans and advances		
- Advance income tax [net of provision (2012-13 : ₹ 258,245,250)]	-	9,55,917
- Deposits with excise and other tax authorities	3,31,65,434	4,56,17,267
- Prepaid expenses	90,84,463	1,01,44,081
- Others	68,14,296	36,60,801
Total	7,65,30,490	7,34,84,786

Notes:

- a) Amounts due from related parties:
- Premium Transmission Limited

20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Unsecured, considered good		
Fixed assets held for sale (at lower of cost and net realisable value) (note a)	1,46,60,817	1,47,37,209
Interest receivable	15,69,768	12,46,076
Total	<u>1,62,30,585</u>	<u>1,59,83,285</u>

Note:

- a) Fixed assets held for sale represent land and buildings of gross book value ₹ 1,50,53,397 (2012-13: ₹ 1,50,53,397) and net book value ₹ 1,46,60,819 (2012-13: ₹ 1,47,37,209) located at Kollam unit, which management intends to divest within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates.

21 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Sale of products	4,74,33,59,143	4,35,23,95,670
Other operating revenues - Sale of scrap	1,77,21,137	1,69,28,553
Total	<u>4,76,10,80,280</u>	<u>4,36,93,24,223</u>

Details of products sold

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Clay products	2,68,31,74,106	2,31,84,55,792
Starch and allied products	1,74,31,43,519	1,76,32,26,793
By products and others	33,47,62,655	28,76,41,638
Total	<u>4,76,10,80,280</u>	<u>4,36,93,24,223</u>

22 OTHER INCOME

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Government grants	2,23,478	2,67,818
Other income	3,63,539	14,81,375
Net gain on sale of fixed assets (note a)	-	5,33,26,925
Exchange fluctuation (net)	-	4,12,511
Interest income	43,57,083	58,33,796
Liabilities no longer required written back	27,63,372	17,63,326
Total	<u>77,07,472</u>	<u>6,30,85,751</u>

Note :

- a) Includes ₹ Nil (2012-13 ₹ 5,96,90,000) gain on sale of land of Puducherry unit.

23 INCREASE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Opening stock		
Finished goods	16,63,39,598	11,43,86,331
Stock in process	3,25,13,699	2,08,66,936
Total	19,88,53,297	13,52,53,267
Closing stock		
Finished goods	16,15,47,297	16,63,39,598
Stock in process	1,61,32,881	3,25,13,699
Total	17,76,80,178	19,88,53,297
Decrease/ (Increase) in inventory of finished goods and work in progress	2,11,73,119	(6,36,00,030)

Details of inventory:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Finished goods		
Clay products	12,50,48,322	7,23,57,713
Starch and allied products	3,29,92,740	8,98,42,869
By products and others	35,06,235	41,39,016
Total	16,15,47,297	16,63,39,598
Stock in process		
Clay products	26,77,665	64,99,440
Starch and allied products	1,33,78,036	2,50,93,367
By products and others	77,180	9,20,892
Total	1,61,32,881	3,25,13,699

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Salaries, wages and bonus	46,38,53,364	39,81,52,199
Contribution to provident and other funds	2,40,76,801	1,76,59,886
Gratuity expense (note a)	1,22,52,943	33,69,402
Staff welfare expenses	2,96,39,325	2,76,67,444
	52,98,22,433	44,68,48,931
Less: Amount capitalised during the year	-	8,10,406
Total	52,98,22,433	44,60,38,525

Notes:

- a) Net of amount recovered from related parties ₹ 1,36,557 (2012-13: ₹ 1,08,600).
b) Employee benefit expenses includes research and development expenses (note 42).

25 FINANCE COSTS

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Interest expense		
- On fixed period loans	6,76,86,138	8,69,84,239
- Others	10,52,08,216	10,59,97,020
	17,28,94,354	19,29,81,259

26 OTHER EXPENSES

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
a) Manufacturing expenses		
Stores consumed	5,53,06,708	5,01,38,687
Power and fuel	1,06,48,80,189	96,44,31,782
Repairs and maintenance		
-Plant and machinery	10,00,40,908	8,82,17,369
- Factory buildings	1,36,02,256	94,91,458
-Others	1,92,54,550	1,40,94,162
Other manufacturing expenses	9,52,41,906	5,99,99,389
Royalty	1,22,01,596	82,51,075
(Decrease)/Increase in excise duty on finished goods	(55,19,653)	40,57,309
Total (A)	1,35,50,08,460	1,19,86,81,231
b) Administration expenses		
Rent	2,36,52,884	2,19,13,800
Rates and taxes	71,37,686	85,76,361
Insurance	36,28,822	34,17,657
Directors' sitting fees	8,40,452	7,97,170
Exchange fluctuation (net)	21,15,724	-
Office and other expenses (note a)	8,46,71,189	7,83,98,136
Payment to auditors (note 29)	36,38,008	35,68,838
Travelling and conveyance	4,08,99,708	3,52,45,222
Charity and donation	17,78,250	13,36,550
Bad debts/advances written off (net)	42,35,551	31,02,863
Provisions for doubtful debts/advances	58,97,149	37,77,439
Other financing charges	51,44,098	53,43,090
Loss on sale/write off of fixed assets	68,65,448	-
Total (B)	19,05,04,969	16,54,77,126
c) Selling and distribution expenses		
Packing and forwarding expenses	11,21,36,100	5,89,30,929
Commission to selling agents and others	2,54,83,394	2,73,27,170
Cash discount	1,30,82,708	1,19,43,418
Other selling expenses	4,35,49,636	3,70,22,619
Total (C)	19,42,51,838	13,52,24,136
Total (A + B + C)	1,73,97,65,267	1,49,93,82,493

Note:

a) Office and other expenses includes research and development expenses (note 42).

27 EXCEPTIONAL ITEMS

Exceptional items relates to expenses incurred on settlement of workers/ staff amounting to ₹ Nil (2012-13: ₹ 1,29,12,715) arising from closure of Kollam Unit of the Company.

28 EARNINGS PER SHARE

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
a) Weighted average number of equity shares		
Number of equity shares at the beginning of the year	5,02,76,013	5,02,76,014
Net profit after tax	16,09,91,516	11,86,76,312
Less : Dividend on 11% cumulative redeemable preference shares (including tax)	3,86,08,350	3,84,80,888
Net profit after tax available to equity shareholders	12,23,83,166	8,01,95,424
b) Potential number of equity shares at the end of the year		
Total number of equity shares as per (a) above	5,02,76,013	5,02,76,013
Potential dilutive shares	5,02,76,013	5,02,76,013
c) Net profit after tax available for potential equity shareholders		
Net profit after tax available to equity shareholders	12,23,83,166	8,01,95,424
	12,23,83,166	8,01,95,424
d) Basic EPS (₹)	2.43	1.60
e) Diluted EPS (₹)	2.43	1.60
f) Nominal value of equity share (₹)	2	2

29 AMOUNT PAID / PAYABLE TO AUDITORS

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
As auditors	28,80,000	28,80,000
For other matters	1,50,000	1,60,000
For reimbursement of expenses	6,08,008	5,28,838
Total	36,38,008	35,68,838

30 EMPLOYEE BENEFITS

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

Defined contribution plans

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Employer's contribution to provident fund *	2,38,24,396	1,74,63,776
Employer's contribution to superannuation fund *	2,52,405	1,96,110
Employer's contribution to ESI**	26,92,338	27,52,135

* 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, 2014 ₹	Year ended March 31, 2013 ₹
Discount rate	9.36%	8.00%
Expected rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	8.70%	8.70%

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

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Projected benefit obligation	9,40,14,821	9,64,65,296
Current service cost	54,39,832	71,42,609
Interest cost	75,21,186	81,99,550
Benefits paid	(1,06,07,692)	(1,20,38,534)
Actuarial loss/ (gain)	50,24,477	(57,54,100)
Projected benefit obligation	10,13,92,624	9,40,14,821

c. Reconciliation of fair value of assets:

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Fair value of plan assets at the beginning of the year	7,43,11,533	7,37,44,980
Expected return on plan assets	64,65,060	63,42,068
Contributions	1,00,00,000	75,00,000
Benefits paid	(1,06,07,692)	(1,30,43,504)
Actuarial loss on plan assets	(8,70,068)	(2,32,011)
Fair value of plan assets at the end of the year	7,92,98,833	7,43,11,533

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

Particulars	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
Current service cost	54,39,832	71,42,609
Expected return on plan assets	(64,65,060)	(63,42,068)
Interest cost	75,21,186	81,99,550
Actuarial (gain) / loss	58,93,542	(55,22,089)
Total	1,23,89,500	34,78,002

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

Particulars	2013-14 ₹	2012-13 ₹	2011-12 ₹	2010-11 ₹	2009-10 ₹
Defined benefit plan-Gratuity					
Defined benefit obligation	(10,13,92,624)	(9,40,14,821)	(9,64,65,296)	(9,78,25,168)	(9,08,51,422)
Plan assets	7,92,98,833	7,43,11,533	7,37,44,980	6,94,46,621	4,64,24,275
Surplus / (deficit)	(2,20,93,791)	(1,97,03,288)	(2,27,20,316)	(2,83,78,547)	(4,44,27,147)
Experience adjustment on plan liabilities	1,45,26,067	12,24,358	26,90,324	4,01,266	(20,57,495)
Experience adjustment on plan assets	(8,69,065)	(12,37,482)	-	(6,91,596)	14,24,275

31 LEASE COMMITMENTS:

The Company has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancellable at the option of the Company. Rent expense on account of cancellable leases for the year ended March 31, 2014 amounts to ₹ 2,36,52,884 (2012-13 : ₹ 2,19,13,800).

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

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

Payments falling due:	As at 31 March 2014 ₹
Payable not later than 1 year	33,17,419
Payable later than 1 year not later than five years	1,07,81,612
Payable later than five years	-
	1,40,99,031

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.

Primary segment	CLAY		STARCH		TOTAL	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
- Segment revenue						
Gross sales to external customers	2,72,58,86,149	2,35,13,83,054	2,03,51,94,131	2,01,79,41,169	4,76,10,80,280	4,36,93,24,223
Other income	1,31,740	5,37,813	32,00,839	27,21,864	33,32,579	32,59,677
- Segment result (Operating profit)	44,29,63,777	39,15,93,142	(98,46,172)	(3,31,54,395)	<u>4,76,44,12,859</u>	<u>4,37,25,83,900</u>
Less :					43,31,17,605	35,84,38,747
Un-allocated (income) / expenses					1,36,68,080	(4,60,31,570)
Interest expense (net)					17,28,94,354	19,29,81,259
Exceptional items					-	1,29,12,715
Income taxes (net)					8,55,63,655	7,99,00,031
Net profit as per Statement of Profit and Loss					<u>16,09,91,516</u>	<u>11,86,76,312</u>
- Total carrying amount of segment asset	2,27,75,42,507	2,16,68,42,302	1,40,49,82,527	1,48,89,52,947	3,68,25,25,034	3,65,57,95,249
Un-allocated					6,52,67,194	3,60,54,325
- Segment liabilities	42,77,69,202	25,87,16,745	49,15,15,338	37,15,13,790	<u>3,74,77,92,228</u>	<u>36,91,849,574</u>
Un-allocated					91,92,84,540	63,02,30,534
- Capital expenditure during the year	6,39,03,284	9,12,57,213	2,30,59,220	6,43,65,286	1,50,53,595	60,69,758
Un-allocated					<u>10,20,16,099</u>	<u>16,16,92,257</u>
- Depreciation/Amortisation	7,97,18,959	9,59,05,890	5,07,84,334	4,93,36,009	13,05,03,292	14,52,41,899
Un-allocated					43,18,810	36,19,812
B. Secondary segment					<u>13,48,22,102</u>	<u>14,88,61,711</u>
Particulars	India		Outside India*		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
- Revenue	4,27,88,16,828	4,08,89,23,230	48,22,63,452	28,04,00,993	4,76,10,80,280	4,36,93,24,223
- Total assets	3,65,82,14,538	3,65,07,71,317	8,95,77,690	4,10,78,258	3,74,77,92,228	3,69,18,49,574
- Capital expenditure during the year	10,20,16,099	16,16,92,257	-	-	10,20,16,099	16,16,92,257

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

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 Limited

Premium Transmission Limited

Pembrill Industrial & Engineering Co. Limited

Greaves Leasing Finance Limited

Dee Greaves Limited

Bharat Starch Products Limited

Aravali Sports & Cultural Foundation

DBH Consulting Limited

DBH Investments Pvt. Limited

Greaves Auto Limited

D. Key management personnel and their relatives

Mr. Karan Thapar – Chairman

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

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

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

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

Mr. Rahul Gupta (Executive Director) (up to December 31, 2012)

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

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

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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Purchase of goods										
DBH International Private Limited	1,47,26,993	2,62,85,808	-	-	-	-	-	-	1,47,26,993	2,62,85,808
Premium Transmission Limited	-	-	-	-	2,61,194	4,33,696	-	-	2,61,194	4,33,696
Reimbursement of expenses										
Premium Transmission Limited	-	-	-	-	1,49,74,340	1,63,63,674	-	-	1,49,74,340	1,63,63,674
DBH International Private Limited	-	-	-	-	15,53,119	-	-	-	15,53,119	-
Receiving of services										
DBH Investments Private Limited	-	-	-	-	-	66,11,683	-	-	-	66,11,683
Receipt of public deposit										
Mr. Karam Thapar	-	-	-	-	-	-	24,12,000	12,88,000	24,12,000	12,88,000
Ms. Devika Thapar	-	-	-	-	-	-	24,06,000	1,88,000	24,06,000	1,88,000
Refund of public deposit										
Mr. Karam Thapar	-	-	-	-	-	-	33,88,000	-	33,88,000	-
Ms. Devika Thapar	-	-	-	-	-	-	22,01,000	-	22,01,000	-
Rent paid										
DBH International Private Limited	12,01,354	19,65,852	-	-	-	-	-	-	12,01,354	19,65,852
Bharat Starch Products Limited	-	-	-	-	16,85,500	16,85,500	-	-	16,85,500	16,85,500
Dividend paid on preference shares										
DBH International Private Limited	2,75,00,000	2,20,00,000	-	-	-	-	-	-	2,75,00,000	2,20,00,000
Karun Carpets Private Limited	-	-	55,00,000	1,10,00,000	-	-	-	-	55,00,000	1,10,00,000
Chairman commission										
Mr. Karam Thapar	-	-	-	-	-	-	27,89,263	16,33,758	27,89,263	16,33,758
Remuneration										
Mr. S. K. Jain	-	-	-	-	-	-	55,63,450	44,13,054	55,63,450	44,13,054
Mr. P.S. Saini	-	-	-	-	-	-	33,05,122	27,75,864	33,05,122	27,75,864
Mr. Rahul Gupta	-	-	-	-	-	-	78,08,355	-	78,08,355	-
Dr. Venkatesh Padmanabhan	-	-	-	-	-	-	1,08,74,679	5,83,666	1,08,74,679	5,83,666
Other expenses										
Aravali Sports & Cultural Foundation	-	-	-	-	10,00,000	7,50,000	-	-	10,00,000	7,50,000
Mr. Karam Thapar	-	-	-	-	-	-	2,15,206	1,45,955	2,15,206	1,45,955
Ms. Devika Thapar	-	-	-	-	-	-	2,91,434	2,74,391	2,91,434	2,74,391

b) Outstanding balances:

Particulars	As at March, 2014	As at March, 2013
	₹	₹
1. Holding company DBH International Private Limited	(94,11,810)	(57,69,372)
2. Enterprises over which substantial shareholders and their relatives have significant influence Bharat Starch Products Limited Premium Transmission Limited	2,00,000 17,69,950	2,00,000 13,06,500
3. Key management personnel and their relatives Mr. Karan Thapar Mr. Karam Thapar Ms. Devika Thapar	(5,19,530) (13,50,854) (35,00,863)	(27,82,917) (22,88,000) (31,32,000)

Note:

Figures in parentheses denote credit balances.

34 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Clay matrix (note a)	22,66,93,375	19,34,30,659
Maize	1,02,22,24,898	94,15,34,270
Maize starch	8,77,76,705	23,48,89,251
Tapioca starch	2,89,13,258	3,68,87,218
Others	38,58,64,457	38,67,27,352
Total	1,75,14,72,693	1,79,34,68,750

Note:

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

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Raw material	4,46,11,922	1,38,02,464
Stores and spare parts	7,90,624	4,60,55,884
Capital goods	19,21,060	23,65,730
Total	4,73,23,606	6,22,24,078

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

	Year ended March 31, 2014	Year ended March 31, 2013
	Amount (₹)	Amount (₹)
Export of: Clay products	31,79,95,852	24,65,82,697
Starch and allied products	16,42,67,600	3,38,18,295
	48,22,63,452	28,04,00,992

37 EXPENDITURE IN FOREIGN CURRENCY

	Year ended March 31, 2014	Year ended March 31, 2013
	Amount (₹)	Amount (₹)
Commission	43,91,478	31,05,416
Travelling	4,88,038	10,63,653
Consultancy	6,14,252	10,47,056
Interest	43,67,290	42,90,117
Others	22,20,471	1,92,767
	1,20,81,529	96,99,009

38 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March, 2014		As at March, 2013	
	Amount (US\$)	Amount (₹)	Amount (US\$)	Amount (₹)
- Sundry debtors	7,97,469	4,70,02,827	5,43,605	2,92,62,238
- Sundry creditors	(42,503)	(25,82,463)	(1,56,086)	(85,92,522)
- Foreign currency loans	(13,50,000)	(8,20,26,000)	(14,58,000)	(8,02,62,900)
	(5,95,034)	(3,76,05,636)	(10,70,481)	(5,95,93,184)

39 INDIGENOUS AND IMPORTED CONSUMPTION :

Particulars	Indigenous		Imported		Total
	Value		Value		Value
	Amount (₹)	%	Amount (₹)	%	Amount (₹)
Raw material(s)					
2013-14	1,71,83,29,122	98.11%	3,31,43,571	1.89%	1,75,14,72,693
2012-13	1,77,04,26,023	98.72%	2,30,42,727	1.28%	1,79,34,68,750
Consumables					
2013-14	4,31,58,160	78.03%	1,21,48,548	21.97%	5,53,06,708
2012-13	4,83,74,654	96.48%	17,64,033	3.52%	5,01,38,687

40 CONTINGENT LIABILITIES AND COMMITMENTS**1) Contingent liabilities**

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
a) Outstanding bank guarantees and letter of credits	1,99,74,041	4,16,49,453
b) Excise and 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 ₹ 3,17,47,298; (2012-13: ₹ 3,17,47,298) against which an amount of ₹ 5,07,000 (2012-13 : ₹ 5,07,000) deposited under protest (note 3).	6,34,94,596	6,34,94,596
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 ₹ 32,16,191 (2012-13: ₹ 32,16,191) deposited under protest and the same has been provided in the books during the year.	-	32,16,191
iii) Entry tax levied by the Government of Kerala on Special Kerosene Oil (SKO), pending before Hon'ble Supreme Court of India against which an amount of ₹ 1,51,33,588 (2012-13 : ₹ 1,51,33,588) deposited under protest.	1,51,33,588	1,51,33,588
c) Income tax matters	14,00,52,056	7,42,03,748
2) Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 2,38,80,226 (2012-13 : ₹ 1,82,68,305).		
3) a) Contingent liabilities with respect to excise and sales tax matters referred in paragraph 1 (b) above exclude demands aggregating ₹ 107,369,734 for the years 2000 to 2004 relating to inputs used in manufacture of excisable as well as exempted goods and cenvat credit of service tax, pending with Central Excise and Service Tax Appellate Tribunal (CESTAT), which were set aside by CESTAT and remanded back to the relevant authorities for a fresh decision and revision to the demand. Consequently amount deposited under protest amounting to ₹ 12,41,379 have been considered good and recoverable and no provision for the same has been considered necessary.		
b) Contingent liabilities with respect to income tax matters referred in paragraph 1(c) above includes :		
i) in respect of demand aggregating to ₹ 5,24,38,648 for the assessment year 1997-98,1999-2000, 2000-01 and 2001-02 raised by the assessing officer in view of order of Hon'ble High Court of Kerala disallowing certain expenses to verify the facts, an appeal was filed with the CIT(Appeals).		
ii) in respect of demand aggregating to ₹ 5,61,53,668 for the assessment year 1995-96 raised by the assessing officer in view of order of Hon'ble High Court of Kerala disallowing certain expenses to verify the facts, an appeal was filed with the CIT (Appeals).		
iii) in respect of demand aggregating to ₹ 2,17,65,100 for the assessment year 2010-11 raised by assessing officer in view of the order of CIT (Appeals) dismissing the appeal filed by the Company with respect to contribution made to gratuity fund, against which the Company has filed an appeal with Income-tax Appellate Tribunal.		
iv) in respect of demand aggregating to ₹ 43,34,460 for the assessment year 2007-08 raised by the Assessing Officer in view of the order of ITAT to verify the facts with respect to disallowance of certain expenditure, the Company has filed an appeal with CIT (Appeals).		
v) in respect of demand aggregating to ₹ 53,60,180 for the assessment year 2008-09 raised by the Assessing Officer disallowing certain expenses u/s 148, against which the Company has filed an appeal with CIT (Appeals).		

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

41 DELISTING OF SHARES

The equity shares of the Company are in the process of being de-listed from the Bombay Stock Exchange and Calcutta Stock Exchange. The acquirer (Promoter) has accepted an exit price of ₹ 48 per equity share as derived under Reverse Book Building process enunciated in the delisting guidelines of Securities and Exchange Board of India.

42 RESEARCH AND DEVELOPMENT EXPENSES :

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Employee benefit expenses	1,02,81,278	99,30,241
Office and other expenses	1,01,61,489	68,84,676

43 CHANGE OF NAME

With effect from June 27, 2012, the name of the Company was changed from English Indian Clays limited to EICL Limited.

44 PREVIOUS YEAR FIGURES

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

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

Sd/-
Ashish Gupta
Partner

Place: Gurgaon
Date: May 2, 2014

For and on behalf of the Board of Directors

Sd/-
Dr. Venkatesh Padmanabhan
Managing Director and Chief Executive Officer

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

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

