

Annual Report 2015 - 2016



Elgi Rubber Company Limited

Elgi Rubber Company Limited

CIN : L25119TZ2006PLC013144

Annual Report 2015 - 2016

Chairman & Managing Director

Sudarsan Varadaraj

Non Executive Directors

Dr Jairam Varadaraj

Suresh Jagannathan

M D Selvaraj

P Vijay Raghunath

Vidyasankar Bhuvaneshwari

Key Managerial Personnel

Sudarsan Varadaraj
(Chairman & Managing Director)

SR Venkatachalam
(Chief Financial Officer)

D Selvakumar
(Company Secretary)

Head Office

2000, Trichy Road
Coimbatore - 641 005
Tamilnadu

Registered Office

2000, Trichy Road
Coimbatore - 641 005
Tamilnadu

Plants

Kanjikode, Palakkad

Kottayi, Palakkad

Annur, Coimbatore

Kurichi, Coimbatore

Kovilpalayam, Coimbatore

Thimmavaram, Chengalpattu

Sriperumbudur, Kancheepuram

Colombo, Sri Lanka

Nairobi, Kenya

Lorena, SP, Brasil

Luling, Texas, USA

Stoughton, Wisconsin, USA

Fairfield, Ohio, USA

Maastricht, The Netherlands

Nijkerkerveen, The Netherlands

Bankers

State Bank of India
Commercial Branch
Coimbatore

Auditors

Reddy, Goud & Janardhan
Chartered Accountants
Bangaluru

Cost Auditors

P. Mohan Kumar & Co.,
Cost Accountants
Coimbatore

Internal Auditors

MS Jagannathan & Visvanathan
Chartered Accountants
Coimbatore

M Ramakrishnan
Chartered Accountant
Coimbatore

RJC Associates
Chartered Accountants
Coimbatore

Deloitte Haskins & Sells
Chartered Accountants
Coimbatore

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West)
Mumbai - 400 078

Registrar & Share Transfer Agent - Branch Office

Link Intime India Private Limited
"Surya", 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam, Coimbatore - 641 028

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Directors' Report

The board of directors have pleasure in presenting the 10th annual report of the Company and the audited accounts for the year ended March 31, 2016 covering 12 months of operation. The Management Discussion and Analysis (MD&A) Report have been included at the appropriate places in this report.

Financial Highlights

(₹ in million)

	2015-2016	2014-2015
Profit before exceptional items, depreciation and tax	224.64	146.53
Less: Depreciation	90.56	67.82
Less/(Add): Exceptional items	377.89	0.29
Profit before taxation	(243.81)	79.00
Less: Provision for taxation	32.18	24.60
(Add) / Less: Provision for deferred tax	(11.09)	(2.15)
Profit after tax	(264.90)	56.55
Add: Opening surplus	1,082.45	1,050.36
Add: Transfer of surplus from Treadsdirect Limited upon amalgamation	342.27	–
(Less): Transfer of deficit from Parani Steels Private Limited upon amalgamation	(115.36)	–
Profit available for appropriation	1,044.46	1,106.91
Appropriation		
Transitional adjustment on account of depreciation	–	8.29
General reserve	–	5.66
Proposed dividend	18.52	10.51
Dividend distribution tax	3.77	–
Balance surplus carried to balance sheet	1,022.17	1,082.45

Provision for fall in value of investments

After review, the Company made a provision to the tune of ₹ 375.84 million towards fall in value of investments made in the wholly owned subsidiaries at Brasil, USA and Australia, which resulted in a net loss for the current year. This amount is grouped under exceptional items in the statement of profit and loss.

Review of Business Operations and Future Outlook

During the year under review, the Company recorded sales of ₹ 2,012.04 million as against ₹ 1,333.97 million in the previous year. The Company incurred a net loss of ₹ 264.90 million as against the net profit of ₹ 56.55 million in the previous year after making the above said provision.

The Company could not benefit from the raw material price reduction during the year under review due to market pressure and selling prices of the major products were reduced twice during the year. The Company is taking steps to consolidate its operations with a view to reduce operating costs and to bring in higher efficiencies to improve the bottom line.

The availability of tyres from China at very low prices has put tremendous pressure on the tyre and retreading industry with new tyre manufacturers and leading retreaders like company's customers facing the brunt of the situation.

The current year continues to be sluggish in terms of sales value and volume.

Change in the nature of Business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

Transfer to Reserves

During the year under review no amount is transferred to General Reserve (₹ 5.66 million for the year 2014-15) and an amount of ₹ 1,022.17 million (including the previous year closing balance of ₹ 1,082.45 million) has been retained in surplus in the statement of profit and loss

Dividend

For the financial year 2015-16, the board of directors has recommended a dividend of ₹ 0.37 per equity share of ₹ 1.00 each, on the paid up share capital of ₹ 50,050,000. Subject to the approval of shareholders, an amount of ₹ 22.29 million will be paid as dividend including dividend distribution tax (previous year ₹ 10.51 million).

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Company has transferred an amount of ₹ 0.33 million to Investor Education and Protection Fund during the financial year 2015-16. In terms of Section 205(A) of the Companies Act, 1956, any unclaimed or unpaid dividend relating to the financial year 2008-09 is due for remittance on 30.09.2016 to the Investor Education and Protection Fund established by the Central Government.

Share Capital

The paid-up capital of the Company as at 31.03.2016 stood at ₹ 50.05 million. During the year under review the Company has not made any fresh issue of shares.

Extract of Annual Return

The extract of annual return pursuant to the provisions of section 92 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure I** of this report.

Board and Committee meetings conducted during the period under review

During the year under review, 6 meetings of the board of directors, 5 meetings of the audit committee, 3 meetings of the nomination and remuneration committee, 2 meeting of the corporate social responsibility committee, 17 meetings of the stakeholders relationship committee, 1 meeting of finance and administrative committee and 1 meeting of the independent directors were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

Directors' Responsibility Statement

Pursuant to the requirement of section 134(3)(c) of the Companies Act, 2013 with respect to Directors Responsibility Statement, the board hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government

There have been no frauds reported by the auditors pursuant to section 143(12) of the Companies Act, 2013.

Declaration of Independent Directors

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company's policy relating to Directors appointment, payment of remuneration and other matters provided under Section 178(3) of the Companies Act, 2013

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of directors, key managerial personnel, senior management personnel and employees of the company. The criteria for determining qualifications, positive attributes, and independence of directors and senior management personnel has been stated in **Annexure II** to this report. The Nomination and Remuneration policy of the Company is annexed herewith as **Annexure III** and can also be accessed on the company's website at www.elgirubber.com

Comments on Audit Report

There are no qualifications, reservations or adverse remarks or disclaimers made by Reddy, Goud and Janardhan, Statutory Auditors and by CN Paramasivam, Secretarial Auditor, in their report.

Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

Details of loans given, investments made, guarantees given and securities provided pursuant to the provisions of section 186 of the Companies Act, 2013 have been given in the notes to the financial statements.

Particulars of contracts or arrangements made with related parties

All transactions entered into with related parties as defined under the Companies Act, 2013 and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2015-16 were in the ordinary course of business and on an arm's length pricing basis. Since there are no transactions which are not arm's length basis and material in nature Form AOC-2 is not being annexed.

The policy on related party transactions as approved by the board of directors of the Company has been uploaded on the Company's website www.elgirubber.com

Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure IV** of this report.

Statement on Risk Management

The board identifies and reviews the various elements of risk which the Company has to face and laid out the procedures and measures for mitigating those risks. The elements of risk threatening the Company's existence are very minimal.

The Company does not face any risks other than those that are prevalent in the industry. The Company has taken all possible steps to overcome such risks. The main concerns are the volatility in raw material prices and fluctuations in foreign exchange rates. Effective planning in raw material purchasing and the ability to pass on raw material price increases have minimised the risk relating to the volatility in raw material prices. Foreign exchange fluctuation risk is minimised through proper planning and natural hedging. As a part of the overall risk management strategy, all assets are appropriately insured.

Details about the policy developed and implemented by the Company on Corporate Social responsibility initiatives

The board has formed a corporate social responsibility committee comprising of Sudarsan Varadaraj, MD Selvaraj and Suresh Jagannathan. The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting mechanisms for CSR activities.

As part of its initiatives under CSR, the Company has undertaken projects in the areas of education, social development, medical relief, sports, women empowerment, animal welfare, cultural protection etc. These projects are by and large in accordance with Schedule VII of the Companies Act, 2013.

The CSR spend is predominantly directed through a registered trust. The trust expends the sums contributed by the Company towards educational and related activities only and also for having a corpus for undertaking construction of new school building within the next 5-10 years. The trust has a proven track record of over three years in involvement in educational activities as it runs a full-fledged school and has earned a good reputation over time. The trust has medium term plans to construct a new school building with all modern amenities and aims to be a school of international standards in the years to come. Hence, the Company should continue to significantly contribute to the trust.

The trust also expends the funds towards educational scholarships, medical relief, to help the upliftment of rural people by way of building infrastructure like schools, street lights, roads etc. to support special children's school and also for the building corpus. The annual report on CSR activities is annexed herewith as **Annexure V**.

Annual evaluation of the Board on its own performance and of the individual directors

On the advice of the board of directors, the nomination and remuneration committee of the board of directors formulated the criteria for the evaluation of the performance of the board of directors & its committees, independent directors, non-independent directors and the Chairman & Managing Director. Based on that, performance evaluation has been undertaken. The independent directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated.

Directors and Key Managerial Personnel

As per the provisions of section 152 of the Companies Act, 2013, Jairam Varadaraj, the director of the company, retires by rotation at this ensuing annual general meeting. Being eligible, he offers himself for re-appointment.

C Shankar, GM-Finance and Company Secretary had resigned from the services of the Company from 1st October 2015 & D Selvakumar was appointed as GM-Finance and Company Secretary with effect from 14th November 2015 at the board meeting held on that date.

Subsidiaries, Joint Ventures and Associate Companies

The Company has 7 subsidiaries, 4 step-down subsidiaries and one LLP. The statement pursuant to section 129(3) of the Companies Act, 2013 containing the salient features of the financial statements of subsidiary companies forms part of this annual report.

The board has approved a policy for determining material subsidiaries which has been uploaded on the company's website www.elgirubber.com

The annual accounts of the subsidiary companies are posted on the website of the Company www.elgirubber.com and kept for inspection by the shareholders at the registered office of the company. The Company shall provide the copy of the annual accounts of subsidiary companies to the shareholders upon their request.

As a part of restructuring and consolidation process, during the year under review,

- i. Treadsdirect LLC USA, a wholly owned subsidiary of the Company was merged with Elgi Rubber Company LLC, USA another wholly owned subsidiary of the Company.
- ii. A new holding company, Elgi Rubber Company Holdings B.V., was incorporated in The Netherlands as a wholly owned subsidiary of the Company. The existing wholly owned subsidiaries of the Company viz., Elgi Rubber Company B.V. and Rubber Resources B.V., have become the subsidiaries of Elgi Rubber Company Holdings B.V. The Netherlands.
- iii. Elgi Rubber Company Holdings B.V., has acquired 100% shares of Rubber Compounding Holland B.V., The Netherlands, a Company dealing with rubber compounds.

Merger of Indian subsidiaries

During the year under review, the wholly owned Indian subsidiaries M/s Treadsdirect Limited and Parani Steels Private Limited had been subsidiaries had been merged with the Company, as approved by the members in their meeting held on 26th September 2015 and as per the orders of Honourable High court of Madras dated 22nd January 2016. The merger was effective from 1st April 2015. Hence, the current year figures (2015-16) are not comparable with the previous year figures (2014-15).

Deposits

The Company has not accepted or renewed any fixed deposit and hence there are no unclaimed deposits as on 31st March 2016.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future

There were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Adequacy of internal financial controls with reference to the financial statements

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Company has appointed Internal Auditor with a dedicated internal audit team. The Internal Audit Reports were reviewed periodically by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control system.

The directors and management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

Statutory Auditors

Reddy, Goud and Janardhan, Chartered Accountants, Bangalore were appointed as statutory auditors for a period of 3 years at the annual general meeting of the Company held on 27th September 2014 subject to ratification by the shareholders at every annual general meeting. Their continuance of appointment and payment of remuneration for the financial year 2016-17 is to be ratified in the ensuing annual general meeting. The Company has received a certificate from the above auditors to the effect that if the appointment is ratified, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, CN Paramasivam, Company Secretary in Practice, was appointed as the secretarial auditor of the Company to carry out the secretarial audit for the year ended 31st March, 2016. A secretarial audit report given by the secretarial auditors in Form No. MR-3 is enclosed with this report as

Annexure VI.

Cost Auditors

The Board of Directors at their meeting held on May 30, 2016 have appointed M/s. P. Mohan Kumar & Co. (Firm Regn No.100490), Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable to the Cost Auditors of the Company is subject to the ratification by the shareholders at the annual general meeting. The Board recommends their remuneration.

Particulars of employees

There are no employees who are in receipt of remuneration in excess of ₹ 6,000,000/- for the whole financial year 2015-16 or a part thereof during the year. Particulars pursuant to Rule of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, is enclosed as **Annexure VII**.

Human Resources and Industrial Relations

The Company continues to enjoy a cordial relationship with all its employees. The employee count as on March 31, 2016 is 593.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on sexual harassment of women at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaint committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2015-2016.

Corporate Governance

A report on corporate governance, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as **Annexure VIII** and forms part of this report. The Company has complied with the conditions relating to corporate governance as stipulated in clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee

Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the Section on Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings and functions of the Committee. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

Whistle Blower Policy

The Company has a whistle blower policy to deal with unethical or improper practice or violation of Company's code of business conduct or any complaints regarding accounting, auditing, internal controls or disclosure practices of the company. The policy gives a platform to the whistle blower to report the complaints on the above mentioned practices to the chairman of the audit committee. Although the complainant is not expected to prove the truth of an allegation, the complainant aims to demonstrate that there are sufficient grounds for concern and is not done as a malicious act against an individual. The audit committee of the board reviews the complaints received, redressed, objected, withdrawn and dismissed for, every quarter in their meeting. The whistle blower policy is available in the website of the Company at the following address www.elgirubber.com

Cautionary Statement

Statements in this report, especially those relating to MD&A giving details of company's objectives, projections, estimates and expectations may be construed as "forward looking statements" within the realm of applicable laws and regulations. Actual results are liable to differ materially from those either expressed or implied.

Acknowledgment

The directors thank the company's customers, vendors, investors, business associates and bankers for their support to the company. The directors also wish to place on record their appreciation of the contributions made by all the employees towards the growth of the company.

For the board of directors

Coimbatore
30.05.2016

Sudarsan Varadaraj
Chairman & Managing Director
(DIN: 00133533)

FORM NO. MGT – 9

Extract of annual return as on the financial year ended 31.03.2016

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

I. Registration and other details

i	CIN	L25119TZ2006PLC013144
ii	Registration Date	16/10/2006
iii	Name of the Company	Elgi Rubber Company Limited
iv	Category / Sub-Category of the company	Public Limited Company having Share Capital
v	Address of the Registered office and contact details	2000, Trichy Road, Singanallur, Coimbatore - 641 005, Tamil Nadu, India. Telephone No.: 0422-2321000 Fax No.: 0422-2322222 E-mail Id: info@elgirubber.com
vi	Whether listed Company Yes / No	Yes
vii	Name, Address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (Coimbatore Branch) "Surya" 35, Mayflower Avenue, Senthil Nagar Coimbatore - 641028, Tamil Nadu. Telephone No.: 0422-2314792 E-mail Id: coimbatore@linkintime.co.in

II. Principal business activities of the company

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

Sl. No	Name and description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1.	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	25119	100

III. Particulars of holding, subsidiary and associate companies

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Borrachas e Equipamentos Elgi Ltda Estrada Chiquito De Aquino, 150 - Bairro Mondesir, CEP 12612 - 550 Lorena, SP - Brasil	Not applicable	Subsidiary	99.99	Section 2 (87)
2	Pincott International Pty Limited No.11, Precision Place, Mulgrave - NSW 2756 - Australia	Not applicable	Subsidiary	100.00	Section 2 (87)
3	Treadsdirect Limited P.O.Box 39521 - 00623 Commercial Street, Industrial Area Nairobi - Kenya	Not applicable	Subsidiary	99.99	Section 2 (87)
4	Treadsdirect Limited No.9, Industrial Estate Dankotuwa - Sri Lanka	Not applicable	Subsidiary	99.99	Section 2 (87)
5	Treadsdirect Limited C/o G. Biswas & Co, 45, Bangabandu Avenue, Dhaka - 1000 - Bangladesh	Not applicable	Subsidiary	100.00	Section 2 (87)

Sl. No	Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
6	Elgi Rubber Company LLC P.O. Box 1025 600 North Magnolia Ave. Luling, TX 78648 - USA	Not applicable	Subsidiary	100.00	Section 2 (87)
7	Elgi Rubber Company Holdings B.V., Schoenerweg 36, 6222 NX Maastricht, P O Box 437 - 6200 AK Maastricht - The Netherlands	Not applicable	Subsidiary	100.00	Section 2 (87)

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A. Promoters									
1 Indian									
a. Individual/HUF	27,020,943	-	27,020,943	53.99	27,049,078	-	27,049,078	54.05	0.06
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies corporate	4,305,175	-	4,305,175	8.60	4,305,175	-	4,305,175	8.60	-
e. Banks/ FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub - Total (A)(1)	31,326,118	-	31,326,118	62.59	31,354,253	-	31,354,253	62.65	0.06
2 Foreign									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Others - Individual	-	-	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub - Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = A)(1)+(A)(2)	31,326,118	-	31,326,118	62.59	31,354,253	-	31,354,253	62.65	0.06
B. Public shareholding									
1. Institutions									
a. Mutual funds	675	140	815	0.00	675	140	815	0.00	-
b. Banks/ FI	36,834	-	36,834	0.07	36,834	-	36,834	0.07	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	1,179,696	-	1,179,696	2.36	1,179,696	-	1,179,696	2.36	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance companies	1,309,943	-	1,309,943	2.62	1,309,943	-	1,309,943	2.62	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub - Total (B)(1)	2,527,148	140	2,527,288	5.05	2,527,148	140	2,527,288	5.05	-

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2. Non-Institutions									
a. Bodies corporate									
i. Indian	2,522,366	2759	2,525,125	5.05	2,846,117	2,234	2,848,351	5.69	0.64
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	9,199,363	1,926,657	11,126,020	22.23	8,565,741	1,847,331	10,413,188	20.81	(1.42)
II. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,998,513	185,850	2,184,363	4.36	1,667,349	185,850	1,853,199	3.70	(0.66)
c. Others (specify)									
Individual directors	116	-	116	0.00	116	-	116	0.00	-
Hindu Undivided Family	-	-	-	-	687,725	-	687,725	1.37	1.37
NRI (Repatriate)	57,974	2,850	60,824	0.12	48,993	2,100	51,093	0.10	(0.02)
NRI (Non-Repatriate)	29,457	-	29,457	0.06	44,998	-	44,998	0.09	0.03
Unclaimed shares	270,689	-	270,689	0.54	269,905	-	269,905	0.54	0.00
Sub - Total (B)(2)	14,078,478	2,118,116	16,196,594	32.36	14,130,944	2,037,515	16,168,459	32.30	(0.06)
Total shareholding of public (B) = (B)(1)+ (B)(2)	16,605,626	2,118,256	18,723,882	37.41	16,658,092	2,037,655	18,695,747	37.35	(0.06)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	47,931,744	2,118,256	50,050,000	100.00	48,012,345	2,037,655	50,050,000	100.00	0.00

ii. Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sudarsan Varadaraj	22,343,879	44.64	-	22,372,014	44.70	-	0.06
2	LRG Technologies Limited	3,541,475	7.09	-	3,541,475	7.09	-	-
3	Harsha Varadaraj	2,252,635	4.50	-	2,252,635	4.50	-	-
4	Varshini Varadaraj	2,252,635	4.50	-	2,252,635	4.50	-	-
5	Elgi Equipments Limited	763,700	1.53	-	763,700	1.53	-	-
6	Dr.Jairam Varadaraj	141,750	0.28	-	141,750	0.28	-	-
7	Sumanth R	8,792	0.02	-	8,792	0.02	-	-
8	Anvar Jay Varadaraj	7,084	0.01	-	7,084	0.01	-	-
9	Maya Jay Varadaraj	7,084	0.01	-	7,084	0.01	-	-
10	Varun Jay Varadaraj	7,084	0.01	-	7,084	0.01	-	-
	TOTAL	31,326,118	62.59	-	31,354,253	62.65	-	0.06

iii. Change in promoters' shareholding

S.No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Sudarsan Varadaraj				
	At the beginning of the year	22,343,879	44.64	22,343,879	44.64
	Increase on 10.04.2015 - Transfer	4,128	0.01	22,348,007	44.65
	Increase on 08.05.2015 - Transfer	7,906	0.01	22,355,913	44.66
	Increase on 15.05.2015 - Transfer	16,101	0.04	22,372,014	44.70
	At the end of the year	22,372,014	44.70	22,372,014	44.70

Note: There is no change in shareholding of other promoters

iv. Shareholding pattern of top ten shareholders: (other than directors, promoters and holders of GDRs and ADRs):

S.No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	The Tamilnadu Industrial Investment Corporation Limited				
	At the beginning of the year	1,179,696	2.36	1,179,696	2.36
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	1,179,696	2.36	1,179,696	2.36
2	Amrit Petroleums Private Limited ##				
	At the beginning of the year	182,000	0.36	182,000	0.36
	Increase on 10.07.2015 - Transfer	817,223	1.64	999,223	2.00
	At the end of the year	999,223	2.00	999,223	2.00
3	The Oriental Insurance Company Limited				
	At the beginning of the year	961,370	1.92	961,370	1.92
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	961,370	1.92	961,370	1.92
4	Prescient Securities Private Limited				
	At the beginning of the year	231,000	0.46	231,000	0.46
	Increase on 08.01.2016 - Transfer	225,000	0.45	456,000	0.91
	Increase on 15.01.2016 - Transfer	125,000	0.25	581,000	1.16
	At the end of the year	581,000	1.16	581,000	1.16
5	National Insurance Company Limited				
	At the beginning of the year	348,573	0.70	348,573	0.70
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	348,573	0.70	348,573	0.70
6	Harsha Hitesh Javeri ##				
	At the beginning of the year	133,000	0.27	133,000	0.27
	Increase on 17.04.2015 - Transfer	92,000	0.18	225,000	0.45
	Increase on 24.04.2015 - Transfer	2,000	0.00	227,000	0.45
	Increase on 19.06.2015 - Transfer	23,000	0.05	250,000	0.50
	Increase on 28.08.2015 - Transfer	17,071	0.03	267,071	0.53
	Increase on 04.09.2015 - Transfer	14,651	0.03	281,722	0.56
	Increase on 18.09.2015 - Transfer	13,604	0.03	295,326	0.59
	Increase on 16.10.2015 - Transfer	4,674	0.01	300,000	0.60
	At the end of the year	300,000	0.60	300,000	0.60

S.No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7	Mayank Jashwantlal Shah & Shruti Mayank Shah				
	At the beginning of the year	638,678	1.28	638,678	1.28
	Decrease on 08.01.2016 - Transfer	(350,000)	(0.70)	288,678	0.58
	At the end of the year	288,678	0.58	288,678	0.58
8	Nemish S Shah				
	At the beginning of the year	280,000	0.56	280,000	0.56
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	280,000	0.56	280,000	0.56
9	Shah Durgesh Sumatilal				
	At the beginning of the year	273,000	0.55	273,000	0.55
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	273,000	0.55	273,000	0.55
10	Gagandeep Credit Capital Private Limited				
	At the beginning of the year	241,500	0.48	241,500	0.48
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	241,500	0.48	241,500	0.48
11	Sudarshan Securities Private Limited **				
	At the beginning of the year	817,223	1.63	817,223	1.63
	Decrease on 10.07.2015 - Transfer	(817,223)	(1.63)	-	-
	At the end of the year	-	-	-	-
12	Nilesh Kishore Shah **				
	At the beginning of the year	211,225	0.42	211,225	0.42
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	211,225	0.42	211,225	0.42

** Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2015.

Not in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 Shareholder as on 31.03.2016.

v. Shareholding of directors and key managerial personnel:

S. No.	Name of the Director & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Sudarsan Varadaraj				
	At the beginning of the year	22,343,879	44.64	22,343,879	44.64
	Increase on 10.04.2015 - Transfer	4,128	0.01	22,348,007	44.65
	Increase on 08.05.2015 - Transfer	7,906	0.01	22,355,913	44.66
	Increase on 15.05.2015 - Transfer	16,101	0.04	22,372,014	44.70
	At the end of the year	22,372,014	44.70	22,372,014	44.70
2	Jairam Varadaraj				
	At the beginning of the year	141,750	0.28	141,750	0.28
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	141,750	0.28	141,750	0.28
3	M D Selvaraj				
	At the beginning of the year	116	-	116	-
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	116	-	116	-

V. Indebtedness

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

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	202,974,246	7,000,000	-	209,974,246
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	989,196	-	-	989,196
Total (i+ii+iii)	203,963,442	7,000,000	-	210,963,442
Change in Indebtedness during the financial year				
Addition	530,153,962	79,000,000	-	609,153,962
Reduction	124,276,427	23,022,752	-	147,299,179
Net Change	405,877,535	55,977,248	-	461,854,783
Indebtedness at the end of the financial year				
i. Principal Amount	608,633,007	62,977,248	-	671,610,255
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	1,207,970	-	-	1,207,970
Total (i+ii+iii)	609,840,977	62,977,248	-	672,818,225

VI. Remuneration of directors and key managerial personnel
A. Remuneration to managing director, whole-time directors and/or manager

(In ₹)

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Sudarsan Varadaraj (Chairman & Managing Director)	
1	Gross salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,571,428	6,571,428
	b. Value of perquisites under section 17(2) Income Tax Act, 1961	-	-
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit		
	- others, specify	-	-
5	Others, please specify		
	Total (A)	6,571,428	6,571,428
	Ceiling as per the Act	6,571,428	6,571,428

B. Remuneration to other directors

(In ₹)

S.No.	Name of directors	Particulars of remuneration			Total Amount
		Fee for attending board / committee meetings	Commission	Others, please specify	
1	Independent directors				
	Suresh Jagannathan	110,000	-	-	110,000
	P Vijay Raghunath	70,000	-	-	70,000
	M D Selvaraj	110,000	-	-	110,000
	Vidyasankar Bhuvaneshwari	50,000	-	-	50,000
	Total (1)	340,000	-	-	340,000
2	Other non executive directors				
	Jairam Varadaraj	50,000	-	-	50,000
	Total (2)	50,000	-	-	50,000
	Total (B) = (1+2)	390,000	-	-	390,000
	Total managerial remuneration (A+B)				6,961,428
	Overall ceiling as per the Act	-	-	-	₹ 100,000 per meeting

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(In ₹)

S.No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		SR Venkatachalam, Chief Financial Officer	D Selvakumar, Company Secretary	C Shankar, Company Secretary	
1	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,231,286	557,588	715,871	3,504,745
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	2,231,286	557,588	715,871	3,504,745

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief description	Details of penalty / punishment / compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
A. Company Penalty Punishment Compounding					
B. Directors Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. Other officers in default Penalty Punishment Compounding					

For the board of directors

Coimbatore
30.05.2016

Sudarsan Varadaraj
Chairman & Managing Director
(DIN: 00133533)

Criteria for selection of Non-Executive Directors:

The Non Executive Director shall:-

- ❖ have adequate skills, background, experience and knowledge
- ❖ possess industry bias, i.e., should be reasonably conversant with and follow the rubber, retreading and automotive industry
- ❖ be a person of intellect and integrity
- ❖ not be discriminated on the basis of age, gender and race
- ❖ believe in and be committed to practice the Elgi values
- ❖ be capable of working in harmony with other board members and contribute effectively in board and shareholder meetings
- ❖ be in alignment with the Company's objectives and goals

ANNEXURE-III**Nomination and remuneration policy**

This nomination and remuneration policy is being formulated in compliance with section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as specified in Regulation 19 read with Part D of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of directors, key managerial personnel and senior management has been formulated by the nomination and remuneration committee (NRC or the committee) and has been approved by the board of directors.

Definitions

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961

"**Key managerial personnel**" means

- i. the chief executive officer or the managing director or the manager
- ii. the Company secretary
- iii. the whole-time director
- iv. the chief financial officer and
- v. such other officer as may be prescribed

"**Senior managerial personnel**" means the personnel of the Company who are members of its core management team excluding board of directors. Normally, this would comprise all members of management, of rank equivalent to general manager and above, including all functional heads.

Objective

- a. To guide the board in relation to appointment and removal of directors, key managerial personnel and senior management.
- b. To evaluate the performance of the members of the board and provide necessary report to the board for further evaluation of the board.
- c. To recommend to the board on remuneration payable to the directors, key managerial personnel and senior management.

Role of the committee

The role of the NRC will be the following

- ❖ To formulate criteria for determining qualifications, positive attributes and independence of a director.
- ❖ To formulate criteria for evaluation of independent directors and the board.
- ❖ To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- ❖ To carry out evaluation of director's performance.
- ❖ To recommend to the board the appointment and removal of directors and senior management.
- ❖ To recommend to the board policy relating to remuneration for directors, key managerial personnel and senior management.
- ❖ To devise a policy on board diversity, composition and size.
- ❖ Succession planning for replacing key executives and overseeing.
- ❖ To carry out any other function as is mandated by the board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ❖ To perform such other functions as may be necessary or appropriate for the performance of its duties.

Appointment and removal of director, key managerial personnel and senior management

- ❖ The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or at senior management level and recommend his / her appointment, as per Company 's policy.
- ❖ A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position.
- ❖ The Company shall not appoint or continue the employment of any person as whole-time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term / tenure

Managing director/whole-time director

The Company shall appoint or re-appoint any person as its executive chairman, managing director or executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent director

An independent director shall hold office for a term up to five consecutive years on the board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the board's report.

No independent director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such independent director shall be eligible for appointment after expiry of three years of ceasing to become an independent director.

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of independent director it should be ensured that number of boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time director of a listed Company or such other number as may be prescribed under the Act.

Evaluation

The committee shall carry out evaluation of performance of director, KMP and senior management personnel yearly or at such intervals as may be considered necessary.

Removal

The committee may recommend with reasons recorded in writing, removal of a director, KMP or senior management personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company .

Retirement

The director, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company . The board will have the discretion to retain the director, KMP, senior management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company .

Policy for remuneration to directors / KMP / senior management personnel

1. Remuneration to managing director / whole-time directors:
 - a. The remuneration / commission etc. to be paid to managing director / whole-time directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the members of the Company .
 - b. The nomination and remuneration committee shall make such recommendations to the board of directors, as it may consider appropriate with regard to remuneration to managing director / whole-time directors.
2. Remuneration to non-executive / independent directors:
 - a. The non-executive / independent directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the nomination and remuneration committee and approved by the board of directors.
 - b. All the remuneration of the non-executive / independent directors (excluding remuneration for attending meetings as prescribed under section 197 (5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the nomination and remuneration committee and approved by the board of directors or shareholders, as the case may be.
 - c. An independent director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

- d. Any remuneration paid to non-executive / independent directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i. The services are rendered by such director in his capacity as the professional; and
 - ii. In the opinion of the committee, the director possesses the requisite qualification for the practice of that profession.
3. Remuneration to key managerial personnel and senior management:
- a. The remuneration to key managerial personnel and senior management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company 's policy.
 - b. The compensation committee of the Company , constituted for the purpose of administering the employee stock option / purchase schemes, shall determine the stock options and other share based payments to be made to key managerial personnel and senior management.
 - c. The fixed pay shall include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
 - d. The incentive pay shall be decided based on the balance between performance of the Company and performance of the key managerial personnel and senior management, to be decided annually or at such intervals as may be considered appropriate.

Implementation

- ❖ The committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ❖ The committee may delegate any of its powers to one or more of its members.

ANNEXURE - IV

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

i. Steps taken or impact on conservation of energy

Energy conservation is one of the primary objectives of the Company and measures are taken on an ongoing process

ii. Steps taken by the Company for utilising alternate sources of energy

Through the arrangement with the State Electricity Board, wind energy generated by the company's windmill division is supplied to the grid, thereby indirectly using alternate source of energy.

iii. Capital investment on energy conservation equipments : Nil

B. Technology absorption

i. Efforts made towards technology absorption

Steps are being taken for in-house development of technology and consequent absorption.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

It is expected that proposed in-house technology development would result in product development.

iii. In case of imported technology

- | | |
|---|-----|
| a. the details of technology imported | Nil |
| b. the year of import | Nil |
| c. whether the technology have been fully absorbed | N.A |
| d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | N.A |

iv. the expenditure incurred on research and development : ₹ 3.74 million

C. Foreign Exchange Earnings & Outgo during the year

Foreign Exchange Earned in terms of actual inflows : ₹ 440.90 million

Foreign Exchange outgo in terms of actual outflows : ₹ 145.57 million

Annual Report on CSR Activities of the Company

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to undertake and a reference to the web-link to the CSR policy and projects or programs.

The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting mechanisms for CSR activities. As part of its initiatives under CSR, the Company has undertaken projects in the areas of education, social development, medical relief, sports, women empowerment, animal welfare, cultural protection etc. These projects are by and large in accordance with Schedule VII of the Companies Act, 2013. The CSR spend is predominantly directed through a registered trust. The trust expends the sums contributed by the Company towards educational and related activities only and also for having a corpus for undertaking construction of new school building within the next 5-10 years. CSR policy of the Company is also uploaded on the website of the Company www.elgirubber.com.

2. The composition of the CSR Committee.

The Company has constituted a corporate social responsibility committee comprising of Sudarsan Varadaraj, Suresh Jagannathan and MD Selvaraj as members of the committee.

3. Average profit of the Company for the last three financial years. : ₹ 127.22 million

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹ 2.54 million

5. Details of CSR spent during the year.

- a. Total amount to be spent for the financial year : ₹ 2.54 million

- b. Amount unspent, if any : Nil

- c. Manner in which the amount spent during the financial year

Amount in ₹

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs: Local area or other Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or program	Cumulative expenditures up to the reporting period	Amount spent direct or through implementing agencies
1.	Promoting Education & Rural Development	Education	Coimbatore, Tamil Nadu	3,000,000	3,000,000	3,000,000	Through a Registered Trust
			Total	3,000,000	3,000,000	3,000,000	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, reasons for the same

The Company has spent the required two percent of the average net profit of the last three financial years.

7. Responsibility statement of the CSR committee

The CSR committee confirms that the implementation and governance of CSR programs have been elaborated in the company's CSR policy. The CSR committee further confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.

Coimbatore
30.05.2016

MD Selvaraj
Director
Member, CSR Committee
(DIN:00001608)

Sudarsan Varadaraj
Chairman & Managing Director
Chairman, CSR Committee
(DIN : 00133533)

FORM NO. MR-3

Secretarial Audit Report

for the Financial Year ended 31st March, 2016

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

To
The Members
Elgi Rubber Company Limited
CIN: L25119TZ2006PLC013144
2000, Trichy Road, Singanallur
Coimbatore - 641005

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Elgi Rubber Company Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Elgi Rubber Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of

- i. The Companies Act, 2013 (the Act) and the rules made thereunder
- ii. The Companies Act, 1956 (the Act) and the rules made thereunder (to the extent applicable)
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- iv. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of overseas direct investment;
- vi. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Enforced from 1st December 2015)
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (till 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May 2015)
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- vii. Laws specifically applicable to the industry to which the Company belongs, as identified by the management
 - a. The Rubber Act, 1947
 - b. The Petroleum Act, 1934 and the Petroleum Rules, 2002
 - c. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950
 - d. The Explosives Act, 1884, the Explosives Substances Act, 1908 and the Explosives Rules, 2008

I have also examined compliance with the applicable clauses of the following

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same, however stricter application of Secretarial Standards is to be observed by the Company
- b. Listing Agreement entered into by the Company with National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, etc., as mentioned above.

I further report that, during the year under review, there were no actions/events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the board of directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour laws and environmental laws as applicable to the Company.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that

The board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the board of directors during the period under review.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of the board of directors or committee of the board, as the case may be.

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

I further report that during the audit period, the wholly-owned subsidiaries of Elgi Rubber Company Limited i.e. Treadsdirect Limited and Parani Steels Private Limited have been amalgamated with the Company in compliance with the provisions of Section 391 to 394 of the Companies Act, 1956 and the same has been approved by the Hon'ble High Court of Judicature at Madras.

Other than the above, there were no instances of

- ❖ Public / Rights / Preferential issue of shares / debentures / sweat equity
- ❖ Redemption / buy-back of securities
- ❖ Major decision taken by the members pursuant to section 180 of the Companies Act, 2013
- ❖ Foreign technical collaborations

Coimbatore
30.05.2016

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

'Annexure A'

To

The Members
Elgi Rubber Company Limited
(CIN: L25119TZ2006PLC013144)
2000 Trichy Road, Singanallur
Coimbatore - 641005

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the - of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Coimbatore
30.05.2016

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687

**Statement pursuant to Section 197(12) of the Companies Act, 2013
read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each director to the employee's median remuneration for the financial year.

Name	Ratio
Sudarsan Varadaraj, Chairman & Managing Director	30 : 1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year -

Sudarsan Varadaraj	-	Chairman & Managing Director	:	Nil
SR Venkatachalam	-	Chief Financial Officer	:	5.20%
C Shankar	-	Company Secretary	:	Nil

3. Percentage increase in the median remuneration of employees in the financial year : 4.94%

4. Number of permanent employees on the rolls of the Company: 593

5. Explanation on the relationship between average increase in remuneration and Company performance

There is no direct relationship between the average increase in remuneration and Company performance. Increments are linked to the cost of living Index and market compensation.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

The key managerial personnel were collectively paid a remuneration of ₹ 10.08 million for the financial year 2015-16. This represents 0.50% of the total turnover of the Company. The Company believes that the key managerial personnel have been compensated commensurate with their knowledge, experience and contributions; notwithstanding the fact that their collective remuneration does not impact the company's performance significantly.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	Issued Capital (Shares)	Market Price (in ₹)	Market Capitalisation (₹ in Crores)	Price Earnings Ratio (in ₹)	Net Worth (₹ in Crores)
31.03.2015	50,050,000	27.65	138.38	24.47	254.40
31.03.2016	50,050,000	25.30	126.63	(4.78)	251.38
Increase/(Decrease)	-	(2.35)	(11.75)	(29.25)	(3.02)

Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer : 2,430%

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration

Average increase in remuneration is 5.20% for employees

9. Comparison of each remuneration of KMP against the performance of the company.

The key managerial personnel were collectively paid a remuneration of ₹ 10.08 million for the financial year 2015 - 16. This represents 0.5% of the total standalone turnover of ₹ 2,012.04 million.

10. The key parameters for any variable component of remuneration availed by the directors - Nil

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Nil

It is affirmed that the remuneration is as per the remuneration policy of the company

It is also affirmed that no persons were employed through out the year and were drawing remuneration as stipulated under the rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For the board of directors

**Sudarsan Varadaraj
Chairman & Managing Director
(DIN: 00133533)**

Coimbatore
30.05.2016

Report on Corporate Governance – Annexure to Directors’ Report**(In compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1. Company’s Philosophy on Corporate Governance**

The company’s philosophy on corporate governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value to all its stakeholders through sound and professional governance. The Company has adopted a code of conduct for its directors and senior management personnel.

2. Board of Directors

- i. The board of directors of the Company comprises of an Executive Chairman & Managing Director and five Non - Executive Directors [of which four (4) are Independent Directors including one (1) Woman Director]
- ii. The composition of the directors and their attendance in the board meetings during the year and at the last annual general meeting, and also the number of the other directorships are as follows:

Name of the Director	Category of Directorship	Attendance Particulars		No. of other Directorship held in Public Companies*	No. of Committee positions held in all Companies #	
		Board	AGM		Chairman	Member
Sudarsan Varadaraj (DIN: 00133533)	Chairman & Managing Director - Promoter	6	Yes	5	1	1
Jairam Varadaraj (DIN: 00058056)	Non Executive - Promoter	5	No	8	1	3
MD Selvaraj (DIN: 00001608)	Non Executive - Independent	6	Yes	-	2	-
Suresh Jagannathan (DIN: 00011326)	Non Executive - Independent	6	No	3	-	2
P Vijay Raghunath (DIN: 00002963)	Non Executive - Independent	4	No	-	-	2
V Bhuvaneshwari (DIN: 01628512)	Non Executive - Independent	5	No	1	-	-

* Directorships in foreign companies and private companies have not been considered

Only Audit Committee and Stakeholders Relationship committee are considered

Sudarsan Varadaraj, Chairman & Managing Director and Dr. Jairam Varadaraj, Director are related to each other as brother. None of the other directors are related.

As per the disclosures received from the directors, none of the directors serve as member of more than 10 committees nor are they the Chairman / Chairperson of more than 5 committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Six board meetings were held during the year and the date on which the Board meetings were held are as follows:

Sl No	Date of Board Meeting	No. of Directors Attended
1	21.04.2015	6
2	28.05.2015	5
3	30.07.2015	5
4	20.08.2015	6
5	14.11.2015	5
6	04.02.2016	5

Shareholdings of non-executive directors

Name of director	No. of shares held (as on March 31, 2016)
Jairam Varadaraj	141,750
MD Selvaraj	116
Suresh Jagannathan	-
P Vijay Raghunath	-
V Bhuvaneshwari	-

a. Familiarization Program for Independent Directors

The board members are regularly provided with documents / brochures, report, and other internal policies of the Company to familiarize them with the company’s policies, procedures and practices. Periodic presentations are made at the board/committee meetings on the company’s business and developments. The independent directors of the Company are regularly briefed by the Managing Director of the Company about the foreign subsidiaries, processes followed by them and the results made. The directors are also updated about the various statutory compliances. The details of familiarization programmes imparted to independent directors are disclosed on the company’s website at www.elgirubber.com.

b. Separate Meeting of the Independent Directors

The meeting of independent directors of the Company was held on 4th February 2016 and they inter-alia, reviewed the performance of the non-independent directors and the board as a whole, reviewed the performance of the Chairman and assessed the quality, quantity and timeliness of flow of information between the Company and the board.

c. Performance evaluation of non-executive and independent directors

Pursuant to the provisions of the Companies Act, 2013 and as per Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the committees of the board. They also evaluated various aspects of the board such as adequacy of the composition of the board and its committees, board diversity, execution and performance of specific duties, obligations and governance

3. Audit Committee

The audit committee comprises of three non-executive independent directors and all such members of the committee possess knowledge in the fields of accounts, finance and allied areas.

The role, powers and functions of the committee are as per section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information from within the company, the committee can obtain external professional advice whenever required.

The committee acts as a link between the statutory and internal auditors and the board of directors of the company. It is authorised to select and establish accounting policies, review reports of the statutory and the internal auditors and meet them to discuss their findings, suggestions and other related matters. The committee is empowered to recommend the appointment and remuneration payable to the statutory auditors.

During the year under review the committee met 5 times on April 21, 2015, May 28, 2015, July 30, 2015, November 14, 2015 and February 04, 2016.

The composition of the audit committee and particulars of meetings attended by the members of the audit committee are given below

Name	Category	No. of Meetings during the year 2015 - 2016	
		Held	Attended
MD Selvaraj (Chairman)	Independent – Non Executive	5	5
Suresh Jagannathan (Member)	Independent – Non Executive	5	5
P Vijay Raghunath (Member)	Independent – Non Executive	5	3

The representatives of both statutory and internal auditors of the Company and the Chief Financial Officer of the Company attended the committee meetings. Company Secretary and Compliance Officer act as Secretary of the audit committee. The minutes of the audit committee meetings are circulated to the board, where it is discussed and duly recorded. The committee considered and reviewed the accounts for the year 2015 - 2016, at their meeting held on May 30, 2016 before it was placed in the board.

4. Nomination and Remuneration Committee

The role, powers and functions of the nomination and remuneration committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required by SEBI - under regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The committee comprises of 3 independent non-executive directors. The committee during the year met three times on July 30, 2015, November 14, 2015 and February 04, 2016. The attendance of the members was as under

Name	Category	No. of Meetings during the year 2015 - 2016	
		Held	Attended
MD Selvaraj (Chairman)	Independent – Non Executive	3	3
Suresh Jagannathan (Member)	Independent – Non Executive	3	3
P Vijay Raghunath (Member)	Independent – Non Executive	3	3

The Company has devised a policy for performance evaluation of independent directors, board, committees and other directors which includes criteria for performance of the non-executive directors and executive directors.

This committee shall identify the persons, who are qualified to become directors of the Company/ who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the directors and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The remuneration policy is annexed to the board's report and can also be accessed on Company's website at www.elgirubber.com.

5. DETAILS OF REMUNERATION

Details of remuneration paid to the directors for the year ended March 31, 2016 are as follows

a. Executive Directors

Remuneration paid to Managing Director during the year is given below

Name	Service Contract	Salary (in ₹)	Allowances	Commission	Total Remuneration (in ₹)
Sudarsan Varadaraj Chairman & Managing Director	For a period of 5 years w.e.f. 01.01.2011	3,024,000	-	-	3,024,000
	and another 5 years w.e.f. 01.01.2016	1,680,000	-	1,867,428	3,547,428

Remuneration includes salary & Company's contribution to provident fund.

b. Non Executive Directors

Sitting fees for attending board / committee meetings paid to non executive directors are given below

Name of the Directors	Sitting Fees Paid (in ₹)
Dr. Jairam Varadaraj	50,000
MD Selvaraj	110,000
Suresh Jagannathan	100,000
P Vijay Raghunath	70,000
V Bhuvaneshwari	50,000

The Company does not pay any remuneration to its non executive directors barring sitting fees for attendance for the meetings during the year.

There are no pecuniary relationships or transactions of non executive directors vis-a-vis the Company.

c. The Company does not have any employee stock option scheme.

6. Stakeholders Relationship Committee

The stakeholders relationship committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The composition of stakeholders relationship committee and the attendance of the members in the meetings are given below

Name	Category	No. of Meetings during the year 2015 - 2016	
		Held	Attended
MD Selvaraj (Chairman)	Non-Executive Director	17	16
Sudarsan Varadaraj (Member)	Chairman & Managing Director	17	13
P Vijay Raghunath (Member)	Non-Executive Director	17	17

C Shankar was the Company Secretary and Compliance Officer of the Company up to October 01, 2015 and D Selvakumar was the Company Secretary and Compliance Officer of the Company with effect from November 14, 2015. The minutes of the Stakeholders Relationship Committee were placed before the board meeting for due ratification and approval.

The committee had met 17 times during the year 2015 - 2016.

During the year, the Company had received one complaint from the shareholders and the same was resolved satisfactorily by furnishing the requisite information / documents to the shareholder.

Pursuant to Clause 47(c) of the Listing Agreement / Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from a practicing Company Secretary has been submitted to the stock exchanges within stipulated time.

a. Unclaimed Suspense Account

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had transferred 273,958 unclaimed shares to Elgi Rubber Company Limited Unclaimed Securities Suspense Account, opened with SBICAP Securities Limited.

The claimed details of the Unclaimed Securities Suspense Account are given below

Unclaimed Shares as on 01.04.2015		Shares claimed during the year		Unclaimed Shares as on 31.03.2016	
No. of Share Holders	No. of Shares	No. of Share Holders	No. of Shares	No. of Share Holders	No. of Shares
219	270,689	1	784	218	269,905

The voting rights of the shares lying in the Unclaimed Securities Suspense Account will remain frozen till the rightful owner claims the shares.

b. Investors' complaints

The Company has attended to the investors' grievances and correspondences within a maximum period of 5 days from the date of receipt of the same during the year 2015 - 2016. There were no outstanding complaints as on March 31, 2016.

c. Number of shares transferred during 2015 - 2016

Physical transfers	: 4 Nos. constituting 2,478 shares
Transmission	: 8 Nos. constituting 13,279 shares
No. of pending share transfers / demat requests as on March 31, 2016	: NIL
Average turn around time	: 10 days for transfer / transmission of physical shares.
Bad deliveries received	: NIL

d. Management Discussion and Analysis Report

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the Annual Report.

7. Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The Committee comprises Sudarsan Varadaraj, MD Selvaraj and Suresh Jagannathan as members.

The CSR Committee met two times during the year on 28th May 2015 & 14th November 2015. The necessary quorum was present for both the meetings. The attendance record of the members at the meeting was as follows

Name	Category	No. of Meetings during the year 2015 - 2016	
		Held	Attended
Sudarsan Varadaraj (Chairman)	Chairman & Managing Director	2	2
MD Selvaraj (Member)	Non-Executive Director	2	2
P Vijay Raghunath (Member)	Non-Executive Director	2	2

The committee evaluates and recommends the CSR proposals to the board for approval. The Company formulated CSR Policy, which is uploaded on the website of the Company viz. www.elgirubber.com

8. Annual General Meetings

Location and time where the last three annual general meetings were held and details of the special resolutions passed.

Details of meeting	Date of meeting	Time of meeting	Venue of meeting	Special Resolutions
Annual General Meeting 2012 - 2013	12.08.2013	3.00 P M	Siruthuli, Noyyal Life Centre, Sungam Bye Pass Road, Coimbatore - 641 045	Nil
Annual General Meeting 2013 - 2014	27.09.2014	10.00 A M	Siruthuli, Noyyal Life Centre, Sungam Bye Pass Road, Coimbatore - 641 045	<ol style="list-style-type: none"> 1. Appointment of Suresh Jagannathan as an Independent Director. 2. Appointment of P Vijay Raghunath as an Independent Director. 3. Appointment of MD Selvaraj as an Independent Director. 4. Appointment of V Bhuvaneshwari as an Independent Director. 5. Authorisation to mortgage, hypothecate or create charge on the assets of the Company pursuant to section 180(1)(a) of the Companies Act, 2013

				6. Authorisation to borrow upto a limit of ₹ 500 crores pursuant to section 180(1) (c) of the Companies Act, 2013 7. Authorisation to enter into related party transaction with the wholly owned subsidiary Treadsdirect Limited pursuant to section 188 of the Companies Act, 2013. 8. Alteration of Articles of Association
Annual General Meeting 2014 - 2015	29.09.2015	10.45 AM	Siruthuli, Noyyal Life Centre, Sungam Bye Pass Road, Coimbatore - 641 045	Nil

Court convened meeting of the equity shareholders of the Company was held on 26th September 2015 to consider and approve the Scheme of Amalgamation of Treadsdirect Limited and Parani Steels Private Limited (wholly owned subsidiaries) with the Company. Other than this, no other extra-ordinary general meeting was held during the financial year 2015 - 2016.

Postal ballots

During the year, the members of the Company passed an ordinary resolution through postal ballot and remote e-voting. The details of which are furnished below:

Subject	Number of votes in favour of the resolution	Number of votes against the resolution
Approval of amalgamation of Treadsdirect Limited and Parani Steels Private Limited (wholly owned subsidiaries) with the Company through a court approved scheme of amalgamation in accordance with Section 391 to 394 of the Companies Act, 1956	193,208	464

R Jayachandran, Practicing Chartered Accountant conducted the postal ballot exercise.

No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Company.

9. Means of Communication

- The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Financial Express & Malai Malar. The book closure and dividend declaration notices are published in Financial Express & Malai Malar. The financial results are also placed on the Company's website www.elgirubber.com
- The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the board for publication in their website. The Company has a dedicated help desk with mail id info@elgirubber.com for providing necessary information to investors
- There were no specific presentations made to institutional investors or to the analysts during the year.

10. General Shareholder Information

i. Annual General Meeting

Date	:	September 12, 2016
Time	:	4.00 PM
Venue	:	Siruthuli, Noyyal Life Centre, Sungam Bye Pass Road, Coimbatore - 641 045

ii. Financial Calender

Year Ending	:	April 01, 2015 to March 31, 2016
Dividend Payment	:	On or before September 30, 2016
Date of Book Closure	:	From September 06, 2016 to September 12, 2016 (both days inclusive)

Listing on Stock Exchanges

The shares are listed in National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051. Annual listing fee have been duly paid to National Stock Exchange of India Limited, Mumbai

Type of Security	:	Equity
Trading group in stock exchange	:	B1
Stock Code at the stock exchanges	:	ELGIRUBCO (NSE)
International Securities Identification Number (ISIN) under depository system	:	INE819L01012

Share Price Movements (Monthly High & Low)

The high and low prices during each month in the last financial year on National Stock Exchange of India Limited are given below

Month	Apr'15	May'15	Jun'15	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16
High Price ₹	29.95	30.40	26.00	29.45	28.80	25.35	32.75	30.90	27.20	33.90	30.00	28.00
Low Price ₹	21.35	23.40	20.25	23.50	20.45	22.15	23.55	25.30	23.70	24.05	24.00	23.60

Stock performance in comparison to broad-based indices of NSE(NIFTY50)

2015-16	ELGIRUBCO share price data			NIFTY50 index of NSE	
Month	High (in ₹)	Low (in ₹)	Volume (Nos.)	High	Low
April	29.95	21.35	395,553	8,844.80	8,144.75
May	30.40	23.40	146,308	8,489.55	8,057.30
June	26.00	20.25	291,570	8,467.15	7,940.30
July	29.45	23.50	389,094	8,654.75	8,315.40
August	28.80	20.45	362,638	8,621.55	7,667.25
September	25.35	22.15	124,148	8,055.00	7,539.50
October	32.75	23.55	340,560	8,336.30	7,930.65
November	30.90	25.30	314,231	7,775.10	7,714.15
December	27.20	23.70	371,118	7,979.30	7,551.05
January	33.90	24.05	1,244,827	7,972.55	7,241.50
February	30.00	24.00	633,004	7,600.45	6,825.80
March	28.00	23.60	200,884	7,777.60	7,035.10
Closing price as on March 31, 2016 in ₹					25.30
Market capitalisation as on Mar 31, 2016 (₹ In lacs)					12,662.65

Registrar & Share Transfer Agent: (For both physical & demat segments)

M/s Link Intime India Private Limited

Head Office

C/13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai 400 078.
Ph.: 022 - 25963838,
E-Mail: helpline@linkintime.co.in

Branch

Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.
Ph: 0422 - 2314792/ 2315792,
E mail: coimbatore@linkintime.co.in

Reconciliation of Share Capital Audit

A qualified Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

Share Transfer System

The Company's shares are transferable through the depository system. Shares in physical form are processed by Link Intime India Private Limited, the Registrar and Share Transfer Agents and approved by the Stakeholders Relationship Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories viz., NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets once in fortnight or in such other frequency as necessary for approving share transfers and other related activities.

Legal proceeding / disputes on share transfer against the company : Nil

Shares under lock - in : Nil

Share Holding Pattern

Category	No of Shares	% of Share Holding
Directors and their relatives	27,040,402	54.03
Domestic Companies	7,153,526	14.29
Non Domestic Companies	-	-
Mutual Funds	815	0.00
Commercial Banks	36,834	0.07
Non Resident Indians	96,091	0.19
Public Financial Institutions	2,489,639	4.98
Foreign Institutional Investors	-	-
Resident Individuals	13,232,693	26.44
Total	50,050,000	100.00

Distribution of Shareholding						
Range of Shareholding			No of Shares	% of Share Holding	No. of Share holders	% of Share holders
0001	-	5,000	6,464,403	12.92	10,508	96.12
5,001	-	10,000	1,646,080	3.29	238	2.18
10,001	-	20,000	1,265,247	2.53	91	0.83
20,001	-	30,000	903,817	1.80	37	0.34
30,001	-	40,000	593,700	1.19	17	0.16
40,001	-	50,000	317,477	0.63	7	0.06
50,001	-	100,000	405,757	0.81	6	0.05
100,000 and above			38,453,519	76.83	28	0.26
Total			50,050,000	100.00	10,932	100.00

Number of Shareholders as on March 31, 2016 : 10,932

Dematerialisation of shares and liquidity : 48,012,345 equity shares accounting for nearly 95.93% of the paid up capital of the Company have been dematerialised as on March 31, 2016. The Company has entered into agreements with both NSDL (National Securities Depository Limited, Mumbai) & CDSL (Central Depository Services (India) Limited, Mumbai) whereby shareholders have an option to dematerialize their shares with any one of the two depositories.

Outstanding GDRs / ADRs / Warrants /any Convertible Instruments/conversion date and their likely impact on equity : There are no outstanding warrants or any convertible instruments. The Company has not issued any GDR/ADR

Commodity price risk or foreign exchange risk and hedging activities : The Company did not engage in hedging activities and has no foreign exchange risk.

Plant Locations : Kanjicode, Annur, Kurichi, Kovilpalayam, Kottayi, Chengalpet, Sriperumbudur, Sri Lanka, Kenya, Brasil, USA, The Netherlands, Australia

Address for Correspondence

For annual report, transfer of physical / demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to : Link Intime India Private Limited
"Surya", 35, May Flower Avenue
Behind Senthil Nagar, Sowripalayam
Coimbatore - 641028, Tamilnadu
Ph: 91 - 0422 - 2314 792 / 2315 792
E-Mail: coimbatore@linkintime.co.in
Contact Person : S. Dhanalakshmi

Contact address for Shareholders : D Selvakumar
Company Secretary
Regd Office: Elgi Rubber Company Limited
2000, Trichy Road, Coimbatore 641 005, Tamilnadu
Phone : (0422) - 232 1000
Fax : (0422) - 232 2222
E-mail : info@elgirubber.com

11. Disclosures

a. Disclosures on materially significant related party transactions

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with promoters, directors or key managerial personnel etc., which may have potential conflict with the interest of the Company at large. The details of the transactions with related party are provided in the Company's financial statements in accordance with the Accounting Standards.

All the related party transactions are presented to the audit committee and the board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the audit committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction.

The related party transaction policy as approved by the board is uploaded on the Company's website viz. www.elgirubber.com.

b. Details of non compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authorities, on any matter relating to capital markets, during the last three years

The Company has complied with all the requirements of the Listing Agreement of the stock exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, stock exchange or any other statutory authority on matters relating to capital markets during the last three years.

- c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has adopted a whistle blower policy to provide a formal mechanism to the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the chairman of the audit committee. It is affirmed that no personnel of the Company has been denied access to the audit committee.

Your Company hereby affirms that no complaints were received during the year under review.

- d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements

The Company has complied with all the mandatory requirements of corporate governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the non-mandatory requirement of reporting of internal auditors to audit committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any other non- mandatory requirements.

- e. Policy for determining material subsidiaries and policy on related party transactions

Policy for determining material subsidiaries and policy on dealing with related party transactions has been disclosed on the website of the Company at www.elgirubber.com.

material unlisted subsidiary -

During the year, the Company did not have any material unlisted subsidiary Company which is subject to special governance norms in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of meetings of the board of directors of all subsidiary companies are placed before the board of directors of the Company for their review and noting.

- f. Commodity price risk and commodity hedging activities

During the financial year ended 31st March 2016, the Company did not engage in commodity hedging activities.

- g. Accounting treatment

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

- h. Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the board.

12. There has been no instance of non-compliance of any requirement of corporate governance report as stated above in sub-paras 2 to 10 above.

13. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Certificate from Chief Executive Officer / Chief Financial Officer

The CEO and CFO certification of the financial statements for the year has been submitted to the board of directors, in its meeting held on 30th May, 2016 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Code of Conduct

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

The Company's Chairman & Managing Director's declaration to this effect forms part of this report.

Declaration

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I hereby affirm and state that all board members and senior management personnel of the Company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2015-2016.

Coimbatore
30.05.2016

For Elgi Rubber **Company Limited**

Sudarsan Varadaraj
Chairman & Managing Director

Certificate

To the Members of **M/s Elgi Rubber Company Limited**

We have examined the compliance conditions of corporate governance by M/s.Elgi Rubber Company Limited (the Company) for the financial year ended March 31, 2016 as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 based on the representations made by the Directors and Management we certify that the Company has complied with the conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

We state that no investor grievance is pending for a period exceeding 1 month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

For **Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

Coimbatore
30.05.2016

B Anand
Partner
Membership No. 29146

Independent Auditors' Report

To the members of **M/s Elgi Rubber Company Limited**

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Elgi Rubber Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B and
- g. With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements;
 - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

Coimbatore
30.05.2016

B Anand
Partner
Membership No. 29146

Annexure - A to the Independent Auditor's Report

Referred to in para 9 of the independent auditor's report of even date to the members of Elgi Rubber Company Limited on the standalone financial statements for the year ended March 31, 2016.

We report that

1.
 - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - b. The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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. Pursuant to the programme, a portion of the fixed assets had been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c. The title deeds of immovable properties, as disclosed in Note 2.09 on fixed assets to the financial statements, are held in the name of the Company, except for certain land and building acquired, pursuant to the scheme of merger having a carrying value of ₹ 1,901.89 Lacs from its subsidiary Company viz Treadsdirect Ltd and ₹ 42.75 Lacs from its another subsidiary Company viz. Parani Steels Private Limited, as at March 31, 2016, which are in the process of getting transferred in the name of the Company.
2. The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
3. The Company has granted unsecured loans to 2 companies covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act to whom the Company has granted any unsecured loans.
 - a. In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - b. In respect of the aforesaid loans, the schedule of repayment of principal and interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and also regular in payment of interest as applicable.
 - c. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, guarantees and securities provided by it.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of sales tax including value added tax and is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax and service-tax, sales tax including value added tax, duty of customs and duty of excise which have not been deposited on account of any dispute other than the following as at March 31, 2016

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
Income tax	Rejection of certain claims and disallowances, Non deduction of tax deducted at source on foreign payment and recalculation of capital gains	4.68	FY 2011 - 12	CIT Appeals, Coimbatore
Income Tax (Erstwhile Treads direct Ltd)	Rejection of certain claims, disallowances and Non deduction of tax deducted at source on foreign payment	5.69	FY 2010-11	CIT Appeals, Coimbatore
Income Tax (Erstwhile Treads direct Ltd)	Rejection of certain claims, disallowances and Non deduction of tax deducted at source on foreign payment	1.34	FY 2011-12	CIT Appeals, Coimbatore
Excise Duty (Erstwhile Treads direct Ltd)	Differential duty on own consumption	5.27	FY 2006-07	CESTAT, Bangalore
Excise Duty (Erstwhile Treads direct Ltd)	Valuation dispute	0.45	FY 2006-2007 to 2009-2010	Commissioner of Central Excise, Chennai.
Excise Duty (Erstwhile Treads direct Ltd)	Valuation dispute	2.18	FY 2009-2014	Joint Commissioner - Calicut
Excise Duty (Erstwhile Treads direct Ltd)	Valuation dispute	0.88	FY 2014-15	Assistant Commissioner Palakkad
Excise Duty	Cenvat of Capital goods on leased machinery	0.14	FY 1997-98 & 1998-99	CESTAT - Chennai
Legal Metrology	Compounding Fee	0.15	FY 2015-16	Controller of Legal Metrology, Kerala.
Service Tax (Erst while Elgi Rubber Products Ltd)	Tax on Windmill services	0.09	FY 2005-06 to 2007-08	CESTAT - Chennai
Service tax (Erst while Titan Tyre Care Products Ltd)	Service Tax on Know how	1.47	FY 2008-09	Commissioner of Central Excise - Coimbatore
Service Tax	CENVAT of Service tax on Reverse charge machanisim	1.47	FY 2013-14	Additional Commissioner - Kanjikode
VAT (Erstwhile Treadsdirect Ltd)	Levy of Entry Tax on Rubber Products	0.08	FY 2004-05	Deputy Commissioner, Bhopal.
VAT (Erstwhile Treadsdirect Ltd)	Dispute on rate of tax	4.17	FY 2008-09 to 2010-11	Appellate Tribunal , Hyderabad
VAT (Erstwhile Treadsdirect Ltd)	Dispute on rate of tax	1.04	FY 2008-09 to 2010-11	Appellate Tribunal , Hyderabad

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pen
VAT (Erstwhile Treadsdirect Ltd)	Non Submission of documents	33.21	2007-08	Deputy Commissioner Appeals, Ernakulam.
VAT (Erstwhile Treadsdirect Ltd)	Non Submission of documents	25.24	2009-10	Assistant Commissioner, Special Circle, Palakkad
VAT (Erstwhile Treadsdirect Ltd)	Levy of Tax on labour charges on Works Contract	4.59	2010-2011 to 2012-2013	High Court Madras
VAT (Erstwhile Treadsdirect Ltd)	Sale/Purchase effected after RC Cancellation	23.41	2010-2011	Assistant Commissioner - Palakkad
VAT (Erstwhile Treadsdirect Ltd)	ITC Reversal on VAT Dispute	12.06	2010-2011 to 2011-2012	Assistant Commissioner Appeals - Palakkad
VAT (Erstwhile Treadsdirect Ltd)	Non-submission of documents	5.64	2010-11	Appellate and Revisional board of Commercial Taxes
VAT (Erstwhile Treadsdirect Ltd)	Non production of documents at Walayar check post	0.26	2013-14	Enquiry Officer, Walayar

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
9. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

Coimbatore
30.05.2016

B Anand
Partner
Membership No. 29146

Annexure - B to the Independent Auditor's Report

The annexure referred to the Independent Auditor's Report of even date to the members of Elgi Rubber Company Limited on the standalone financial statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Elgi Rubber Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

Coimbatore
30.05.2016

B Anand
Partner
Membership No. 29146

Balance Sheet as at 31st March 2016

Notes	31.03.2016 ₹	31.03.2015 ₹
I. Equity and Liabilities		
Shareholders' funds		
a. Share capital	2.01 50,050,000	50,050,000
b. Reserves and surplus	2.02 2,580,406,508	2,494,019,041
Non current liabilities		
a. Long term borrowings	2.03 184,218,166	37,533,721
b. Long term provisions	2.04 146,616	2,711,203
Current liabilities		
a. Short term borrowings	2.05 484,827,509	170,153,294
b. Trade payables	2.06 95,131,352	49,244,242
c. Other current liabilities	2.07 69,862,204	67,138,913
d. Short term provisions	2.08 42,279,358	20,920,477
	3,506,921,713	2,891,770,891
II. Assets		
Non current assets		
a. Fixed assets		
i. Tangible assets	2.09 859,821,185	568,520,867
ii. Intangible assets	2.09 40,569,134	33,418,082
iii. Capital work in progress	210,333,211	101,183,017
b. Non current investments	2.10 489,274,467	872,640,272
c. Deferred tax asset (Net)	2.11 14,986,000	69,000
d. Long term loans and advances	2.12 430,187,514	306,368,660
e. Other non current assets	2.13 284,060,403	252,519,657
Current assets		
a. Inventories	2.14 492,099,021	392,616,793
b. Trade receivables	2.15 418,347,503	154,984,262
c. Cash and bank balances	2.16 65,018,647	70,551,103
d. Short term loans and advances	2.17 185,785,913	117,003,713
e. Other current assets	2.18 16,438,715	21,895,465
	3,506,921,713	2,891,770,891

Significant accounting policies

1

The Notes are an integral part of these financial statements

**As per our report of even date
For Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Statement of Profit and Loss for the year ended 31st March 2016

Notes	31.03.2016 ₹	31.03.2015 ₹
Income		
Revenue from operations (Gross)	2,121,524,740	1,448,597,838
Less: Excise duty	109,482,127	114,624,998
Revenue from operations (Net)	2,012,042,613	1,333,972,840
Other Income	87,893,978	113,273,287
	2,099,936,591	1,447,246,127
Expenses		
Cost of materials consumed	1,173,425,943	775,646,261
Purchase of Stock in trade	45,901,413	59,035,522
Changes in inventories of finished goods and work in process	(105,699,170)	(6,509,261)
Employee benefits expenses	232,444,009	113,834,732
Finance costs	45,212,840	16,427,903
Depreciation and amortisation expenses	90,562,465	67,822,154
Other expenses	484,013,760	342,277,222
	1,965,861,260	1,368,534,533
Profit before exceptional items and tax	134,075,331	78,711,594
Less : Exceptional items	377,888,615	(287,939)
Profit before tax	(243,813,284)	78,999,533
Less : Tax expenses		
a. Current tax	32,186,000	24,600,000
b. Deferred tax	(11,094,000)	(2,151,000)
Profit after tax	(264,905,284)	56,550,533
Significant accounting policies	1	
Earnings per share (Nominal value per share 2016 ₹ 1/- (2015 ₹ 1) including extraordinary items)		
a. Basic	(5.29)	1.13
b. Diluted	(5.29)	1.13
(excluding extraordinary items net of taxes)		
a. Basic	(5.29)	1.13
b. Diluted	(5.29)	1.13

The Notes are an integral part of these financial statements

**As per our report of even date
For Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Cash Flow Statement for the year ended 31st March 2016

	31.03.2016 ₹	31.03.2015 ₹
A. Cash flow from operating activities		
Profit before taxation	(243,813,284)	78,999,533
Adjustments for		
Depreciation	90,562,465	67,822,154
Profit on sales of tangible assets (net)	(9,182,524)	-
(Profit)/Loss on sales of investments (net)	294,769	(22,193)
Provision for doubtful debts	16,143,451	157,961
Provision for fall in value of investments	(375,837,882)	-
Liabilities no longer required written back	(2,564,587)	(3,200,000)
Interest income	(33,674,679)	(36,967,895)
Dividend income	(5,118,734)	(19,150,611)
Interest expenses	35,922,515	14,254,234
Other non cash items	577,844	(2,041,784)
Operating profit before working capital changes	(526,690,646)	99,851,399
Increase / (Decrease) in trade payables	45,887,110	6,770,270
Increase / (Decrease) in short term provisions	9,580,950	(1,403,465)
Increase / (Decrease) in other current liabilities	2,723,291	30,023,979
Increase / (Decrease) in short term borrowings	314,674,214	(10,810,435)
(Increase) / Decrease in trade receivables	(280,084,540)	58,480,290
(Increase) / Decrease in inventories	(99,482,228)	4,250,339
(Increase) / Decrease in long term loans and advances	(123,818,854)	9,958,293
(Increase) / Decrease in short term loans and advances	(68,414,717)	39,765,768
(Increase) / Decrease in other current assets	5,456,750	(2,333,244)
(Increase) / Decrease in other non current assets	(31,540,746)	(59,288,321)
(Increase) / Decrease in bank deposits with maturity more than 3 to 12 months	14,600,000	(4,600,000)
Cash generated from operations	(737,109,416)	170,664,873
Taxes paid (net of refunds)	(32,553,484)	(21,699,934)
Net cash generated from operating activities (A)	(769,662,900)	148,964,939
B. Cash flow from investing activities		
Purchase of tangible / intangible assets	(106,088,095)	(42,394,900)
Increase in capital work in progress	(109,150,194)	(100,589,474)
Sale of tangible / intangible assets	10,117,714	12,567,221
Fixed asset transfer on account of amalgamation	(283,860,925)	-
Transfer of reserve on account of amalgamation	369,758,182	-
Non current investment	758,908,919	(220,494,429)
Interest income	33,674,679	36,967,895
Dividend income	5,118,734	19,150,611
Net cash from investing activities (B)	678,479,014	(294,793,076)
C. Cash flow from financing activities		
Increase / (Decrease) in long term borrowings	146,684,445	37,533,721
Dividend and distribution tax paid	(10,426,006)	(18,423,421)
Interest paid	(35,922,515)	(14,254,234)
Net cash used in financing activities (C)	100,335,924	4,856,066
Net increase/(decrease) in cash and cash equivalents(A+B+C)	9,152,038	(140,972,071)
Cash and cash equivalents comprise of		
Cash on hand	2,940,647	810,716
Balance with banks*	62,078,000	69,740,387
* Including the following balance which are not available for use by the Company		
Unpaid dividend account	3,555,589	3,640,083
Cash and cash equivalents at the beginning of the year	37,311,020	178,283,091
Cash and cash equivalents at the end of the year	46,463,058	37,311,020

Explanatory notes to cash flow statement

- The cash flow statement is prepared as per accounting standard 3 (notified pursuant to the Companies (accounting standards) Rules, 2006).
- The net profit / loss arising due to conversion of current assets / liabilities, receivable / payable in foreign currency is furnished in other non cash items.

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand

Partner
Membership No. 29146
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30.05.2016

MD Selvaraj
Director
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Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

1. Significant Accounting Policies

Elgi Rubber Company Limited ('Company' or 'ERCL') was incorporated on 16th October 2006. ERCL is a leading Company providing solutions to Rubber Industry and engaged in the business of manufacture of Reclaimed Rubber, Retreading machinery, and Retread rubber.

1. a. Basis of Preparation of Financial Statements

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates. Significant estimates used by the management in the preparation of these financial statements include, work in progress, provisions for bad and doubtful debts, estimates of the useful life of the fixed assets.

2. a. Scheme of Amalgamation and Arrangement

As per the Scheme of Amalgamation and Arrangement (hereinafter referred to as "Scheme", as approved by the Hon'ble High Court of Judicature at Madras on 22nd January 2016 among Elgi Rubber Company Limited (ERCL), Treadsdirect Limited (TDL) and Parani Steels Private Limited (PSPL) the whole of the undertaking of TDL and PSPL comprising of its business, all assets, both movables and immovables and liabilities of whatsoever nature and wheresoever situated were transferred to and vested in ERCL as a going concern as from the appointed date ie. 1st April 2015.

b. Accounting Treatment

- i. Elgi Rubber Company Limited (ERCL) has recorded the assets and liabilities of Treadsdirect Limited (TDL) and Parani Steels Private Limited (PSPL) vested in it pursuant to the scheme, at their respective book values in the same form as appearing in the books of TDL and Parani at the close of business of the immediately preceding the appointed date.
- ii. Effect on account of Inter-corporate investments, loans or balances between ERCL, TDL and PSPL, inter se has been given in the books of accounts and records of ERCL for the reduction of assets and liabilities as the case may be.
- iii. In respect of certain assets including land/fixed deposits etc., vested with the Company based on the aforesaid scheme, formalities regarding change of name in the relevant legal records/ title deeds in the name of the Company in accordance with the scheme are under progress.

3.1 Revenue Recognition

Sales are recognized upon delivery of products and are recorded exclusive of excise duty, service tax and sales tax.

Export benefits are accounted on accrual basis.

Dividend income from investment in Mutual Funds is recognized on declaration of the same by the respective agency

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established by the balance sheet date.

Interest Income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable

3.2 Fixed Assets

a. Tangible Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

b. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset.

Goodwill reflected to the extent of ₹ 30,000,000/- is on account of the excess consideration paid over and above the net asset value, while acquiring the shares of M/s. Parani Steels Private Limited. The same is being written off over the period of 10 years in the books of account.

c. Depreciation

i. Schedule II to the Companies Act, 2013, which prescribes requirements concerning depreciation of fixed assets is effective from 1st April 2014, in respect of companies located in India. Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

ii. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets in line with Schedule II with effect from 1st April 2014 and the same is being followed in the current year also.

Depreciation on tangible assets for items other than referred to in item 3.2(c), is provided on written down value method on a pro-rata basis using the estimated life as prescribed under Schedule II, at the rates as specified in Schedule II of the Companies Act, 2013.

3.3 Research and Development

Any intangible / tangible asset generated out of the Research and Development activity is amortized / written off over the estimated life of the asset.

3.4 Investments

Investments are reflected at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

3.5 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost in respect of inventories is determined at the weighted average method. The cost of finished goods and work in process comprises raw material, direct labour, other direct costs and related production overheads allocated on the basis of the normal capacity of production. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.6 Exchange Fluctuation

- a. Foreign Currency transactions are accounted at the exchange rates prevailing at the date of the transaction.
- b. Gains and Losses resulting from the settlement of foreign currency transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end rates are recognized in the statement of profit and loss.
- c. In the case of forward contract, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

3.7 Employee / Retirement Benefits

Provident Fund: Eligible employees receive benefits from a Provident Fund, which is a defined Contribution Plan. Aggregate contributions along with interest thereon, are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Government administered Provident Fund. The Company has no obligation beyond its contribution.

Gratuity: A defined benefit retirement plan (the "Gratuity Plan") is provided for all eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lumpsum amount to be vested to employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the Elgi Rubber Company Limited Employees Gratuity Fund Trust and the contributions to the trust are invested in the Life Insurance Corporation of India administered Fund.

Superannuation: Certain employees of the Company are also participants in a defined contribution plan. The Company makes the contributions to the Superannuation Plan administered by the Elgi Rubber Company Employees Superannuation Fund Trust. The Company has no further obligations to the plan beyond its contributions.

Expenses on ex-gratia payment to employees, a defined contribution plan, is accounted as and when accepted by the management.

Compensated absence: A defined benefit plan is provided for all the eligible employees and the contributions of the company are invested in the Life Insurance Corporation of India administered Fund.

3.8 Lease

The Company is leasing out tyre re-treading machineries to customers. In respect of assets given under a finance lease, the same is recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue.

3.9 Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.10 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3.11 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts, with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

3.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.13 Borrowing Costs

Borrowing costs relating to acquisition are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. All other borrowing costs not eligible for inventorisation / capitalisation are charged to revenue.

3.14 Taxes

Tax expense comprises of current and deferred tax.

Deferred Tax

- a. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- b. Deferred tax assets are recognized on unabsorbed capital losses only if it is reasonably certain that such deferred tax assets can be realised against future taxable capital gains.

3.15 Treatment of Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Notes on accounts for the year ended 31st March 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

Previous year figures are not comparable due to the fact that the current year figures are inclusive of the numbers relating to erstwhile

Treadsdirect Limited and Parani Steels Private Limited, whereas, the previous year numbers are exclusively that of Elgi Rubber Company Limited prior to the scheme of amalgamation.

2.01 Share capital

	31.03.2016 ₹	31.03.2015 ₹
Authorised		
380,300,000 (300,300,000) Equity Shares of ₹ 1/- each (₹ 1/- each)	380,300,000	300,300,000
Issued, subscribed and fully Paid-up		
50,050,000 (50,050,000) Equity Shares of ₹ 1/- each (₹ 1/- each)	50,050,000	50,050,000
	50,050,000	50,050,000

The Company has only one class of shares referred to as equity shares, having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian Rupees. The dividend recommended by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

The board of directors, in their meeting held on 30th May 2016, recommended a final dividend of ₹ 0.37 per share. The recommendation is subject to the approval of the shareholders at the annual general meeting to be held. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 18,518,500/- and corporate dividend tax of ₹ 3,769,931/-. Dividend, if approved, is payable to the shareholders in proportion to their shareholding.

Reconciliation of number of shares

	No. of Shares	31.03.2016 ₹	No. of Shares	31.03.2015 ₹
Equity Shares				
Authorised				
Balance at the beginning of the previous year	300,300,000	300,300,000	300,300,000	300,300,000
Addition during the year due to amalgamation				
Authorised share capital of Treadsdirect Limited.	50,000,000	50,000,000	-	-
Authorised share capital of Parani Steels Private Limited	30,000,000	30,000,000	-	-
Balance at the end of the year	380,300,000	380,300,000	300,300,000	300,300,000
Issued, subscribed and fully paid-up				
Balance at the beginning of the previous year	50,050,000	50,050,000	50,050,000	50,050,000
Add: Securities issued during the year	-	-	-	-
Balance at the end of the year	50,050,000	50,050,000	50,050,000	50,050,000

Note

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity/preference shares in future, as on the date of balance sheet.

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company

	No. of Shares	Percentage	No. of Shares	Percentage
Sudarsan Varadaraj	22,372,014	44.70	22,343,879	44.64
LRG Technologies Limited	3,541,475	7.08	3,541,475	7.08

No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceding March 31,2016

49,550,000 equity shares of ₹ 1/- each were allotted in accordance with the scheme of amalgamation and arrangement during the year 2010-11.

	₹	31.03.2016 ₹	₹	31.03.2015 ₹
2.02 Reserves and surplus				
a. Capital Reserve				
Opening balance	173,276,500		173,276,500	
Add: Addition during the year	-		-	
Balance at the end of the year		173,276,500		173,276,500
b. Securities premium account				
Opening balance	1,900,000		1,900,000	
Add: Receipt on issue of securities	-		-	
Balance at the end of the year		1,900,000		1,900,000
c. Revaluation reserve				
Opening balance	-		-	
Add: Transfer on account of amalgamation	116,643,344		-	
Balance at the end of the year		116,643,344		-
d. General Reserve				
Opening balance	1,236,389,692		1,230,734,639	
Add: General reserve on account of amalgamation	30,030,221		-	
Add: Transfer from statement of profit and loss	-		5,655,053	
Balance at the end of the year		1,266,419,913		1,236,389,692
e. Surplus in statement of profit and loss				
Opening balance	1,082,452,849		1,050,363,089	
Add/(Less): Surplus/(Deficit) on account of amalgamation of Treadsdirect Limited	342,272,073		-	
Add/(Less): Surplus/(Deficit) on account of amalgamation of Parani Steels Private Limited.	(115,364,456)		-	
Add: Profit for the year	(264,905,284)		56,550,533	
Amount available for appropriation	1,044,455,182		1,106,913,622	
Less: Appropriations				
Transitional adjustment on account of depreciation (Net of deferred tax)	-		8,295,220	
Proposed Dividend on equity shares for the year	18,518,500		10,510,500	
Dividend tax on proposed dividend on equity shares	3,769,931		-	
Transfer to General Reserve	-		5,655,053	
Balance as at the end of the year		1,022,166,751		1,082,452,849
		2,580,406,508		2,494,019,041
2.03 Long term borrowings				
Secured				
From ICICI Bank Limited				
Loan against property		34,969,141		37,533,721
From Export Import Bank of India				
Foreign currency term loan		149,249,025		-
		184,218,166		37,533,721
Securities offered				
a. Loan from ICICI Bank Limited is secured against exclusive charge by equitable mortgage on the commercial property situated at Chamiers Road, Chennai				
b. Loan from Export Import Bank of India is secured by exclusive charge over the land and building located at Kovilpalayam (Mettupalayam Village), Coimbatore.				
c. The facility granted by Export Import Bank of India as above is further secured by first pari passu charge over industrial/commercial land located at Trichy Road, Coimbatore and Kurichi Village Coimbatore along with Kotak Mahindra Bank Ltd.				
2.04 Long term provisions				
Provision for excise disputes		146,616		146,616
Provision for EPCG disputes		-		2,564,587
		146,616		2,711,203

Provision in respect of disputes represents claims against the Company on account of differential treatment given by statutory authorities/rejection of certain claims by the Company.

	31.03.2016	31.03.2015
	₹	₹
2.05 Short term borrowings		
Secured		
From State Bank of India		
Cash credit facility	282,495,685	105,582,598
Packing credit facility	11,651,905	34,570,696
Loan against fixed deposits	27,702,671	23,000,000
From ICICI Bank Ltd		
Working capital short term loan facility	100,000,000	-
Unsecured		
Loan from a related party	62,977,248	7,000,000
	484,827,509	170,153,294

Securities offered in connection with the credit facilities availed by the Company

- Cash credit / export packing credit facility availed from State Bank of India is secured by exclusive first charge over current assets viz. raw materials, work in process, stores and spares, finished goods and receivables. Bill discounting/letter of credit and bank guarantee facilities are secured by documents to title to goods and first charge over the current assets as stipulated above.
Banking facilities referred to above are further secured by first charge over the entire fixed assets of the company exclusively (including Plant and Machinery) by way of equitable mortgage of land and building located at Kanjikode, Chengalpattu, Neelambur, Aralvaimozhi, Tirunvelveli, Palakkad and Pondicherry. The facilities are further secured by a second charge of equitable mortgage over company's land property and factory building located at Annur, Kurichi and Hyderabad.
- Loan against fixed deposits with State Bank of India amounting to ₹ 27,702,671/- (₹ 23,000,000/-), is secured by a lien and pledge of fixed deposit receipts with State Bank of India and is repayable on demand.
- Working capital short term loan facility from ICICI Bank Ltd is secured by residuary charge by way of hypothecation of the company's entire stocks of raw material, semi finished goods, finished goods, consumable stores, spares and such other movables including book debts, bills, outstanding monies, receivables both present and future.

2.06 Trade payables		
Trade payables - related parties	12,794,577	11,550,694
Trade payables - others	82,336,775	37,693,548
	95,131,352	49,244,242

Refer to Note No.: 2.39 regarding further disclosures relating to MSMED Act.

2.07 Other current liabilities		
Employee benefits payable	6,723,780	112,536
Employee recoveries payable	607,276	383,170
Unpaid dividend	3,555,589	3,640,083
Statutory dues (Including provident fund, withholding and other taxes payable)	22,070,794	12,137,516
Current maturities of long term borrowings from ICICI Bank Ltd (Refer Note No.2.03)	2,564,580	2,287,231
Other payable to a related party	17,030,663	17,050,063
Other payables	4,216,559	57,450
Advance received from customers	10,630,865	8,266,337
Advance received from related party	2,462,098	23,204,527
	69,862,204	67,138,913

There are no amounts due for payment to the Investor Education and Protection Fund under the relevant provision of the Companies Act, 1956 (1 of 1956) and rules made thereunder, as at the year end.

2.08 Short term provisions		
Provision for compensated absence (Refer Note No. 2.36 regarding disclosure requirement as per AS 15)	3,964,549	1,235,173
Other provisions	16,026,378	9,174,804
Provision for proposed dividend on equity shares	18,518,500	10,510,500
Provision for tax on proposed dividend on equity shares	3,769,931	-
	42,279,358	20,920,477

2.09 Fixed Assets (Amount in ₹)

Description	Gross Block			Depreciation			Net Block			
	As at 01.04.2015	Additions	Total as at 01.04.2015	As at 01.04.2015	Auditions on account of scheme of amalgamation	Total as at 01.04.2015	For the year	Transfer/ Deletions	As at 31.03.2016	As at 31.03.2016
Land	307,863,747	3,299,155	434,830,090	-	-	-	-	-	437,194,060	307,863,747
Building	211,457,169	22,326,894	317,139,272	105,318,300	38,184,813	143,503,113	15,286,501	-	180,676,562	106,138,869
Plant & Machinery	582,537,114	46,903,142	713,318,334	444,760,606	48,553,822	493,314,428	45,555,043	-314,277	221,037,728	137,776,508
Lab Equipments	53,275,331	346,864	53,622,795	48,739,248	242,827	48,982,075	415,084	-	4,225,636	4,536,683
Office Equipments	7,428,360	584,667	8,013,027	6,765,247	435,648	7,200,895	284,883	-	1,195,685	663,113
Canteen Equipments	13,531	3,543	17,074	11,133	1,993	13,126	-	-	3,948	2,398
Electrical Fittings	17,212,435	12,545,713	29,758,148	16,816,972	6,465,266	23,282,238	2,359,577	-	6,923,511	395,463
Moulds and dies	11,003,243	602	11,003,845	4,724,538	485	4,725,023	2,450,631	-	3,828,191	6,278,705
Computer	43,393,925	379,929	43,773,854	41,059,643	305,942	41,365,585	120,190	-	2,371,369	2,334,282
Furniture & Fittings	11,888,118	800,926	12,689,044	9,609,879	440,281	10,050,160	108,522	-1,665,020	865,342	2,278,239
Vehicle	8,593,922	160,685	8,754,507	8,340,962	115,873	8,456,835	777,806	1,979,297	1,499,163	252,860
Intangible Assets										
Technical Knowhow	73,655,344	-	73,655,344	40,237,262	-	40,237,262	20,168,700	-	13,249,382	33,418,082
Goodwill	-	355,280	355,280	-	-	-	3,035,528	-	27,319,752	-
Total	1,328,322,739	378,607,875	1,706,930,614	726,383,790	94,745,950	821,130,740	90,562,465	-	900,390,319	601,938,949

	₹	31.03.2016 ₹	₹	31.03.2015 ₹
2.10 Non current investments				
Trade investments (Long term, valued at cost)				
Unquoted				
Investment in subsidiaries	948,895,783		876,013,453	
Less: Transfer to capital work in progress	72,342,585		-	
Less: Provision for fall in value of investment in subsidiaries	394,041,719		18,203,837	
	<u>482,511,479</u>		<u>857,809,616</u>	
Other investments (Long term, valued at cost)				
Quoted				
a. Investment in equity instruments		4,928,988		4,928,988
b. Investment under the portfolio management scheme of HDFC		-		1,707,668
Unquoted				
a. Investment in government securities		-		5,000,000
b. Investment in mutual fund		1,834,000		3,194,000
(Refer Note no. 2.47 regarding details of investments)				
		489,274,467		872,640,272
2.11 Deferred tax				
Deferred tax assets attributable to				
Expenses allowable for tax purposes when paid		1,394,000		1,439,000
Voluntary retirements scheme payment to be allowed		4,613,000		2,511,000
Provisions for doubtful debts		8,586,000		1,483,000
Depreciation		393,000		-
Total (A)		14,986,000		5,433,000
Deferred tax liabilities attributable to				
Depreciation		-		5,364,000
Total (B)		-		5,364,000
Deferred tax assets (Net) Total (A - B)		14,986,000		69,000
2.12 Long term loans and advances				
(Unsecured, considered good)				
Capital advances - related parties		12,028,165		104,192,719
Capital advances - others		65,128,525		58,173,422
Security deposits		15,308,284		13,830,250
Disputed income tax payments		20,182,658		16,627,281
Other disputed statutory payments/deposits		6,204,974		949,272
Loans and advances to related parties (Refer note no. 2.48)		309,524,908		110,785,716
Advances recoverable in cash or kind or for value to be received		1,810,000		1,810,000
		430,187,514		306,368,660
2.13 Other non current assets				
Long term deposits with maturity period more than 12 months				
Fixed deposit with banks		-		26,000,000
Security deposits held in the form of fixed deposits		2,588,435		-
Margin money deposits		281,471,968		226,519,657
(Lien marked by banks against bank guarantees)				
		284,060,403		252,519,657
2.14 Inventories				
a Raw materials:				
Natural rubber	30,971,290		8,668,724	
Polimers	68,636,632		130,468,326	
Carbon black	15,960,488		8,330,839	
Others	116,371,084		118,899,460	
	<u>231,939,494</u>		<u>266,367,349</u>	
b. Work in process		41,113,818		14,410,487
c. Finished goods (Reclaimed rubber materials and retreading raw materials)		138,398,471		75,034,044
d. Stock in trade (Traded goods)				
Retreading machinery		15,314,187		353,975
e. Stores and spares		53,526,718		27,473,096
f. Others				
Packing materials		9,648,619		7,491,328
Scrap		2,157,714		1,486,514
		492,099,021		392,616,793

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.15 Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment from related parties	22,093,673		21,807,408	
from others	-		12,365,816	
	22,093,673		34,173,224	
Outstanding for a period not exceeding six months from the date they are due for payment from related parties	174,320,871		35,697,288	
from others	228,038,148		85,113,750	
Less: Provision for doubtful debts	6,105,189		-	
	396,253,830		120,811,038	
		418,347,503		154,984,262
(Unsecured, considered doubtful)				
Outstanding for a period exceeding six months from the date they are due for payment	19,864,389		4,363,486	
Less: Provision for doubtful debts	19,864,389	-	4,363,486	-
(Refer Note No. 2.48 relating to receivable amount from related parties)		418,347,503		154,984,262
2.16 Cash and bank balances				
Cash and cash equivalents				
Cash on hand		2,940,647		810,716
Bank balances				
in current account		12,053,352		3,000,304
in demand deposits		31,469,059		33,500,000
(Out of the above, deposits of ₹ 31,469,059/- (₹ 26,000,000/-) have been pledged with the bank for the purpose of availing loan against fixed deposit)				
Demand deposits with maturity of more than 3 months but less than 12 months		15,000,000		29,600,000
(Out of the above, deposits of ₹ 15,000,000/- (₹ 25,000,000/-) have been pledged with the bank for the purpose of availing overdraft facilities against fixed deposit)				
Unpaid dividend account		3,555,589		3,640,083
		65,018,647		70,551,103
2.17 Short term loans and advances				
(Unsecured, considered good)				
Advance payment of income tax (Net)		18,209,046		18,576,530
Balances with customs, central excise, VAT etc.		86,760,366		40,200,208
Receivable from Government DEPB/Duty draw back etc.,		8,297,012		3,782,256
Dividend receivable from related parties		4,520,358		18,194,863
Prepaid expenses		7,337,627		15,584,492
Due from related parties		1,589,140		237,787
Others		59,072,364		20,427,577
		185,785,913		117,003,713
2.18 Other current assets				
(Unsecured considered good)				
Income accrued on bank deposits		16,438,379		21,440,017
Income accrued on investments and others		336		455,448
		16,438,715		21,895,465

	31.03.2016 ₹	31.03.2015 ₹
2.19 Contingent liabilities and commitments (to the extent not provided for)		
i. Claims against the Company not acknowledged as debts		
a. Income tax matters	15,395,858	4,680,660
b. Excise and Service tax matters	11,949,703	1,696,185
c. Sales tax	109,693,827	261,000
d. Stamp duty (Net of ₹ 0.5 million paid towards the demand)	-	2,848,064
e. Legal metrology	150,000	-
(The amounts shown do not include any additional levies that may arise on account of any further penalties, penal interest etc.)		
ii. Capital commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	29,996,940	21,641,437
iii. Other commitments		
A. Standby letter of credit (guarantee):		
The facility extended by Kotak Mahindra Bank Limited, Export Import Bank of India and State Bank of India in favour of the respective banks, which have granted credit facilities to the following subsidiary companies based on the counter guarantee given by the Company		
Facilities granted by		
1. ING Bank NV, Filial De Sao Paulo, Brasil to Borrachas e Equipamentos Elgi Ltda, Brasil	-	BRL 9,900,000
2 a ING Bank NV, Amsterdam to Rubber Resources B.V., The Netherlands.	EUR 3,500,000	EUR 3,500,000
2 b ING Bank NV, Amsterdam to Rubber Resources B.V., The Netherlands.	EUR 1,000,000	EUR 1,000,000
3. ING Bank NV Amsterdam to Elgi Rubber Company BV, The Netherlands	EUR 500,000	EUR 500,000
4. Export-Import Bank of India, London to Pincott International Pty Limited, Australia	USD 1,000,000	USD 1,000,000
5. Export-Import Bank of India, London to Elgi Rubber Company LLC, USA	USD 5,091,579	USD 4,841,579
6. State Bank of India, Antwerp to Rubber Resources B.V., The Netherlands	EUR 4,500,000	EUR 4,500,000
7. State Bank of India, Antwerp to Elgi Rubber Company Holdings BV, The Netherlands	EUR 2,500,000	-
Securities offered to		
a. Kotak Mahindra Bank Ltd (KMBL), Coimbatore and Export Import Bank of India (EXIM), Mumbai for the facilities granted by the banks to the subsidiary companies with serial Nos.2,3 and 4,5 respectively as stated above.		
By deposit of title deeds and equitable mortgage of immovable property located at Trichy Road, Coimbatore and Kurichi, Coimbatore, in favour of KMBL (in respect of the facility offered under item 2(a) above) ranking pari-passu with EXIM (in respect of the facilities offered under item 4 and 5 above). The facilities as referred to in item 2(a), 2(b) and 3 above relating to the standby letter of credit extended by KMBL is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹154.20 million.		
b. State Bank of India, Coimbatore (SBI) for the credit facilities granted by State Bank of India, Antwerp to Rubber Resources B.V., The Netherlands for serial number 6 as stated above.		
By exclusive first charge over the entire current assets of the company and equitable mortgage over company's land property and factory building located at Annur, Kurichi, and Hyderabad. The facilities relating to the standby letter of credit extended by SBI is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 83.60 million.		
c. SBI for the credit facilities granted by SBI, Antwerp to Elgi Rubber Company Holdings B.V., The Netherlands for serial number 7 as stated above.		
By extension of securities in respect of the cash credit facilities as referred to in Note 2.05(a). The facilities relating to the standby letter of credit extended by SBI is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 37.50 million.		
B Others		
a. Guarantee on account of security deposits with various electricity boards, state road transport corporations and other statutory authorities	9,197,142	5,848,946
b. Letter of credit on account of import of goods	-	USD 38,940

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.20 Proposed dividend				
The final dividend recommended for the year is as follows				
On equity shares of ₹ 1/- each				
Amount of recommended dividend per equity share		₹ 0.37		₹ 0.21
2.21 Revenue from operations				
a. Sale of products				
Finished goods	2,069,275,081		1,352,221,940	
Traded goods	49,949,301		81,820,577	
b. Sale of services	1,270,945		12,747,190	
c. Other operating revenue - scrap sales	1,029,413		1,808,131	
		2,121,524,740		1,448,597,838
Sales (Finished goods)				
Reclaim rubber materials	492,914,026		502,388,673	
Retreading raw materials and others	1,486,844,159		729,104,021	
Envelope	82,872,846		111,187,890	
Rubber compound sheets	6,644,050		9,541,356	
		2,069,275,081		1,352,221,940
Sales (Traded Goods)				
Retreading machinery, accessories and others		49,949,301		81,820,577
2.22 Other Income				
a. Interest income				
from banks	27,459,013		31,467,369	
from subsidiaries	1,589,140		-	
from others	4,626,526		5,500,526	
		33,674,679		36,967,895
b. Dividend income				
from subsidiaries	4,603,985		18,509,105	
from others	514,749		641,506	
		5,118,734		19,150,611
c. Gain on sale of investments		35,671		22,193
d. Net gain on sale of assets		9,182,524		-
e. Rent received		1,668		9,022,910
f. Income from electricity generation		27,351,437		33,984,245
g. Liabilities written back to the extent no longer required		2,564,587		3,200,000
h. Net gain on foreign currency transactions and translations		9,112,726		1,327,225
i. Claims received from Insurance Company		600,170		1,376,957
j. Duty drawback/Rebate of excise duty		65,805		96,661
k. Miscellaneous income		185,977		8,124,590
		87,893,978		113,273,287
2.23 Cost of material consumed				
Raw material consumed				
Opening inventory	266,367,349		281,106,892	
Add: Purchase	1,126,694,655		749,771,861	
Less: Inventory at the end of the year	231,939,494		266,367,349	
Cost of raw material consumed during the year		1,161,122,510		764,511,404
Packing material consumed				
Opening inventory	7,491,328		7,814,249	
Add: Purchase	14,460,724		10,811,936	
Less: Inventory at the end of the year	9,648,619		7,491,328	
Cost of packing material consumed during the year		12,303,433		11,134,857
		1,173,425,943		775,646,261

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.24 Changes in inventory of finished goods and work in process				
Stock at the beginning of the year				
Finished goods	75,034,044		70,791,047	
Work in process	14,410,487		13,151,232	
Stock in trade	353,975		11,733	
Scrap	1,486,514		821,747	
		91,285,020		84,775,759
Less : Stock at the end of the year				
Finished goods	138,398,471		75,034,044	
Work in process	41,113,818		14,410,487	
Stock in trade	15,314,187		353,975	
Scrap	2,157,714		1,486,514	
		196,984,190		91,285,020
(Increase)/Decrease in inventory of finished goods and work in process		(105,699,170)		(6,509,261)
2.25 Employee benefit expenses				
Salaries, wages and bonus		188,144,152		95,068,429
Voluntary retirement scheme payments		17,440,929		-
Managerial remuneration		6,571,428		4,032,000
Contribution to provident and other funds		17,191,422		9,215,983
Gratuity paid (net of reversals)		(958,312)		2,761,962
Staff welfare expenses		4,054,390		2,756,358
		232,444,009		113,834,732
(Refer Note No.: 2.36 on disclosure requirement as per Accounting Standard 15 on Employee benefits)				
2.26 Finance costs				
Interest on borrowings				
On borrowings from banks		31,108,146		14,135,666
Interest paid to a related party		4,484,536		111,184
Others		329,833		7,384
Financial charges on borrowings		9,290,325		2,173,669
		45,212,840		16,427,903
2.27 Depreciation and amortisation expenses				
Depreciation on tangible assets		67,358,237		49,125,861
Amortisation of intangible assets		20,168,700		18,696,293
Goodwill amortised		3,035,528		-
		90,562,465		67,822,154
2.28 Other expenses				
Consumption of stores and spare parts		15,554,406		22,347,127
Excise duty*		4,168,749		(914,508)
Power and fuel		132,472,315		111,137,665
Rent		6,083,339		1,277,476
Labour charges		39,751,473		33,822,138
Repairs and maintenance – plant and machinery		30,245,722		31,842,676
Repairs and maintenance – building		12,729,021		4,921,669
Repairs and maintenance – others		20,497,410		11,316,884
Insurance		5,596,552		4,143,875
Rates and taxes		8,471,012		6,364,076
Travelling and conveyance		27,419,718		17,707,252
Directors' sitting fees		390,000		300,000
Statutory Auditors : Audit fees	1,000,000		625,000	
Tax audit fees	50,000		50,000	
Other services	5,000		5,000	
Reimbursement of expenses	185,620		133,797	
		1,240,620		813,797
Professional fees		37,382,500		28,729,597
Sales commission		3,019,710		536,500
Advertisement and other selling expenses		31,970,202		15,885,642
Carriage Inward		12,203,409		10,774,545
Freight charges		40,032,780		13,462,444
CSR Expenditure (Refer Note No. 2.41)		3,000,000		3,750,000
Provision for doubtful debts		16,143,451		157,961
Loss on sale/redemption of investment		330,440		4,669,974
Miscellaneous expenses		35,310,931		19,230,432
		484,013,760		342,277,222

* represents excise duty related to the difference between the opening and closing inventory of manufactured finished goods.

	₹	31.03.2016 ₹	₹	31.03.2015 ₹
2.29 Exceptional items				
Income tax relating to previous years		2,050,733		(287,939)
Provision for fall in value of investment		375,837,882		-
		377,888,615		(287,939)
2.30 CIF value of imports				
Raw materials		81,940,651		62,069,379
Components and spare parts		4,728,962		663,213
Capital goods		5,580,801		89,156,897
		92,250,414		151,889,489
2.31 Expenditure incurred in foreign currency				
Professional and consultation fees		21,452,214		18,746,954
Interest / bank charges		1,693,456		1,695,428
Travelling expenses		1,809,607		2,846,765
Membership fee, books & periodicals		332,368		197,699
Advertisement		6,217,596		13,371,966
Royalty		-		53,389
Others		21,818,325		4,236,471
		53,323,566		41,148,672
2.32 Dividend remitted in foreign exchange				
Dividend paid during the year		-		-
Number of non resident shareholders		-		-
Number of equity shares held by such non resident shareholders		-		-
2.33 Earnings in foreign currency				
Revenue from exports on FOB basis		429,259,502		240,334,304
Interest		1,589,140		-
Dividend		4,603,985		6,491,605
Other income		5,446,922		5,261,052
		440,899,549		252,086,961
2.34 Details of consumption and purchases				
a. Details of raw materials and stores and spares consumed				
Rubber scrap		114,691,876		266,137,288
Polymer		258,242,145		300,554,484
Carbon black		81,522,384		69,711,897
Chemicals & other raw materials		706,666,105		128,107,735
Stores and spares		15,554,406		22,347,127
		1,176,676,916		786,858,531
b. Purchase of traded goods				
Retreading machinery and tools, spares & accessories		45,901,413		59,035,522
		45,901,413		59,035,522
c. Details of value of imported and indigenous material consumed	Value	31.03.2016	Value	31.03.2015
	₹	(% of total Consumption)	₹	(% of total Consumption)
Imported	86,669,611	7.35	62,732,591	7.97
Indigenous	1,090,007,305	92.65	724,125,940	92.03
	1,176,676,916	100.00	786,858,531	100.00

2.35 Earnings per share	31.03.2016		31.03.2015	
	Before extraordinary items ₹	After extraordinary items ₹	Before extraordinary items ₹	After extraordinary items ₹
	a. Basic			
Profit after tax	(264,905,284)	(264,905,284)	56,550,533	56,550,533
Weighted average number of shares outstanding	50,050,000	50,050,000	50,050,000	50,050,000
Basic EPS	(5.29)	(5.29)	1.13	1.13
b. Diluted				
Profit after tax	(264,905,284)	(264,905,284)	56,550,533	56,550,533
Weighted average number of shares outstanding	50,050,000	50,050,000	50,050,000	50,050,000
Diluted EPS	(5.29)	(5.29)	1.13	1.13

2.36 Employee benefits

The details required under AS 15 – Employee benefits are as follows

The Employees' Gratuity fund scheme managed by the Life Insurance Corporation of India is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated absence is recognised in the same manner as gratuity.

	31.03.2016		31.03.2015	
	₹ Gratuity	₹ Compensated absence	₹ Gratuity	₹ Compensated absence
Present value of defined benefit obligation				
Obligations at the beginning of the period	29,530,081	2,931,445	25,504,207	3,148,619
Add: Transfer-in on account of scheme of amalgamation	26,802,058	2,727,760	-	-
Service cost	4,397,668	591,060	2,004,763	1,324,540
Interest cost	4,520,035	222,097	2,040,337	-
Actuarial (Gain) / Loss	(4,137,230)	3,000,670	1,499,899	-
Benefits paid	(8,708,722)	(3,955,142)	(1,519,125)	(1,541,714)
Obligations at the end of the period	52,403,890	5,517,890	29,530,081	2,931,445
Fair value of plan assets				
Plan assets at the beginning of the period	35,616,646	1,696,272	32,110,909	-
Add: Transfer in on account of scheme of amalgamation	29,521,591	1,643,779	-	-
Expected return on plan assets	5,738,785	322,910	2,783,037	110,791
Contributions	1,326,000	1,845,522	2,241,825	3,127,195
Benefits paid	(8,708,722)	(3,955,142)	(1,519,125)	(1,541,714)
Plan assets at the end of the period	63,494,300	1,553,341	35,616,646	1,696,272
Assets/Liabilities recognised in the balance sheet				
Fair value of plan assets at the end of the period	63,494,300	1,553,341	35,616,646	1,696,272
Present value of the defined benefit obligations at the end of the period	52,403,890	5,517,890	29,530,081	2,931,445
Asset / (Liability) recognised in the balance sheet	11,090,410	(3,964,549)	6,086,565	(1,235,173)
Assumptions				
Interest rate	8.00%	8.00%	9.00%	8.75%
Discount rate	8.00%	8.00%	8.00%	8.00%
Estimated salary escalation rate	7.00%	6.50%	6.50%	6.50%
Expenses recognised in the statement of profit and loss				
Service cost	4,397,668	591,060	2,004,763	1,324,540
Interest cost	4,520,035	222,097	2,040,337	-
Expected return on plan assets	(5,738,785)	(322,910)	(2,783,037)	(110,791)
Actuarial (Gain) / Loss	(4,137,230)	3,000,670	1,499,899	-
Net cost	(958,312)	3,490,917	2,761,962	1,213,749

Defined benefit obligation liability, on account of gratuity, as at the balance sheet has been funded to the extent of ₹ 63,494,300/- (₹ 35,616,646/-) and compensated absence has been funded to the extent of ₹ 1,553,341/- (₹ 1,696,272/-) by the company.

The funds in respect of gratuity have been invested in the LIC Group gratuity cash accumulation plan and in respect of compensated absence have been invested in the LIC Group leave encashment plan, administered by the Life Insurance Corporation of India.

2.37 Segment reporting

The Company is engaged primarily in one segment of providing solutions to the rubber industry and hence the segment reporting is not applicable.

2.38 Particulars of derivative instruments and un-hedged foreign currency exposure as at the reporting date

	31.03.2016			31.03.2015		
Trade payable	AUD	176,962	50.75	AUD	173,695	47.47
	EURO	15,302	75.10	EURO	15,302	67.51
	USD	289,010	66.33		-	-
Trade receivable	USD	2,661,777	66.33	USD	1,051,256	62.59
	EURO	854,310	75.10	EURO	272,389	67.51
	AUD	104,732	50.75	AUD	45,487	47.47
Bank balance in EEFC Account	USD	1,957	66.33	USD	409	62.59
Bank balance in EEFC Account	EURO	95	75.10	EURO	95	67.51
Packing credit facility	USD	175,658	66.33	USD	552,329	62.59
Dividend receivable	USD	68,147	66.33	USD	97,869	62.59
Amounts receivables as at the year end	USD	2,520,895	66.33		-	-
	EURO	352,705	75.10		-	-
Amounts payable as at the year end	USD	2,263,663	66.33		-	-
Letter of credit - Imports		-	-	USD	38,940	62.59
			31.03.2016			31.03.2015
			₹			₹

2.39 Dues to micro and small enterprises

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end		2,118,119	1,352,724
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end		-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest paid other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.		-	-

2.40 During the year the Company has capitalised interest paid on term loans amounting to ₹ 4,141,287/- (₹ 741,734/-) along with the immovable property which is constructed. Consequently interest amount shown in the notes is net off such expenditure capitalised.

2.41 Corporate Social Responsibility: As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The CSR expenditure for the year ended March 31, 2016 is contributed to a few trusts towards activities which are specified in schedule VII of the Companies Act, 2013.

	31.03.2016 ₹ in Million		31.03.2015 ₹ in Million	
	Total amount to be spent	Amount spent	Total amount to be spent	Amount spent
Gross amount required to be spent by the Company during the year in cash	2.54	-	2.81	-
(i) Amount spent during the year on construction/ acquisition of any asset	-	-	-	-
On purposes other than (i) above in the form of donations to the approved institutions	-	3.00	-	3.75

2.42 In the opinion of board of directors, current assets, loans and advances, have atleast the value as stated in the balance sheet, if realised in the ordinary course of the business.

2.43 Income tax assessment has been completed upto the accounting year ended 31st March 2013.

2.44 No intangible / tangible asset has been generated during the year out of the research and development activity.

2.45 Pursuant to Accounting Standard (AS 28) – impairment of assets, the Company assessed its fixed assets for impairment as at March 31, 2016 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of account.

2.46 Deferred tax asset includes a sum of ₹ 3,823,000/- (Asset) transferred from M/s Treadsdirect Limited, on account of the scheme of amalgamation.

2.47 Non current investments

- Number of units of investment in mutual funds are rounded off to the nearest whole number.
- All investments are fully paid up, unless otherwise stated.
- Details of Investments

The following is classification of investments in accordance with AS 13: Accounting for investment

No. of units / shares		Description of investment	31.03.2016		31.03.2015	
Current year	Previous year		₹	₹	₹	₹
In Subsidiaries (Unquoted)						
-	-	100% interest in Elgi Rubber Company LLC, USA	147,990,798		147,990,798	
-	-	Add : Transfer of 100% interest in Treadsdirect LLC, USA on account of merger	23,254,715		-	
			171,245,513		147,990,798	
		Less : Provision for fall in value of investment	87,176,307	84,069,206	-	147,990,798
-	-	100% Interest in Treadsdirect LLC. USA	23,254,715		23,254,715	
		Less : Provision for fall in value of investment	18,203,837		18,203,837	
			5,050,878		5,050,878	
		Less : Interest In Treadsdirect LLC USA transferred to Elgi Rubber Company LLC, USA on account of merger	5,050,878	-	-	5,050,878
23,999	23,999	Equity Shares of KES.100 each in Treadsdirect Limited, Kenya		2,008,731		2,008,731
1,000,000	1,000,000	Equity Shares of SLR.10 each in Treadsdirect Limited, Sri Lanka		6,955,177		6,955,177
51,700	51,700	Equity Shares of BDT 100 each in Treadsdirect Limited, Bangladesh		4,417,290		4,417,290
100	100	Shares of AUD 1 each in Pincott International Pty. Limited, Australia	106,634,402		106,634,402	
		Less : Provision for fall in value of investment	34,291,817		-	
		Less : Transfer to Capital work in progress	72,342,585	-	-	106,634,402
10,005,000	10,005,000	Equity Shares of R\$1 each in Borrachas e Equipamentos Elgi Ltda, Brasil	158,253,445		158,253,445	
6,128,738	-	Add : Investment during the year	114,320,150		-	
		Less : Provision for fall in value of investment	272,573,595		-	
16,133,738	10,005,000			-		158,253,445
915,541	-	Equity Shares of EUR 1 each in Elgi Rubber Company Holdings B.V., The Netherlands	66,062,180		-	
2,500,000	-	Add : Transfer of Investment from Rubber Resources B.V., The Netherlands	297,776,245		-	
18,000	-	Add : Transfer of investment from Elgi Rubber Company B.V., The Netherlands	1,222,650		-	
3,433,541	-			365,061,075		-
-	2,500,000	Shares of EUR 1 each in Rubber Resources B.V., The Netherlands	297,776,245		123,046,083	
		Add: Payment made during the year	-		174,730,162	
			297,776,245		297,776,245	
		Less : Transfer of investment to Elgi Rubber Company Holdings BV, The Netherlands	297,776,245	-	-	297,776,245
-	18,000	Equity Shares of EUR 1 each in Elgi Rubber Company B.V., The Netherlands	1,222,650		1,222,650	
		Less : Transfer of investment to Elgi Rubber Company Holdings B.V., The Netherlands	1,222,650	-	-	1,222,650
-	4,750,000	Equity Shares of ₹ 10/- each in Treadsdirect Limited, India	47,500,000		47,500,000	
		Less : Adjustment on account of scheme of amalgamation	47,500,000	-	-	47,500,000

No. of units / shares		Description of investment	31.03.2016		31.03.2015	
Current year	Previous year		₹	₹	₹	₹
-	3,000,000	Equity Shares of ₹ 10/- each in Parani Steels Private Limited, India	60,000,000		60,000,000	
		Less : Adjustment on account of scheme of amalgamation	60,000,000	-	-	60,000,000
		Investment in the capital of Limited Liability Partnership firm (Subsidiary)				
-	-	Titan Tyrecare Products LLP Capital account	20,000,000		20,000,000	
		Disclosure regarding Shareholding of LLP				
99.99%	99.99%	Elgi Rubber Company Limited				
0.01%	0.01%	Others				
			482,511,479		857,809,616	
		In Equity Investments (Quoted) (Face Value of the Unit is ₹ 10/- each unless otherwise stated and are fully paid up)				
332,080	332,080	Equity Shares of ₹ 1/- each in Elgi Equipments Limited	4,713,700		4,713,700	
3,225	3,225	Precot Meridian Limited	215,288		215,288	
			4,928,988		4,928,988	
		In the Portfolio Management Scheme of HDFC Asset Management Company- Real Estate Portfolio – I (PMS) – (Quoted) Debentures (Face Value of the Unit is ₹ 1,000/- each)				
-	14	Ariisto Realtors Private Limited – III	-		14,000	
-	139	Ariisto Realtors Private Limited – IV	-		139,000	
-	270	Atithi Building Commodities Private Limited	-		270,000	
-	44	Atithi Building Commodities Private Limited – II	-		44,000	
		(Face Value of the Unit is ₹ 100/- each)				
-	806	BCC Infrastructure Private Limited Class A – III	-		80,600	
-	1,152	BCC Infrastructure Private Limited Class A – IV	-		115,200	
-	351	Marvel Realtors and Developers – Series 2	-		35,100	
-	551	Nitesh Land Holding Private Limited	-		55,100	
-	1,514	Runwal Township Private Limited Class B	-		151,400	
-	3,440	Total Environment Habitat Private Limited	-		344,000	
-	298	Total Environment Projects – I	-		29,800	
-	55	Total Environment Projects – II	-		5,500	
-	212	Total Environment Projects – III	-		21,200	
			-		1,304,900	
		Equity / Preference Shares (Face value of ₹ 10/- each)				
-	28	BCC Infrastructure Private Limited	-		280	
-	85	BCC Infrastructure Private Limited (Preference)	-		850	
		(Face value of ₹ 1/- each)				
-	26	Runwal Township Private Limited Class A (Preference)	-		26	
-	39	Runwal Township Private Limited Class B (Preference)	-		39	
-	26	Runwal Township Private Limited Class C (Preference)	-		109,135	
-	1,399	Ansal Hi-Tech Townships Limited	-		123,441	
-	139	Nitesh Housing Developers Private Limited	-		49,545	
			-		283,316	

No. of units / shares		Description of investment	31.03.2016		31.03.2015	
Current year	Previous year		₹	₹	₹	₹
		In Mutual Funds				
		(Face value of the units is ₹ 10/- each)				
-	4,094	HDFC Cash Management Fund Savings Plan – Growth		-		119,452
		Note :All the above stated investments have been redeemed/repaid during the year				
				-		1,707,668
		In Government Securities (Unquoted)				
-	500	Non-Convertible redeemable taxable bonds of ₹ 10,000/- each in National Highways Authority of India	5,000,000		5,000,000	
		Less : Redeemed during the year	5,000,000	-	-	5,000,000
		In Mutual Funds (Unquoted)				
1,834	3,194	IL & FS Milestone Fund – I (Units of ₹ 1,000/- each)	3,194,000		6,905,000	
		Less : Return of contribution	1,360,000		3,711,000	
				1,834,000		3,194,000
			489,274,467			872,640,272
Aggregate amount of investments						
Unquoted			484,345,479			866,003,616
Quoted		Cost	4,928,988			6,636,656
		Market Value	43,373,717			52,570,985

2.48 Related party disclosure (as identified by the Company)

Description of the nature of transaction	Description of relationship	Related party	31.03.2016 ₹	31.03.2015 ₹		
Income from sale of goods	Subsidiary	Treadsdirect Limited, India	-	584,162,142		
		Elgi Rubber Company LLC, USA	27,569,007	18,262,053		
		Treadsdirect Limited, Kenya	7,189,590	12,955,274		
		Treadsdirect Limited, Sri Lanka	4,150,001	3,020,374		
		Treadsdirect LLC, USA	-	2,536,382		
		Borrachas e Equipamentos Elgi Ltda, Brasil	17,838,117	1,903,173		
		Rubber Resources B.V., The Netherlands	122,689,826	731,500		
		Elgi Rubber Company B.V., The Netherlands	8,590,414	4,497,491		
		Pincott International Pty Limited, Australia	-	17,358,118		
		Elgi Ultra Industries Limited	15,950	-		
Purchase of goods	Subsidiary	Treadsdirect Limited, India	-	23,577,176		
		ELGI Rubber Company LLC, USA	2,578,484	-		
		Pincott International Pty Limited, Australia	145,532	9,081,754		
		Rubber Resources LLC, USA	-	354,482		
	Other related parties	Elgi Rubber Company B.V., The Netherlands	-	909,122		
		Elgi Ultra Industries Limited	1,891,888	2,407,946		
		Ellargi & Co.,	964,620	1,192,219		
		Elgi Equipments Limited	281,560	-		
Reimbursement of expenses (Paid)	Subsidiary	Pincott International Pty Limited, Australia	-	333,821		
		Rubber Resources B.V., The Netherlands	-	123,945		
Reimbursement of expenses (Received)	Subsidiary	Treadsdirect Limited, India	-	540,369		
Loss on redemption of Investment	Subsidiary	Treadsdirect Limited, Mauritius	-	3,462,808		
		Treadsdirect Limited, Sri Lanka	-	1,207,166		
Rendering of services	Subsidiary	Treadsdirect Limited, India	-	13,388,000		
	Other related parties	Elgi Equipments Limited	642,855	1,110,910		
Receiving of services	Subsidiary	Treadsdirect Limited, India	-	256,431		
	Other related parties	Elgi Equipments Limited	165,595	93,931		
Managerial remuneration	Key managerial personnel	Sudarsan Varadaraj	6,571,428	4,032,000		
Salary to other Key managerial personnel	Key managerial personnel	S R Venkatachalam	2,231,286	1,771,200		
		D Selvakumar	557,588	-		
		C Shankar	715,871	1,191,360		
Sitting fees	Other related parties	M D Selvaraj	110,000	90,000		
		P Vijay Raghunath	70,000	90,000		
		Suresh Jaganathan	110,000	70,000		
		Vidyasankar Bhuvaneshwari	50,000	30,000		
		Jairam Varadaraj	50,000	20,000		
		Treadsdirect Limited, India	-	9,022,910		
Rent received	Subsidiary	Treadsdirect Limited, India	-	9,022,910		
Rent paid	Key managerial personnel	Sudarsan Varadaraj	360,000	360,000		
Dividend received	Subsidiary	Treadsdirect Limited, Kenya	-	1,653,600		
		Treadsdirect Limited, Sri Lanka	4,603,985	4,838,005		
		Treadsdirect Limited, India	-	12,017,500		
		Elgi Equipments Limited	332,080	332,080		
		Elgi Rubber Company Holdings B.V., The Netherlands	203,127	-		
Interest received	Subsidiary	Borrachas e Equipamentos Elgi Ltda, Brasil	1,386,013	-		
		Sudarsan Varadaraj	4,484,536	111,184		
		Pincott International Pty Limited, Australia	USD 1,000,000	USD 1,000,000		
Interest paid	Key managerial personnel	Elgi Rubber Company B.V., The Netherlands	EUR 500,000	EUR 500,000		
		Borrachas e Equipamentos Elgi Ltda, Brasil	-	BRL 9,900,000		
		ELGI Rubber Company LLC, USA	USD 5,091,579	USD 4,841,579		
		Rubber Resources B.V., The Netherlands	EUR 9,000,000	EUR 9,000,000		
		Elgi Rubber Company Holdings B.V., The Netherlands	EUR 2,500,000	-		
		Guarantees given	Subsidiary	Borrachas e Equipamentos Elgi Ltda, Brasil	183,742,133	-
				Elgi Rubber Company Holdings B.V., The Netherlands	26,283,425	-
Loan given	Subsidiary	Borrachas e Equipamentos Elgi Ltda, Brasil	183,742,133	-		
		Elgi Rubber Company Holdings B.V., The Netherlands	26,283,425	-		

Description of the nature of transaction	Description of relationship	Related party	31.03.2016 ₹	31.03.2015 ₹
Investments made	Subsidiary	Rubber Resources B.V., The Netherlands	-	174,730,162
		Elgi Rubber Company LLC, USA-Transfer of Interest in Treadsdirect LLC, USA on account of merger	23,254,715	-
		Borrachas e Equipamentos Elgi Ltda, Brasil	114,320,150	-
		Elgi Rubber Company Holdings B.V., The Netherlands	66,062,180	-
		Transfer of Investment from Rubber Resources B.V., The Netherlands	297,776,245	-
		Transfer of investment from Elgi Rubber Company B.V., The Netherlands	1,222,650	-
		Titan Tyrecare Products LLP, India	-	20,000,000
Loan taken	Key managerial personnel	Sudarsan Varadaraj	79,000,000	9,500,000
Loans repaid	Key managerial personnel	Sudarsan Varadaraj	23,022,752	2,500,000
Loan outstanding	Key managerial personnel	Sudarsan Varadaraj	62,977,248	7,000,000
Trade payables	Subsidiary	Treadsdirect Limited, India	-	1,246,754
		Elgi Rubber Company LLC, USA	2,179,705	-
		Pincott International Pty Limited, Australia	8,980,929	8,704,326
		Rubber Resources B.V., The Netherlands	137,871	123,945
		Elgi Rubber Company B.V., The Netherlands	1,011,266	909,122
	Other related parties	Elgi Ultra Industries Limited	445,326	459,000
		Ellargi & Co.,	39,480	52,265
Trade receivables	Subsidiary	Treadsdirect Limited, India	-	9,535,054
		Elgi Rubber Company LLC, USA	34,404,455	10,197,012
		Treadsdirect Limited, Kenya	3,704,671	3,297,940
		Treadsdirect Limited, Sri Lanka	2,706,209	977,328
		Treadsdirect LLC, USA	-	5,187,738
		Borrachas e Equipamentos Elgi Ltda, Brasil	20,447,926	10,215,651
		Elgi Rubber Company B.V., The Netherlands	7,145,166	9,180,306
		Elgi Rubber Company Holdings B.V., The Netherlands	2,071,734	-
		Rubber Resources B.V., The Netherlands	126,781,447	8,913,668
	Other related parties	Elgi Ultra Industries Limited	2,250	-
		Elgi Equipments Limited	318,168	193,138
Security deposit	Other related parties	Ellargi & Co.,	100,000	100,000
Advance paid for purchase of Capital goods	Subsidiary	Parani Steels Private Limited	-	104,192,719
Payable on account of Purchase of undertaking	Subsidiary	Borrachas e Equipamentos Elgi Ltda, Brasil	12,028,165	-
Dividend receivable	Subsidiary	Titan Tyrecare Products LLP, India	17,030,663	17,050,063
Amount receivable	Subsidiary	Treadsdirect Limited, Bangladesh	334,918	334,918
		Treadsdirect Limited, Kenya	-	1,488,240
		Treadsdirect Limited, India	-	12,017,500
		Treadsdirect Limited, Sri Lanka	4,185,440	4,354,205
	Subsidiary	Borrachas e Equipamentos Elgi Ltda, Brasil	283,241,483	110,785,716
		Elgi Rubber Company Holdings B.V., The Netherlands	26,283,425	-
Amount payable	Other related parties	LRG Technologies Limited	128,873	237,787
	Subsidiary	Rubber Resources LLC, USA	-	20,648
		Pincott International Pty Limited, Australia	2,462,098	-
		Treadsdirect Limited, India	-	23,183,879
Interest receivable	Other related party	Sudarsan Varadaraj	1,867,428	-
	Subsidiary	Elgi Rubber Company Holdings B.V., The Netherlands	203,127	-
		Borrachas e Equipamentos Elgi Ltda, Brasil	1,386,013	-

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Performance and Financial Indicators

Performance

	(₹ In million)				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Sales and other income	2,099.94	1,447.25	1,627.38	1,598.13	1,240.05
Profit before depreciation and tax	(151.20)	146.53	259.99	265.47	178.59
Profit before tax	(241.76)	78.71	209.08	229.17	139.22
Profit after tax	(264.91)	56.55	151.25	177.31	93.87
Dividend %	37*	21	37	80	50
Net fixed assets	1,110.72	703.12	653.09	507.16	503.35
Investments	489.27	872.64	648.92	623.40	602.13
Net working capital	1,030.46	968.24	1,367.72	1,792.47	1,127.50
Total capital employed	3,506.92	2,891.77	2,806.27	2,648.24	2,454.96
Share holder's funds	2,630.46	2,544.07	2,506.32	2,373.59	2,236.04
* Subject to approval in the Annual General Meeting					

Financial Indicators

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Earning per share – ₹	(5.29)	1.13	3.02	3.54	1.88
Cash earnings per share – ₹	(3.02)	2.93	5.19	5.30	3.57
Gross sales per share – ₹	42.39	28.94	31.26	30.50	23.66
Book value per share – ₹	52.56	50.83	50.08	47.42	44.68
EBITDA / Sales %	(5.27)	12.22	10.51	19.28	16.47
Net profit margin %	(13.17)	4.24	10.48	12.60	8.42
ROCE %	(10.07)	2.22	6.03	7.47	4.20

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies(Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures
Part "A" : Subsidiaries

Amount in ₹

S. No.	Name of the subsidiary company	Reporting period, if different from the holding companies reporting period	Reporting currency	Exchange rate on the last date of the financial year	Share Capital	Reserves & Surplus	Total assets	Total liabilities	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of share holding
1	Borrachas e Equipamentos Elgi Ltda, Brasil	1 st Jan 15 to 31 st Dec '15	Real	18.21	272,573,595	(254,351,638)	338,237,004	320,015,046	14,559,114	(57,018,502)	-	(57,018,502)	-	99.99
2	Pincott International Pty Limited, Australia	1 st Jan 15 to 31 st Dec '15	AUD	50.62	106,634,402	(135,947,750)	38,385,137	67,698,485	7,747,962	(14,219,710)	-	(14,219,710)	-	100.00
3	Treadsdirect Limited, Kenya	1 st Jan 15 to 31 st Dec '15	Shilling	0.64	2,008,731	23,532,896	31,115,983	5,574,356	29,203,508	(2,033,637)	-	(2,033,637)	-	99.99
4	Treadsdirect Limited, Sri Lanka	1 st Jan 15 to 31 st Dec '15	Srilankan Rupee	0.44	6,955,177	32,101,050	52,774,992	13,718,764	60,200,371	11,078,878	2,958,868	8,120,011	4,572,005	99.99
5	Treadsdirect Limited, Bangladesh	1 st Jan 15 to 31 st Dec '15	Taka	0.83	4,417,290	3,702,379	8,736,289	616,619	-	-	-	-	-	100.00
6	Elgi Rubber Company LLC, USA	1 st Jan 15 to 31 st Dec '15	USD	66.33	171,245,513	(26,256,670)	534,220,514	389,231,672	422,827,833	(51,915,083)	-	(51,915,083)	-	100.00
7	Elgi Rubber Company Holdings B.V., The Netherlands	1 st Jan 15 to 31 st Dec '15	Euro	75.10	365,061,075	(14,160,866)	2,257,812,989	1,906,912,800	1,447,625,480	(122,706,841)	(17,425,336)	(105,281,505)	-	100.00
8	Titan Tyrecare LLP India	1 st Apr 15 to 31 st Mar '16	Rupee	1.00	20,000,000	(2,812,450)	17,188,550	1,000	-	(5,400)	-	(5,400)	-	99.99

Notes

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B" : Associates and Joint Ventures
The Company does not have Associates or Joint Ventures during the year 2015-16

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 0032545

B Anand
Partner
Membership No. 29146

Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Independent Auditors' Report on Consolidated Accounts

To the members of Elgi Rubber Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Elgi Rubber Company Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note [1] to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 32,525.46 lacs and net assets of 5,493.95 lacs as at March 31, 2016, total revenue of ₹ 19,821.64 lacs, net loss of ₹ 2,223.48 lacs and net cash out flows amounting to ₹ 135.40 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
9. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 87.36 Lacs and net assets of ₹ 81.19 Lacs as at March 31, 2016, total revenue of ₹ Nil, net profit of ₹ Nil and net cash outflows amounting to ₹ 16.89 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ Nil for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of one subsidiary company whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the

aforesaid subsidiary company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India during the year ended March 31, 2016.

**As per our report of even date
For Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner

Membership No. 29146

Coimbatore
30.05.2016

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent auditor's report of even date to the members of Elgi Rubber Company Limited on the consolidation financial statements for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Elgi Rubber Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one LLP, which has been incorporated in India, is not material to be relied upon. Our opinion is not qualified in respect of this matter.

**As per our report of even date
For Reddy, Goud & Janardhan**
Chartered Accountants
Firm Registration No. 003254S

Coimbatore
30.05.2016

B Anand
Partner
Membership No. 29146

Consolidated Balance Sheet of Elgi Rubber Company Limited and its Subsidiary Companies as on 31st March 2016

	Notes	31.03.2016 ₹	31.03.2015 ₹
I. Equity and Liabilities			
Shareholders' funds			
a. Share capital	2.01	50,050,000	50,050,000
b. Reserves and surplus	2.02	2,574,424,974	2,620,792,721
Non current liabilities			
a. Long term borrowings	2.03	1,085,593,214	1,076,150,734
b. Long term provisions	2.04	146,616	2,711,203
Current liabilities			
a. Short term borrowings	2.05	1,201,551,589	888,817,892
b. Trade payables	2.06	386,104,023	510,015,992
c. Other current liabilities	2.07	320,406,885	290,987,945
d. Short term provisions	2.08	63,386,964	89,557,675
		5,681,664,265	5,529,084,162
II. Assets			
Non current assets			
a. Fixed assets			
i. Tangible assets	2.09	2,337,241,441	2,142,106,212
ii. Intangible assets	2.09	111,897,346	93,686,448
iii. Capital work in progress		383,748,728	221,709,480
b. Goodwill on consolidation		130,346,966	217,297,862
c. Non current investments	2.10	6,762,988	14,833,656
d. Deferred tax asset (Net)	2.11	199,857,858	171,338,523
e. Long term loans and advances	2.12	124,386,149	108,657,901
f. Other non current assets	2.13	284,107,154	259,397,443
Current assets			
a. Inventories	2.14	1,051,552,688	1,121,441,218
b. Trade receivables	2.15	591,056,570	645,043,074
c. Cash and bank balances	2.16	126,794,647	277,729,882
d. Short term loans and advances	2.17	317,368,606	232,695,559
e. Other current assets	2.18	16,543,124	23,146,904
		5,681,664,265	5,529,084,162

Significant accounting policies 1

The Notes are an integral part of these financial statements

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

Notes	31.03.2016 ₹	31.03.2015 ₹
Revenue		
Revenue from operations (Gross) 2.21	3,732,826,543	4,591,980,497
Less: Excise Duty	109,482,127	194,083,240
Revenue from operations (Net)	3,623,344,416	4,397,897,257
Other Income 2.22	104,132,755	110,216,913
	3,727,477,171	4,508,114,170
Expenses		
Cost of materials consumed 2.23	1,587,033,499	1,668,544,052
Purchases of stock in trade	58,102,448	614,797,305
Changes in inventories of finished goods and work in process 2.24	13,003,610	52,041,157
Employee benefits expense 2.25	839,187,889	761,742,757
Finance costs 2.26	147,923,776	120,581,217
Depreciation and amortisation expense 2.27	207,903,384	182,963,292
Other expenses 2.28	980,167,225	1,302,785,881
	3,833,321,831	4,703,455,661
Profit before exceptional items and tax	(105,844,660)	(195,341,491)
Less : Exceptional items 2.29	2,050,733	611,232
Profit before tax	(107,895,393)	(195,952,723)
Tax expense		
a. Current tax	35,144,868	58,563,016
b. Deferred tax	(28,519,336)	(30,992,935)
Profit after Tax	(114,520,925)	(223,522,804)
Significant accounting policies 1		
Earnings per share (Nominal value per share 2016 ₹ 1/- (2015 ₹1/-) including extra ordinary item)		
a. Basic	(2.29)	(4.47)
b. Diluted	(2.29)	(4.47)
(excluding extraordinary items-net of taxes)		
a. Basic	(2.29)	(4.47)
b. Diluted	(2.29)	(4.47)

The Notes are an integral part of these financial statements

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

Consolidated Cash Flow Statement for the year ended 31st March 2016

	31.03.2016 ₹	31.03.2015 Rs.
A. Cash flow from operating activities		
Profit before taxation	(107,895,393)	(194,730,259)
Adjustments for		
Depreciation	207,903,384	182,963,292
Profit on sales of tangible assets (Net)	(9,903,894)	(504,603)
Profit on sales of Investments(Net)	294,769	(22,193)
Provision for doubtful debts and advances	16,143,451	4,166,332
Liabilities no longer required written back	(2,564,587)	(3,678,831)
Interest income	(34,100,295)	(43,459,140)
Dividend income	(514,749)	(641,506)
Interest expenses	138,553,755	111,369,488
Other non cash items	474,190,331	166,334,701
Operating profit before working capital changes	682,106,772	221,797,281
Increase / (Decrease) in trade payables	(123,911,969)	(7,332,530)
Increase / (Decrease) in short term provisions	(35,502,162)	(6,960,701)
Increase / (Decrease) in other current liabilities	29,503,434	21,099,344
Increase / (Decrease) in short term borrowings	312,733,697	140,731,808
(Increase) / Decrease in trade receivables	37,843,053	118,680,484
(Increase) / Decrease in inventories	69,888,530	138,285,344
(Increase) / Decrease in long term loans and advances	(23,884,802)	(31,456,618)
(Increase) / Decrease in short term loans and advances	(85,560,273)	31,101,960
(Increase) / Decrease in other current assets	6,603,780	(4,033,030)
(Increase) / Decrease in other non-current assets	(24,709,711)	(59,285,221)
(Increase) / Decrease in bank deposit with maturity more than 3 to 12 months	24,600,000	(2,279,205)
Cash generated from operations	869,710,349	560,348,916
Taxes paid (net of refunds)	(26,101,087)	(59,835,711)
Net cash generated from operating activities (A)	843,609,262	500,513,205
B. Cash flow from investing activities		
Purchase of tangible / intangible assets	(429,954,396)	(921,619,269)
Increase in capital work in process	(458,837,077)	(174,721,272)
Sale of tangible / intangible assets	18,608,781	117,121,490
Non current investments	7,775,899	1,979,390
Interest income	34,100,295	43,459,140
Dividend income	514,749	641,506
Net Cash from investing activities (B)	(827,791,749)	(933,139,015)
C. Cash flow from Financing activities		
Increase / (Decrease) in long term borrowings	9,442,480	347,803,464
Dividend and distribution tax paid	(12,956,980)	(21,842,629)
Interest paid(Net)	(138,553,755)	(111,369,488)
Net cash used in financing activities (C)	(142,068,255)	214,591,347
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(126,250,742)	(218,034,463)
Cash and cash equivalents comprise of		
Cash on hand	10,934,329	5,482,145
Balance with banks*	115,860,318	272,247,737
* Including the following balance which are not available for use by the Company		
Unpaid dividend account	3,555,589	3,640,083
Cash and Cash equivalents at the beginning of the year	234,489,800	452,524,263
Cash and cash equivalents at the end of the year	108,239,058	234,489,800

Explanatory notes to cash flow statement

- The cash flow statement is prepared as per accounting standard 3 (notified pursuant to the Companies (Accounting Standards) Rules, 2006).
- The net profit / loss arising due to conversion of current assets / liabilities, receivables / payables in foreign currency is furnished in other non cash items.

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand Partner Membership No. 29146 Coimbatore 30.05.2016	MD Selvaraj Director DIN:00001608	D Selvakumar Company Secretary	SR Venkatachalam Chief Financial Officer	Sudarsan Varadaraj Chairman & Managing Director DIN : 00133533
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Significant accounting policies to the consolidated accounts

1. a. Basis of preparation of financial statements

The Consolidated financial statements (CFS) relate to M/s. Elgi Rubber Company Limited (hereinafter referred to as the "Company") and its Subsidiaries (hereinafter referred as the "Group").

The accounts of the Group are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, which continue to apply under Section 133 of Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable.

b. Use of estimates

The preparation of financial statements in conformity with (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from the estimates. Any revision to accounting estimates is recognised in the period in which such results are known / materialised.

c. Principles of consolidation

- i. The consolidated financial statements of M/s. Elgi Rubber Company Limited together with audited financial statements of its subsidiaries as described in 1c (vi) hereunder, have been considered for the purpose of consolidation.
- ii. The financial statements of the parent company and its subsidiaries as described hereunder have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of the subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of the acquisition or upto the effective date of disposal as appropriate. All significant intra-group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its shares in the post-acquisition change in the relevant reserves of the Subsidiaries.
- iii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's financial statements.
- iv. Minority interest in the net income and in the net asset of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority interest in the subsidiaries equity are allocated against the interest of the group.
- v. Unamortised carrying value of the goodwill is tested for impairment as at each balance sheet date,
- vi. Subsidiaries
 - Borrachas e Equipamentos Elgi Ltda, Brasil
 - Pincott International Pty Limited, Australia
 - Treadsdirect Limited, Kenya
 - Treadsdirect Limited, Sri Lanka
 - Treadsdirect Limited, Bangladesh
 - Elgi Rubber Company LLC, USA & its subsidiaries
 - Elgi Rubber Company Holdings B.V., The Netherlands & its subsidiaries
 - Titan Tyre care LLP, India
- vii. The transaction of foreign currencies into Indian Rupees (reporting currency) is performed for monetary assets and liabilities using the current exchange rates in effect at the balance sheet date. For revenues, cost and expenses using the simple average of the monthly closing rates prevailing during the reporting period. For share capital, exchange rate on the date of the transaction has been adopted.

2. Revenue recognition

Sales are recognized upon delivery of products and are recorded exclusive of excise duty, service tax and sales tax.

Export benefits are accounted on accrual basis.

Dividend income from investment in mutual funds is recognized on declaration of the same by the respective agency

Dividend from other companies is accounted on confirmation in the Annual General Meeting of the respective companies.

Interest Income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

3. Fixed assets

Fixed assets are reflected at historical cost (net of Cenvat / VAT) less depreciation to date.

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each balance sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the statement of profit and loss.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on straight line basis over its remaining useful life.

4. Depreciation

a. Schedule II to the Companies Act 2013, which prescribes requirements concerning depreciation of fixed assets is effective from 1st April 2014, in respect of companies located in India. Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

b. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets in line with Schedule II with effect from 1st April 2014 and the same is being followed in the current year also.

Depreciation on fixed assets for items other than referred to in item 4(b), is provided on written down value / straight line method as the case may be and at rates permissible under applicable local laws or such rates so as to write off the value of assets over their useful life.

Depreciation in respect of the assets of the overseas subsidiaries is provided over the estimated life of asset by using the written down value (WDV) or straight line method (SLM).

5. Research and Development

Any intangible / tangible asset generated out of the Research and Development activity is amortized / written off over the estimated life of the asset.

6. Investments

Investments are reflected at cost, except cases where provision is considered necessary.

7. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost in respect of inventories is determined at the weighted average method. The cost of finished goods and work in process comprises raw material, direct labour, other direct costs and related production overheads allocated on the basis of the normal capacity of production. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

8. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts, with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

9. Exchange fluctuation

a. Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction.

b. Gains and losses resulting from the settlement of foreign currency transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end rates are recognized in the statement of profit and loss.

c. In the case of forward contract, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract.

10. Employee / Retirement benefits

In respect of parent company including Indian subsidiaries

a. Provident Fund: Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon, are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the government administered provident fund. The Company has no obligation beyond its contribution.

b. Gratuity: A defined benefit retirement plan (the "Gratuity Plan") is provided for all eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lumpsum amount to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as of the balance sheet date,

based upon which, the Company contributes all the ascertained liabilities to the respective Employees' Gratuity Fund Trust and the contributions to the trust are invested in the Life Insurance Corporation of India administered Fund.

- c. Superannuation: Certain employees of the Company are also participants in a defined contribution plan. The Company makes the contributions to the Superannuation plan administered by the Company Employees' Superannuation Fund Trust. The Company has no further obligations to the plan beyond its contributions.
- d. Expenses on exgratia payment to employees, a defined contribution plan, is accounted as and when accepted by the management.
- e. Compensated absence: Provision in respect of compensated absence is made, based on actuarial valuation.
- f. In respect of Foreign Subsidiaries:

Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to statement of profit and loss in the year in which liability arises.

11. Lease

The Company is leasing out Tyre retreading machinery to customers. In respect of assets given under a finance lease, the same is recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue.

12. Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

13. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

14. Cash flow statements

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts, with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilute potential equity shares.

16. Borrowing costs

Borrowing costs relating to acquisition are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use / sale. All other borrowing costs not eligible for inventorisation / capitalisation are charged to revenue.

17. Deferred tax

- a. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- b. Deferred tax assets are recognized on unabsorbed capital losses only if it is reasonably certain that such deferred tax assets can be realised against future taxable capital gains.
- c. In the absence of requirement, the following subsidiaries have not provided for deferred tax
Treadsdirect Limited, Bangladesh
Pincott International Pty Limited, Australia

18. Treatment of contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Notes on consolidated accounts for the year ended 31st March 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.01 Share Capital

	31.03.2016 ₹	31.03.2015 ₹
Authorised		
380,300,000 (300,300,000) equity shares of ₹ 1/- each (₹ 1/- each)	380,300,000	300,300,000
Issued, subscribed and fully paid up		
50,050,000 (50,050,000) equity shares of ₹ 1/- each (₹ 1/- each) fully paid up.	50,050,000	50,050,000
	50,050,000	50,050,000

The Company has only one class of shares, referred to as equity shares, having a par value of ₹ 1/-. Each holder of equity share is entitled to one vote per share held.

The Company declares and pays dividend in indian rupees. The dividend recommended by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

The board of directors, in their meeting held on 30th May 2016, recommended a final dividend of ₹ 0.37 per share. The recommendation is subject to the approval of the shareholders at the annual general meeting to be held. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 18,518,500/- and corporate dividend tax of ₹ 3,769,931/-. Dividend, if approved, is payable to the shareholders in proportion to their shareholding.

Reconciliation of number of shares

	No. of Shares	31.03.2016 ₹	No. of Shares	31.03.2015 ₹
Equity Shares				
Authorised				
Balance at the beginning of the previous year	300,300,000	300,300,000	300,300,000	300,300,000
Addition during the year due to amalgamation				
Authorised share capital of Treadsdirect Limited.	50,000,000	50,000,000	-	-
Authorised share capital of Parani Steels Private Limited.	30,000,000	30,000,000	-	-
Balance at the end of the year	380,300,000	380,300,000	300,300,000	300,300,000
Issued, subscribed and fully paid-up				
Balance at the beginning of the previous year	50,050,000	50,050,000	50,050,000	50,050,000
Add: Securities issued during the year	-	-	-	-
Balance at the end of the year	50,050,000	50,050,000	50,050,000	50,050,000

Note

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity/preference shares in future, as on the date of balance sheet.

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company

	No. of shares	Percentage	No. of shares	Percentage
Sudarsan Varadaraj	22,372,014	44.70	22,343,879	44.64
LRG Technologies Limited	3,541,475	7.08	3,541,475	7.08

No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceding March 31, 2016.

49,550,000 equity shares of ₹ 1/- each were allotted in accordance with the scheme of amalgamation and arrangement during the year 2010-11.

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.02 Reserves and surplus				
a. Capital reserve				
Opening balance	318,194,605		318,194,605	
Add: Addition during the year				
Balance as at the end of the year		318,194,605		318,194,605
b. Securities premium account				
Opening balance	1,914,864		1,914,864	
Add: Receipt on issue of securities	-	-	-	-
Balance as at the end of the year		1,914,864		1,914,864
c. Revaluation reserve				
Opening balance	-			
Add: Transfer on account of amalgamation	116,643,344			
Balance at the end of the year		116,643,344		-
d. General reserve				
Opening balance	1,254,664,711		1,241,734,009	
Add: Transfer from statement of profit and loss	-		12,930,702	
Balance as at the end of the year		1,254,664,711		1,254,664,711
e. Foreign currency translation reserve				
Opening balance	303,549,786		344,143,145	
Add/(Less): Addition/(Deletion) during the year	(26,201,735)		(40,593,359)	
Balance at the end of the year		277,348,051		303,549,786
f. Investment reserve for fall in value of investments				
Opening balance	18,203,837		21,403,837	
Add/(Less): Addition/(Deletion) during the year	375,837,882		(3,200,000)	
Balance at the end of the year		394,041,719		18,203,837
g. Surplus in statement of profit and loss				
Opening balance	724,264,918		982,015,823	
Add/(Less): Profit/(Loss) for the year	(114,520,925)		(223,522,804)	
Less: Adjustment for provision for fall in value of investment	(375,837,882)		-	
Amount available for appropriation	233,906,111		758,493,019	
Less: Appropriations				
Transitional adjustment on account of depreciation	-		8,340,419	
Proposed Dividend on Equity shares for the year	18,518,500		10,510,500	
Dividend distribution tax on proposed final dividend	3,769,931		2,446,480	
Transfer to General Reserve	-		12,930,702	
Balance as at the end of the year		211,617,680		724,264,918
		2,574,424,974		2,620,792,721
2.03 Long term borrowings				
Secured				
Long term debts from banks		1,085,593,214		1,076,150,734
		1,085,593,214		1,076,150,734
(Refer Note No. 2.05 regarding details of securities offered)				
2.04 Long term provisions				
Provision for excise disputes		146,616		146,616
Provision for EPCG disputes		-		2,564,587
		146,616		2,711,203
Provision in respect of disputes represents claims against the company on account of differential treatment given by statutory authorities/rejection of certain claims by the company				
2.05 Short term borrowings				
Secured				
From banks				
Cash credit facility		999,219,765		824,247,196
Packing credit facility		11,651,905		34,570,696
Loan against fixed deposits		27,702,671		23,000,000
Working capital short term loan facility		100,000,000		-
Unsecured				
Loan from a related party		62,977,248		7,000,000
		1,201,551,589		888,817,892

Securities offered in connection with the long and short term credit facilities availed by the Company for

I Borrowings of the Holding Company

- a. Loan from ICICI Bank Limited is secured against exclusive charge by equitable mortgage on the commercial property situated at Chamiers Road, Chennai
- b. Loan from Export Import Bank of India is secured by exclusive charge over the land and building located at Kovilpalayam (Mettupalayam Village), Coimbatore.
- c. The facility granted by Export Import Bank of India as above is further secured by first pari passu charge over industrial/commercial land located at Trichy Road, Coimbatore and Kurichi Village Coimbatore along with Kotak Mahindra Bank Ltd (KMBL).
- d. Cash credit/ export packing credit facility availed from State Bank of India is secured by exclusive first charge over current assets viz. raw materials, work in process, stores and spares, finished goods and receivables. Bill discounting/letter of credit and bank guarantee facilities are secured by documents to title to goods and first charge over the current assets as stipulated above.

Banking facilities referred to above are further secured by first charge over the entire fixed assets of the company exclusively (including Plant and Machinery) by way of equitable mortgage of land and building located at Kanjikode, Chengalpattu, Neelambur, Aralvaimozhi, Tirunvelveli, Palakkad and Pondicherry. The facilities are further secured by a second charge of equitable mortgage over company's land property and factory building located at Annur, Kurichi and Hyderabad.

- e. Loan against fixed deposits with State Bank of India amounting to ₹ 27,702,671/- (₹ 23,000,000/-), is secured by a lien and pledge of fixed deposit receipts with State Bank of India and is repayable on demand.
- f. Working capital short term loan facility from ICICI Bank Ltd is secured by residuary charge by way of hypothecation of the company's entire stocks of raw material, semi finished goods, finished goods, consumable stores, spares and such other movables including book debts, bills, outstanding monies, receivables both present and future.

II Borrowings of the Subsidiary Companies

a. Elgi Rubber Company LLC, USA

- i. Banking facility availed from Export-Import Bank of India, (EXIM), London is secured by an unconditional and irrevocable standby letter of credit (SBLC) for USD 5.09 million issued by EXIM, Mumbai and deposit equivalent to 4.5 months interest at all times, which is under bank's lien.
- ii. SBLC facilities granted are secured by deposit of title deeds and equitable mortgage of immovable property located at Trichy Road, Coimbatore and Kurichi, Coimbatore in favour of EXIM, Mumbai ranking pari-passu with KMBL and exclusive charge over the land and building located at Kovilpalayam (Mettupalayam Village), Coimbatore.
- iii. Mandate assigning all receivables due to ERCL including inter alia dividends, interest and any other monies from Elgi Rubber Company, LLC, USA

b. Rubber Resources B.V., The Netherlands

1. Banking facility availed from ING Bank N.V, The Netherlands is secured by:
 - i. SBLC issued by KMBL India, for an amount of EUR 4.50 million
 - ii. SBLC facilities granted are secured by deposit of title deeds and equitable mortgage of immovable property located at Trichy Road, Coimbatore and Kurichi, Coimbatore in favour of KMBL and ranking pari-passu with EXIM.
 - iii. A mortgage of immovable property (first charge) situated at Schoenerweg 36, Maastricht, The Netherlands and first pledge of business equipments, stocks and receivables of the Company.
2.
 - i. Banking facility availed from SBI, Antwerp, Belgium is secured by a SBLC for EUR 4.50 million issued by SBI, Coimbatore.
 - ii. SBLC facilities granted are secured by first charge over the entire current assets of the company and equitable mortgage over company's land property and factory building located at Annur, Kurichi, and Hyderabad. The facilities relating to the standby letter of credit extended by SBI is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 83.60 million.

c. Treadsdirect Limited, Sri Lanka

Banking facility availed from SBI, Colombo, is secured by way of primary mortgage on stock-in-trade, book debts and movable plant and machinery for LKR 5.00 million and further secured by primary mortgage on freehold land and premises for LKR 20.00 million located at Dankotuwa, Sri Lanka.

d. Pincott International Pty. Limited, Australia

- i. Banking facility availed from EXIM, London is secured by unconditional and irrevocable SBLC for USD 1.00 million, issued by EXIM, Mumbai and deposit equivalent to 4.5 months interest at all times, which is under bank's lien.
- ii. SBLC facilities granted are secured by deposit of title deeds and equitable mortgage of immovable property located at Trichy Road, Coimbatore and Kurichi, Coimbatore in favour of EXIM, Mumbai ranking pari-passu with KMBL and exclusive charge over the land and building located at Kovilpalayam (Mettupalayam Village), Coimbatore.
- iii. Mandate assigning all receivables due to ERCL including inter alia dividends, interest and any other monies from Pincott International Pty. Ltd., Australia

e. Elgi Rubber Company B.V., The Netherlands

Banking facility availed from ING Bank N.V, The Netherlands is secured by way of SBLC for Euro 0.50 million, issued by KMBL India. Further the facilities relating to the SBLC extended by KMBL, is secured by marking of lien by the bank on the fixed deposits (grouped under Margin Money deposits) held with them amounting to ₹ 154.20 million, which includes margin money towards the facilities granted to Elgi Rubber Company B.V., The Netherlands and Rubber Resources B.V., The Netherlands.

f. Elgi Rubber Company Holdings B.V., The Netherlands

- i. Banking facility availed from SBI, Antwerp, Belgium is secured by SBLC for Euro 2.50 million issued by SBI Coimbatore.
- ii The SBLC facility granted is secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 37.50 million along with securities offered for cash credit facility referred in Note No. 2.05(d).

		31.03.2016 ₹	31.03.2015 ₹
2.06	Trade payables		
	Trade payables	386,104,023	510,015,992
		386,104,023	510,015,992
2.07	Other current liabilities		
	Current maturities of long term debts	164,522,452	47,091,790
	Employee benefits payable	10,336,303	3,083,901
	Unpaid dividend	3,555,589	3,640,083
	Statutory dues (Including provident fund, withholding and other taxes payable)	38,693,919	59,979,109
	Other payables	92,612,479	166,659,187
	Advance received from customers	10,686,143	10,533,875
		320,406,885	290,987,945

There are no amounts due for payment to the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 (1 of 1956) and rules made thereunder, as at the year end

2.08	Short term provisions		
	Provision for compensated absence	3,964,549	2,319,154
	Other provisions	37,133,984	74,281,541
	Provision for proposed dividend on equity shares	18,518,500	10,510,500
	Provision for dividend distribution tax on proposed dividend	3,769,931	2,446,480
		63,386,964	89,557,675

2.09 Fixed Assets

Description	Gross Block					Depreciation					Net Block		
	As at 01.04.2015 ₹	FCTR ₹	Additions ₹	Transfer/ Deletions ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹	FCTR ₹	For the year ₹	Additions ₹	Transfer/ Deletions ₹	As at 31.03.2016 ₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Land	589,908,682	88,689,119	3,299,155	935,185	680,961,771	-	-	-	-	-	-	680,961,771	589,908,682
Building	1,060,494,568	144,035,194	22,326,894	2,583	1,226,854,073	175,841,857	73,693,566	40,390,551	1,084,554	7,159	291,003,369	935,850,704	884,652,711
Plant & Machinery	3,427,863,243	187,602,013	235,649,934	548,811	3,850,566,379	2,767,521,407	235,986,543	132,782,688	2,987,764	1,224,267	3,138,054,135	712,512,244	660,341,836
Furniture and Fixtures	15,541,080	3,488,351	2,241,531	94,771	21,176,191	11,508,590	2,616,455	1,112,624	364	17,828	15,220,205	5,955,986	4,032,490
Vehicle	27,481,062	1,902,724	247,289	-	29,631,075	24,310,569	1,660,453	1,822,410	-	123,093	27,670,339	1,960,736	3,170,493
Intangible assets	158,051,244	27,896,395	51,651,422	13,027,192	224,571,869	64,364,796	21,045,924	31,795,111	-	4,531,308	112,674,523	111,897,346	93,686,448
Total	5,279,339,879	453,613,796	315,416,225	14,608,542	6,033,761,358	3,043,547,219	335,002,941	207,903,384	4,072,682	5,903,655	3,584,622,571	2,449,138,787	2,235,792,660

		31.03.2016 ₹	31.03.2015 ₹
2.10	Non current investments		
	Other Investments (long term, valued at cost)		
	Quoted		
	a. Investment in equity instruments	4,928,988	4,928,988
	b. Investment under the portfolio management scheme of HDFC	-	1,707,668
	Unquoted		
	a. Investment in government securities	-	5,003,000
	b. Investment in mutual fund	1,834,000	3,194,000
		6,762,988	14,833,656
	Refer Note No. 2.35 regarding details of investments		

	₹	31.03.2016 ₹	₹	31.03.2015 ₹
2.11 Deferred taxes				
Deferred Tax assets attributable to				
Expenses allowable for tax purpose when paid		13,005,780		12,729,359
Carried forward Losses		176,151,305		159,207,712
Provision for doubtful debts		8,586,000		3,266,000
Voluntary Retirement Scheme payment to be allowed		4,613,000		4,368,000
Total (A)		202,356,085		179,571,071
Deferred Tax Liabilities attributable to				
Depreciation		2,498,227		8,232,548
Total (B)		2,498,227		8,232,548
Deferred tax assets (Net) Total (A-B)		199,857,858		171,338,523
2.12 Long term loans and advances				
(Unsecured, considered good)				
Capital advances		80,880,233		58,173,422
Security deposits		15,308,284		19,235,995
Disputed payments against Sales tax/Income tax		20,182,658		28,339,212
Other disputed statutory payments / deposits		6,204,974		1,099,272
Advances recoverable in cash or kind or for value to be received		1,810,000		1,810,000
		124,386,149		108,657,901
2.13 Other non current assets				
Long term deposits with maturity period of more than 12 months				
Fixed Deposit with Banks		2,588,435		27,877,786
Preliminary expenses		46,751		
Margin Money Deposits		281,471,968		231,519,657
(Lien marked by banks against Bank guarantees)				
		284,107,154		259,397,443
2.14 Inventories				
a. Raw materials				
Natural rubber	32,335,267		20,608,114	
Polymers	69,206,266		151,421,416	
Carbon black	16,991,582		21,095,412	
Butyl scrap & rubber dust	26,881,088		31,178,462	
Others	199,493,414	344,907,617	227,873,891	452,177,295
b. Work in progress		73,811,059		61,177,989
c. Finished goods (Reclaimed rubber materials and retreading raw materials)		389,698,168		438,113,914
d. Stock in trade(Traded goods) – retreading materials		53,040,110		30,604,953
e. Stores and spares		133,158,501		101,188,165
f. Others				
Packing materials		31,284,733		25,957,694
Scrap		2,157,714		1,813,805
Material in transit		23,494,786		10,407,403
		1,051,552,688		1,121,441,218

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.15 Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment	23,665,904		53,463,662	
Others	567,390,666	591,056,570	591,579,412	645,043,074
(Unsecured, considered doubtful)				
Outstanding for a period exceeding six months from the date they are due for payment	45,562,331		34,399,500	
Others	6,105,189		2,511,673	
	51,667,520		36,911,173	
Less: Provision for doubtful debts	51,667,520	-	36,911,173	-
		591,056,570		645,043,074
2.16 Cash and Bank Balances				
Cash and Cash equivalents				
Cash on hand		10,934,329		5,482,145
Bank balances				
in current account		30,019,809		152,025,315
in demand deposits		67,284,920		69,043,119
(Out of the above, deposits of ₹ 31,469,059/- (₹ 26,000,000/-) have been pledged with the Bank for the purpose of availing loan against fixed deposit)				
Demand deposits with maturity of more than 3 months but less than 12 months		15,000,000		39,600,000
(Out of the above, deposits of ₹ 15,000,000/- (₹ 25,000,000/-) have been pledged with the bank for the purpose of availing overdraft facilities against fixed deposit)				
Unpaid dividend account		3,555,589		3,640,083
Funds in transit		-		7,939,220
		126,794,647		277,729,882
2.17 Short term loans and advances				
(Unsecured, considered good)				
Advance payment of income tax (net)		20,993,865		21,881,091
Balances with customs, central excise, VAT etc.		128,960,351		123,486,299
Receivable from government DEP/B/Duty drawback etc.		8,297,012		11,974,032
Prepaid expenses		14,215,864		21,222,625
Others		144,901,514		54,131,512
		317,368,606		232,695,559
2.18 Other current assets				
(Unsecured, considered good)				
Income accrued on bank deposits		16,542,788		22,691,456
Income accrued on investments and others		336		455,448
		16,543,124		23,146,904

	31.03.2016 ₹	31.03.2015 ₹
2.19 Contingent liabilities and commitments (to the extent not provided for)		
i. Claims against the Company not acknowledged as debts		
a. Income tax matters	15,395,858	11,711,830
b. Excise and service tax matters	11,949,703	7,418,395
c. Sales tax	109,693,827	68,589,442
d. Stamp duty (Net of ₹ 0.5 million paid towards the demand)	-	2,848,064
e. Legal metrology	150,000	-
f. Labour cases pending @ Brasil entity	-	BRL 138,000
ii. Capital Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	29,996,940	21,641,437

iii. Other commitments

A. Standby letter of credit (guarantee)

SBLC facility extended by Kotak Mahindra Bank Limited, Export-Import Bank of India and State Bank of India to the following subsidiary companies based on the counter guarantee given by the Company

Facilities granted by	Currency	Amount	Currency	Amount
1. ING Bank NV, Filial De Sao Paulo, Brasil Borrachas e Equipamentos Elgi Ltda, Brasil		-	BRL	9,900,000
2 a ING Bank NV, Amsterdam to Rubber Resources B.V., The Netherlands.	EUR	3,500,000	EUR	3,500,000
2 b ING Bank NV, Amsterdam to Rubber Resources B.V., The Netherlands.	EUR	1,000,000	EUR	1,000,000
3. ING Bank NV Amsterdam to Elgi Rubber Company BV, The Netherlands	EUR	500,000	EUR	500,000
4. Export-Import Bank of India, London to Pincott International Pty Limited, Australia.	USD	1,000,000	USD	1,000,000
5. Export-Import Bank of India, London to Elgi Rubber Company LLC, USA.	USD	5,091,579	USD	4,841,579
6. State Bank of India, Antwerp to Rubber Resources B.V., The Netherlands	EUR	4,500,000	EUR	4,500,000
7. State Bank of India, Antwerp to Elgi Rubber Company Holdings BV, The Netherlands	EUR	2,500,000		-

Securities offered to

- a. Kotak Mahindra Bank Ltd (KMBL), Coimbatore and Export Import Bank of India (EXIM), Mumbai for the facilities granted by the banks to the subsidiary companies with serial Nos.2,3 and 4,5 respectively as stated above.

By deposit of title deeds and equitable mortgage of immovable property located at Trichy Road, Coimbatore and Kurichi, Coimbatore, in favour of KMBL (in respect of the facility offered under item 2(a) above) ranking pari-passu with EXIM (in respect of the facilities offered under item 4 and 5 above). The facilities as referred to in item 2(a), 2(b) and 3 above relating to the standby letter of credit extended by KMBL is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹154.20 million.

- b. State Bank of India, Coimbatore (SBI) for the credit facilities granted by State Bank of India, Antwerp to Rubber Resources B.V., The Netherlands for serial number 6 as stated above.

By exclusive first charge over the entire current assets of the company and equitable mortgage over company's land property and factory building located at Annur, Kurichi and Hyderabad. The facilities relating to the standby letter of credit extended by SBI is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 83.60 million.

- c. SBI for the credit facilities granted by SBI, Antwerp to Elgi Rubber Company Holdings B.V., The Netherlands for serial number 7 as stated above.

By extension of securities in respect of the cash credit facilities as referred to in Note 2.05(a). The facilities relating to the standby letter of credit extended by SBI is further secured by marking of lien by the bank on the fixed deposits (grouped under margin money deposits) held with them amounting to ₹ 37.50 million.

B. Others

- | | | |
|---|-----------|------------|
| a. Guarantee on account of security deposits with various electricity boards, state road transport corporations and other statutory authorities | 9,197,142 | 8,744,821 |
| b. Letter of credit on account of import of goods | - | USD 38,940 |

2.20 Proposed dividend

The final dividend recommended for the year is as follows

On equity shares of ₹ 1/- each

Amount of recommended dividend per equity share

₹ 0.37

₹ 0.21

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.21 Revenue from operations				
a. Sale of products				
Finished goods	3,507,110,589		3,510,359,069	
Traded goods	220,854,959		1,065,698,345	
b. Sale of services	3,831,582		14,114,952	
c. Other operating revenue - scrap sales	1,029,413		1,808,131	
		3,732,826,543		4,591,980,497
		3,732,826,543		4,591,980,497
Sales (Traded goods)				
Retreading machinery accessories & others		220,854,959		1,065,698,345
2.22 Other income				
a. Interest Income				
from bank	28,799,077		36,132,539	
from others	5,301,218		7,326,601	
		34,100,295		43,459,140
b. Dividend Income				
from others		514,749		641,506
c. Net gain on sale of investments		35,671		22,193
d. Net gain on sale of assets		9,903,894		504,603
e. Rent received		1,668		248,600
f. Income from electricity generation		27,351,437		33,984,245
g. Liabilities written back to the extent no longer required		2,564,587		3,678,831
h. Net gain on foreign currency transactions and translations		20,303,809		3,906,758
i. Claims received from Insurance Company		600,170		1,376,957
j. Duty drawback/Rebate of excise duty		65,805		-
k. Miscellaneous income		8,690,670		22,394,080
		104,132,755		110,216,913
2.23 Cost of material consumed				
Raw material consumed				
Opening inventory	452,177,295		527,037,575	
Add: Purchase	1,470,630,136		1,580,829,397	
Less: Inventory at the end of the year	344,907,617		452,177,295	
Cost of raw material consumed during the year		1,577,899,814		1,655,689,677
Packing Material consumed				
Opening inventory	25,957,694		20,712,105	
Add: Purchase	14,460,724		18,099,964	
Less: Inventory at the end of the year	31,284,733		25,957,694	
		9,133,685		12,854,375
Cost of packing material consumed during the year		1,587,033,499		1,668,544,052
2.24 Changes in inventory of finished goods and work in process				
Stock at the beginning of the year				
Finished goods	438,113,914		498,640,176	
Work in process	61,177,989		41,897,575	
Stock in trade	30,604,953		42,247,099	
Scrap	1,813,805		966,968	
		531,710,661		583,751,818
Less: Stock at the end of the year				
Finished goods	389,698,168		438,113,914	
Work in process	73,811,059		61,177,989	
Stock in trade	53,040,110		30,604,953	
Scrap	2,157,714		1,813,805	
		518,707,051		531,710,661
(Increase)/Decrease in inventory of finished goods and work in progress		13,003,610		52,041,157
2.25 Employee benefit expenses				
Salaries, wages and bonus		657,021,508		660,237,491
Voluntary retirement scheme payments		17,440,929		-
Managerial remuneration		6,571,428		12,119,074
Contribution to provident and other funds		133,709,484		66,521,477
Gratuity paid		(740,415)		6,278,472
Staff welfare expenses		25,184,955		16,586,243
		839,187,889		761,742,757

	31.03.2016		31.03.2015	
	₹	₹	₹	₹
2.26 Finance costs				
Interest on borrowings				
On borrowings from banks		127,332,502		111,226,882
Others		11,221,253		142,606
Financial charges on borrowings		9,370,021		9,211,729
		147,923,776		120,581,217
2.27 Depreciation and amortisation expenses				
Depreciation on tangible assets		177,187,326		160,686,865
Amortisation of intangible assets		30,716,058		22,276,427
		207,903,384		182,963,292
2.28 Other expenses				
Consumption of stores and spare parts		47,445,746		39,734,313
Excise duty*		4,168,749		(2,636,958)
Power and fuel		231,801,772		283,487,367
Rent		44,453,028		44,367,376
Labour charges		46,629,974		98,898,825
Repairs and maintenance – plant and machinery		40,767,595		158,357,219
Repairs and maintenance – building		24,880,226		17,847,889
Repairs and maintenance – others		33,436,049		29,252,004
Insurance		31,280,659		43,811,471
Rates and taxes		16,028,122		22,734,150
Travelling and conveyance		45,535,506		54,854,450
Directors' sitting fees		390,000		300,000
Statutory auditors : Audit fees	2,829,787		4,340,838	
Tax audit fee	50,000		70,000	
Other services	5,000		10,000	
Reimbursement of expenses	185,620		204,912	
		3,070,407		4,625,750
Professional fees		57,441,073		56,153,557
Sales Commission		5,538,936		1,602,396
Advertisement and other selling expenses		59,277,356		139,929,535
Carriage inward		34,902,144		30,348,067
Freight charges		163,614,036		162,030,947
CSR expenditure		3,000,000		7,500,000
Provision for doubtful debts		16,143,451		4,166,332
Loss on sale / redemption of investment		330,440		4,669,974
Loss on sale of asset		40,332		-
Miscellaneous expenses		69,991,624		100,751,217
		980,167,225		1,302,785,881

* represents Excise duty related to the difference between the opening and closing inventory of manufactured finished goods

2.29 Exceptional items				
Income tax relating to previous years		2,050,733		611,232
		2,050,733		611,232
2.30 Earnings per share				
	Before extraordinary items	After extraordinary items	Before extraordinary items	After extraordinary items
a. Basic				
Profit/(Loss) after tax	(114,520,925)	(114,520,925)	(223,522,804)	(223,522,804)
Weighted average number of shares outstanding	50,050,000	50,050,000	50,050,000	50,050,000
Basic EPS	(2.29)	(2.29)	(4.47)	(4.47)
b. Diluted				
Profit/(Loss) after tax	(114,520,925)	(114,520,925)	(223,522,804)	(223,522,804)
Weighted average number of shares outstanding for diluted EPS	50,050,000	50,050,000	50,050,000	50,050,000
Diluted EPS	(2.29)	(2.29)	(4.47)	(4.47)

2.31 Segment reporting

The Company is engaged primarily in one segment of providing solutions to the Rubber Industry and hence the segment reporting is not applicable.

2.32 Impairment

Pursuant to accounting standard (AS 28) – impairment of assets, the Company assessed its fixed assets for impairment as at March 31, 2016 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of account.

2.33 The subsidiary companies in the consolidated financial statements and its reporting date are as under

Name of the company	Reporting Date	Country of Incorporation	% of Voting power held
Borrachas E Equipamentos Elgi Ltda	31.03.2016	Brasil	99.99
Pincott International Pty Ltd	31.03.2016	Australia	100
Treadsdirect Limited	31.03.2016	Kenya	99.99
Treadsdirect Limited	31.03.2016	Sri Lanka	99.99
Treadsdirect Limited	31.03.2016	Bangladesh	100
Elgi Rubber Company LLC & its subsidiaries	31.03.2016	USA	100
Elgi Rubber Company Holdings B.V., & its subsidiaries	31.03.2016	The Netherlands	100
Titan Tyrecare Products LLP	31.03.2016	India	100

2.34 In view of the beneficial interest being held in the name of the holding company, no minority interest has been calculated in the case of Brasil, Kenya and Srilankan subsidiaries.**2.35 Non current investments**

- Number of units of investment in mutual funds are rounded off to the nearest whole number.
- All investments are fully paid up, unless otherwise stated.
- Details of Investments

The following is classification of investments in accordance with AS 13 - Accounting for investment

No. of units / shares		Description of investment	31.03.2016	31.03.2015
Current year	Previous year		₹	₹
		In Equity Investments (Quoted) (Face Value of the Unit is ₹ 10/- each unless otherwise stated and are fully paid up)		
332,080	332,080	Equity Shares of ₹ 1/- each in Elgi Equipments Limited	4,713,700	4,713,700
3,225	3,225	Precot Meridian Limited	215,288	215,288
			4,928,988	4,928,988
		In the Portfolio Management Scheme of HDFC Asset Management Company- Real Estate Portfolio – I (PMS) – (Quoted)		
		Debentures (Face Value of the Unit is ₹ 1,000/- each)		
-	14	Ariisto Realtors Private Limited – III	-	14,000
-	139	Ariisto Realtors Private Limited – IV	-	139,000
-	270	Atithi Building Commodities Private Limited	-	270,000
-	44	Atithi Building Commodities Private Limited – II	-	44,000
		(Face Value of the Unit is ₹ 100/- each)		
-	806	BCC Infrastructure Private Limited Class A – III	-	80,600
-	1,152	BCC Infrastructure Private Limited Class A – IV	-	115,200
-	351	Marvel Realtors and Developers – Series 2	-	35,100
-	551	Nitesh Land Holding Private Limited	-	55,100
-	1,514	Runwal Township Private Limited Class B	-	151,400
-	3,440	Total Environment Habitat Private Limited	-	344,000
-	298	Total Environment Projects – I	-	29,800
-	55	Total Environment Projects – II	-	5,500
-	212	Total Environment Projects – III	-	21,200
			-	1,304,900

No. of units / shares		Description of investment	31.03.2016		31.03.2015	
			₹	₹	₹	₹
Current year	Previous year					
		Equity / Preference Shares				
		(Face value of ₹ 10/- each)				
-	28	BCC Infrastructure Private Limited	-	-	-	280
-	85	BCC Infrastructure Private Limited (Preference)	-	-	-	850
		(Face value of ₹ 1/- each)				
-	26	Runwal Township Private Limited Class A (Preference)	-	-	-	26
-	39	Runwal Township Private Limited Class B (Preference)	-	-	-	39
-	26	Runwal Township Private Limited Class C (Preference)	-	-	-	109,135
-	1,399	Ansal Hi-Tech Townships Limited	-	-	-	123,441
-	139	Nitesh Housing Developers Private Limited	-	-	-	49,545
						283,316
		In Mutual Funds				
		(Face value of the units is ₹ 10/- each)				
-	4,094	HDFC Cash Management Fund Savings Plan – Growth	-	-	-	119,452
		Note : All the above stated investments have been redeemed/repaid during the year				
						1,707,668
		In Government Securities (Unquoted)				
-	500	Non-Convertible redeemable taxable bonds of ₹ 10,000/- each in National Highways Authority of India	5,000,000	-	5,000,000	-
		Less : Redeemed during the year	<u>5,000,000</u>	-	<u>-</u>	5,000,000
		National Savings Certificate	-	-	-	3,000
		In Mutual Funds (Unquoted)				
1,834	3,194	IL & FS Milestone Fund – I (Units of ₹ 1,000/- each)	3,194,000	-	6,905,000	-
		Less : Return of contribution	<u>1,360,000</u>	-	<u>3,711,000</u>	-
				1,834,000		3,194,000
				6,762,988		14,833,656
Aggregate amount of investments						
		Unquoted		1,834,000		8,197,000
		Quoted:				
		Cost		4,928,988		6,636,656
		Market Value		43,373,717		52,570,985

2.36 Related Party disclosure (as identified by the Company)

Description of the nature of transaction	Description of relationship	Related party	31.03.2016 ₹	31.03.2015 ₹
Income from sale of goods	Other related parties	Elgi Ultra Industries Limited	15,950	-
Purchase of goods	Other related parties	Elgi Ultra Industries Limited	1,891,888	10,323,491
		Ellargi & Co.,	964,620	1,192,219
		Elgi Equipments Limited	281,560	-
Rendering of services	Other related parties	Elgi Equipments Limited	642,855	1,110,910
Receiving of services	Other related parties	Elgi Equipments Limited	165,595.00	47,191
Managerial remuneration	Key managerial personnel	Sudarsan Varadaraj	6,571,428	12,119,074
Salary to other key managerial personnel	Key managerial personnel	SR Venkatachalam	2,231,286	1,771,200
		D Selvakumar	557,588	-
		C Shankar	715,871	1,191,360
Sitting fees	Other related parties	M D Selvaraj	110,000	90,000
		P Vijay Raghunath	70,000	90,000
		Suresh Jaganathan	110,000	70,000
		Vidyasankar Bhuvaneshwari	50,000	30,000
		Jairam Varadaraj	50,000	20,000
Rent paid	Key managerial personnel	Sudarsan Varadaraj	360,000	360,000
Dividend received	Other related parties	Elgi Equipments Limited	332,080	332,080
Interest paid	Key managerial personnel	Sudarsan Varadaraj	4,484,536	111,184
Loan taken	Key managerial personnel	Sudarsan Varadaraj	79,000,000	9,500,000
Loans repaid	Key managerial personnel	Sudarsan Varadaraj	23,022,752	2,500,000
Loan outstanding	Key managerial personnel	Sudarsan Varadaraj	62,977,248	7,000,000
Trade payables	Other related parties	Elgi Ultra Industries Limited	445,326	459,000
		Ellargi & Co.,	39,480	52,265
Trade receivables	Other related parties	Elgi ultra Industries Limited	2,250	-
		Elgi Equipments Limited	318,168	193,138
Security deposit	Other related parties	Ellargi & Co.,	100,000	100,000
Amount receivable	Other related parties	LRG Technologies Limited	128,873	237,787
Amount payable	Key managerial personnel	Sudarsan Varadaraj	1,867,428	487,074

In respect of the above parties, there is no provision for doubtful debts as on 31st March 2016 and no amount has been written off / written back during the year in respect of debts due from / to them

As per our report of even date
For Reddy, Goud & Janardhan
Chartered Accountants
Firm Registration No. 003254S

B Anand
Partner
Membership No. 29146
Coimbatore
30.05.2016

MD Selvaraj
Director
DIN:00001608

D Selvakumar
Company Secretary

SR Venkatachalam
Chief Financial Officer

Sudarsan Varadaraj
Chairman & Managing Director
DIN : 00133533

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