



**Excel Industries Ltd.**

Corporate & Registered Office



28<sup>th</sup> July, 2016

BSE Ltd.  
Listing Department,  
Pheeroze Jeejeebhoy Towers,  
Dalal Street,  
Fort,  
Mumbai-400 001

National Stock Exchange of India Ltd.  
Listing Department,  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai-400 051

**Sub:** Submission of Annual Report

**Ref:** BSE Script Code: 500650; NSE Script Code: EXCELINDUS

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year 2015-16 as approved and adopted in the Annual General Meeting of the Company held on 26<sup>th</sup> July, 2016.

Yours faithfully,

**For Excel Industries Limited**

**S K Singhvi**  
**Company Secretary**

Encl: as above



proud past  
strong present  
exciting future  
1941-2016



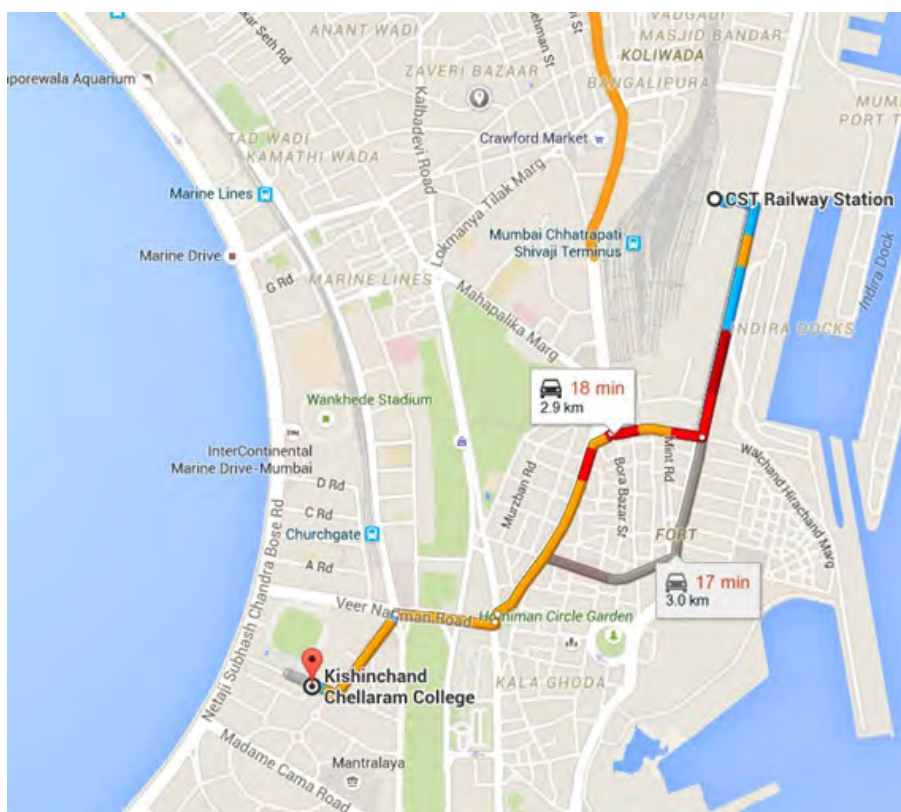
**EXCEL  
INDUSTRIES  
LIMITED**

55th ANNUAL REPORT 2015-16

## Disclaimer

This document contains statements about expected future events and financial and operating results of Excel Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Excel Industries Limited Annual Report 2015-16.

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**55<sup>th</sup> Annual General Meeting**  
*on Tuesday, 26<sup>th</sup> July, 2016 at 3.00 p.m.*  
*at Rama and Sundri Watumull Auditorium,*  
*Kishinchand Chellaram College,*  
*Dinshaw Wachha Road,*  
*Churchgate, Mumbai-400 020.*

# read across pages...



Corporate  
Information



Make in India



Corporate with  
Sustainability



Journey across  
the years



Chairman's Statement



Executive Director's  
Strategic Take



Board of Directors



Corporate Social  
Responsibilities



Notice



Directors' Report



Management Discussion  
and Analysis



Corporate  
Governance Report



Ten-Year Highlights



Summarised Balance Sheet  
and Statement of Profit & Loss



Auditor's Report



Balance Sheet



Statement of  
Profit & Loss



Cash Flow Statement



Notes '1' to '46' forming  
part of Financial Statements



Auditor's Report on Consolidated  
Financial Statements



Consolidated Balance  
Sheet



Consolidated Statement of  
Profit & Loss



Cash Flow Statement



Notes '1' to '44' forming part  
of Consolidated Financial  
Statements

- Proxy Form is provided at the end of the Annual Report
- Attendance Slip is accompanied in loose leaf





# corporate information

## **CHAIRMAN EMERITUS**

KANTISEN C. SHROFF

G. NARAYANA

## **BOARD OF DIRECTORS**

ASHWIN C. SHROFF *Chairman & Managing Director*

USHA A. SHROFF *Executive Vice Chairperson*

RAVI A. SHROFF *Executive Director*

ATUL G. SHROFF *Non-Executive Director*

DIPESH K. SHROFF *Non-Executive Director*

R. K. SOOD *Nominee Director (LIC)*

R. N. BHOGALE *Independent Director*

H. N. MOTIWALLA *Independent Director*

P. S. JHAVERI *Independent Director*

M. B. PAREKH *Independent Director*

S. S. VAIDYA *Independent Director*

R. M. PANDIA *Independent Director*

## **CHIEF FINANCIAL OFFICER**

KAILAS D. DABHOLKAR

## **COMPANY SECRETARY**

SURENDRA K. SINGHVI

## **AUDITORS**

S R B C & CO LLP

*Chartered Accountants*

## **BANKERS**

Bank of India

State Bank of India

Axis Bank Limited

## **REGISTRAR & TRANSFER AGENT**

Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound,  
Bhandup (W), Mumbai 400 078.

Tel : 2596 3838, Fax : 2594 6969

E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Web : <http://www.linkintime.co.in>

## **REGISTERED OFFICE**

184-87, Swami Vivekanand Road,  
Jogeshwari (West), Mumbai 400 102.

Tel : 6646 4200

E-mail : [excel.mumbai@excelind.com](mailto:excel.mumbai@excelind.com)

Web : <http://www.excelind.co.in>

## **FACTORIES**

M.I.D.C. Area, Roha, Maharashtra.

M.I.D.C. Area, Lote Parshuram, Maharashtra.

Baherampura, Ahmedabad, Gujarat.



## Excel Industries Limited is a big proponent of Make in India.

Our founders envisaged a self-reliant India. They aspired to improve the quality of life of Indian communities through industrial progress and national prosperity.

### Relevant then, relevant today.

Today, as we complete *75* years of existence, our philosophy, timeless vision and futuristic foresight still prevail.

Our founders were pioneer in agro chemical business and developed products with indigenous technology. They innovated products in India for the betterment of the related industries and the society as a whole. They helped the country to be self-reliant in Agriculture. And, in doing so, we have created a strong present.

While our operations over the years represent our dedication, determination and true grit, a large part of the credit goes to our stakeholders. Their unwavering commitment to the ethical values and strong corporate governance of our organisation has built a bond of trust with the stakeholders.

This trust has paved the way for prosperity and responsible growth for the future of self and all our stakeholders.



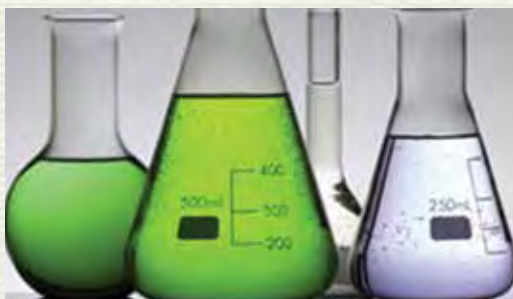


# A Corporate with Sustainability at its core

We are amongst India's first domestic chemical manufacturers that pioneered several indigenous chemical technologies along with unique sustainable waste management practices.

Established in 1941, headquartered in Mumbai, the Company has achieved several chemical process breakthroughs, steadily contributing to the enhancement of technological capability of the nation.

Our product stream comprises of chemicals for Agro Industry, Specialty Chemicals, Polymer Inputs and Pharmaceutical APIs & Intermediates. We are also equally sensitive to the needs of the environment and community. Our Environment-biotech division has developed novel solutions for Waste Management, thus contributing to sustainable environmental practices.



## Our core competencies

- Innovation ○ In-house research and development
- Backward integration ○ Rich product portfolio
- Cost-efficiency ○ Quality
- Environmental-friendliness ○ Ethos and Ethics

## Our Values

We firmly believe that long term corporate success has its roots in strong value based growth. Our values are the ideas that define us and drive us, that convey our vision of the future and the means with which we will realise this vision.

## Dynamism

Agility and adaptability are essential qualities for a modern corporation. In a world where technology and market conditions are constantly in a state of flux, it is our ability to change that helps us emerge stronger.

## Compassion

To balance the needs of others with our growth, it is essential that we first understand their requirements, expectations and concerns. From senior management to the operators on the factory floor, everyone at the Excel Family is committed to make a difference to our larger goals and it all begins with a sympathetic ear and an open mind.

## Expertise

From research to manufacturing, from factory floor to shipped goods, we strive for excellence in every facet of our operations.

## Tradition

We are proud of our heritage and the ideals that have enabled our growth. As we poise for our next phase of growth, our company traditions and values, suitably adapted to changing environment over the time, will be our guiding lights.

## Employees' Loyalty

Average service years of employees are 20 years which reflects trust and loyalty of the employees towards the Company.





# Journey across the years

## The Silver Quarter 1941-65

**1941**

Excel was established in Jogeshwari, a suburb of Mumbai in a rented buffalo shed

**1960**

Excel Industries was incorporated as a company on 5th September, 1960 under the Companies Act, 1956

**1963**

Amboli Factory in Mumbai was established

**1964**

First recipient of Sir P C Ray Award by Indian Chemical Manufacturers' Association (ICMA)

## The Golden Quarter 1966-91

**1967**

Aluminium Phosphide was made first time in India by Excel

**1968**

Bronze shield for import substitution to develop indigenous technology to manufacture Monochloro Acetic Acid

**1969**

First company to make Malathion in India

**1971**

- Elementary Phosphorus manufactured. Earlier it was imported
- Excel went Public and got listed on BSE

**1975**

- Roha Factory was established in Maharashtra
- First Company to make E-DTCL and M-DTCL

**1979**

Shri Vivekananda Research and Training Institute (VRTI), an associated NGO was established

**1983**

- Kamaljyot Investments Limited, an NBFC was established
- Environmentalist of the Year Award by Chemtech Foundation

**1984**

Lote Parshuram Factory was established in Ratnagiri, Maharashtra

**1990**

Sir P C Ray Award for development of indigenous technology for Butene Diol, for safe and eco-friendly new process, a global first.




**1992**

- Jamnalal Bajaj Uchit Vyavahar Puruskar for fair business practices
- ET-HBS Corporate Performance Award
- FICCI Award to VRTI for Rural Development

**1995**

Mr. Ashwin C Shroff became Managing Director

**2000**

- "Award of Excellence" to Mr. Kantisen C Shroff by the Indian Environmental Association
- Establishment of Municipal Solid Waste treatment Plant at Ahmedabad on 23rd January, 2000 (300 MT per day treatment of Garbage)

**2001**

- "Special Award" from CHEMEXCIL for outstanding Export Performance for the year 2001 on 9th May, 2001
- New plant for Specialty Polymers commissioned at Lote Parshuram
- Pharma-Intermediate Plant Inaugurated at Roha

**2002**

Roha Site got ISO 14001 Certificate

**2003**

- Excel Industries demerged and Excel Crop Care Limited came into being to focus on Agrochemical business, while Excel Industries continued to focus on specialty chemicals and environment business.
- Developed Organic Waste Converter Machine

**2004**

- "Spirit at Work Award" by Association for Spirit at Work in Zurich
- National Award for Energy Conservation for the year 2004 (Roha)
- ICMA Award for Excellence in HSE for the year 2003-04
- Maharashtra Safety Award by National Safety Council for the year 2003 (Lote Site)

**2005**

- Mr. Kantisen C Shroff was felicitated by honourable President of India Dr. Abdul Kalam for leadership and visionary work in rural development
- National Safety Award by Ministry of labour, GOI to Lote Site
- Energy Conservation Award by Maharashtra Energy Development Agency to Roha Site
- Roha Site obtained OHSMS System certification

**2006**

- Mrs. Chandaben Kantisen Shroff received Rolex Award for Enterprise (First Indian Lady to receive this award)
- Energy Conservation Award by Maharashtra Energy Development Agency to Roha Site
- Excellence in Energy Conservation Award by Indian Chemical Council

**2007**

Excel Bio Resources Limited was formed to give shape to environment and green business

**2009**

Provided technical know-how to Mauritius in Solid Waste Recycling for setting up 350 MT per day capacity Solid Waste Processing Plant

**2010**

Mr. Kantisen C Shroff received Life Time Achievement Award by CHEMEXCIL

**2011**

Earth Care Award to VRTI and Social Impact Award to Shroff Foundation Trust by Times of India and JSW Foundation

**2012**

- Mr. Ashwin Shroff Conferred Life Time Achievement Award by ICC
- Excel got permission to use "Responsible Care" logo by ICC
- ICC Award for Social Responsibility by ICC

**2014**

Mr. Ravi A Shroff became Executive Director

**2015**

MobiTrash Recycle Ventures Private Limited, a new start up Company was established with an unique business model for treatment of household waste at door step using Organic Waste Converter (OWC) machine loaded on mobile van

**2016**

- Received Gujarat Ratna Award for Excellence in CSR presented by Hon'ble Chief Minister of Gujarat Smt. Anandiben Patel
- Obtained WHO-GMP Certificate for Active Pharmaceutical Ingredients (APIs) - Bulk Drugs for Lote Parshuram site





**Ashwin C Shroff**  
*Chairman and  
Managing Director*



**USD 55 Billion**

Estimated market size the  
Indian pharmaceutical  
industry by 2020  
*(Source: IBEF)*



**USD 8.8 Billion**

Estimated market size  
the Indian agro chemicals  
industry by 2019  
*(Source: Crisil)*

# Chairman's Statement

We promote and educate responsible growth. We want to be a role model to the industry and society.

*Dear Stakeholders,*

It is a matter of great pride and satisfaction upon completing 75 years of our business operations. The distinction recognises us amongst handful of companies in the country to have reached such a milestone. We wear the distinction with humility and look forward towards building happy communities and a sustainable future.

Since inception, our founders demonstrated good corporate citizenship by way of fair business practices and visible concern for the planet and its people. Even before corporate social responsibility was mandated by the law, we demonstrated our commitment to society and environment's well-being through our business practices and products.

With the passage of time, awareness and expectation levels of the community has increased manifold. The Corporate behaviour needs to be a reflection of how society perceives. This has allowed us to evolve as a more stronger and responsible corporate. Moreover, being a chemical company, there are increasing concerns for safety, health, environment and quality. These are the fundamental tenets in any business activity we undertake. We have successfully practiced and demonstrated best practices under each aspect.

As the platinum jubilee year unfolds, the company is on the threshold of a new phase of exciting growth. We are staring at a crucial juncture of addressing climatic and environmental changes and conservation of natural resources. For us charity begins at home. Over the years, we have been consciously responsible in the usage of the available resources like water, land and energy. We shall continue to be conservative and also set example as a role model to others.

Lastly, I am grateful to our stakeholders' family –company colleagues, business partners, customers, vendors, lenders and bankers for reposing their faith in us, employees for their resolve and unstinted devotion, our Members on the Board for their wisdom and continuous support and you, our shareholders for reposing trust & faith

Thank you for your support for over last 75 years and we hope you continue your association with us forever.

Best Wishes,  
**Ashwin C Shroff**





**Ravi A Shroff**  
Executive Director



**USD 2,440 Million**

Estimated market size the India veterinary healthcare market by 2020  
(Source: Diagnostic Technologies-Trends and Forecast 2014 - 2019)



**20 Million Tons+**

Estimated Annual Polymer consumption by 2020  
(Source: AMI Consulting)

# Executive Director's Strategic Take

It is a proud moment for all of us at Excel Industries Limited. It is a mark of our immense prudence and unwavering commitment.

While we celebrate our platinum jubilee, it gives me an immense pleasure to walk you through our core business initiatives that will be our building blocks of exciting future.

Over the years we have developed a mastery over manufacturing processes. Our dedicated R&D laboratories have continuously innovated towards developing new products and processes. As a result, we are more competitive. Our consistent initiatives towards backward integration have further strengthened our operations. Today, we make our products at optimum cost and with unquestionable quality.

During the year, we created four sub-divisions for our chemical business - Agro Chemicals, Pharmaceutical APIs

& Intermediates, Polymer Inputs and Specialty Chemicals. This has allowed us to tailor our marketing operations with stronger customer focus across each segment. It has further resulted in better customer responsiveness and shorter turnaround time. We also gained visibility and established relation with few leading pharma companies to manufacture APIs and intermediates. We are also sourcing new industrial opportunities across our different segments to enhance our market presence. Today, we have strong pipeline of products that will find its application across the business segments we are present in.

Going ahead, we will continue to follow our core values of "People, Planet and Profit" and seek to balance the needs of each of these pillars. Our Environment-Biotech division has already executed pioneering initiatives in the field of Solid Waste Management and continues to actively support the Government's Swatch Bharat Abhiyan.

We have constantly evolved ourselves by delivering on the fundamentals of continued growth. We will continue to do so in our next leg of journey by enabling our stakeholders to make right choices and advance responsible behaviour individually and collectively.

Best Wishes,  
**Ravi A Shroff**





# Board of Directors

## **Mr. Ashwin C. Shroff, Chairman**

As Chairman and Managing director, Mr. Ashwin C Shroff has always led from the front. Affectionately called Ashwinbhai throughout Excel, he always leads by example and is the bearer of all the values that make life at Excel so special. He is firmly committed to the Excel way of working - building consensus and democratic processes. He has been serving the Company for over 50 years and counting and his leadership continues to inspire the entire group to march ahead. He is on the Board of several companies including Excel Crop Care Limited, Transpek Industry Limited, Anshul Specialty Molecules Private Limited, Kamaljiyot Investments Limited, Excel Bio Resources Limited and Utkarsh Global Holdings Private Limited.

He is currently a Co-chairman of CII – Agri Biotech Committee and a member of Research Council of National Institute for Interdisciplinary Science and Technology (NIIST), Thiruvananthapuram

He has been richly recognised for his contributions to the growth of the Indian Chemical industry and received the ICC Lifetime achievement award in 2012.

## **Mrs. Usha A. Shroff, Executive Vice Chairperson**

Mrs. Shroff serves as Executive Vice Chairperson of the board. She holds a masters degree in commerce and has been a part of the Excel group since 1968. She has vast experience in the industry and has been actively involved in the affairs of the Company and contributed in the growth of the Company with a depth of wisdom and experience. She is on the Board of several companies including Agrocel Industries Private Limited, Anshul Specialty Molecules Private Limited, Kamaljiyot Investments Limited, TML Industries Limited, Excel Bio Resources Limited and Utkarsh Global Holdings Private Limited.

## **Mr. Ravi A. Shroff, Executive Director**

Mr. Ravi A Shroff is a young and dynamic Executive Director of the Company effective from 3rd September, 2014. He is third generation industrialist in the A C Shroff's group of companies. Before joining the Company he was Executive Director for 7 years with Anshul Specialty Molecules Private Limited and spearheaded Anshul to the path of growth and diversification. At Excel Industries, he has been steering strategic new business of Pharmaceutical and Veterinary APIs and has launched several new pharmaceutical molecules / products under his stewardship. He is also a Director on the Board of reputed companies including Transpek Industry Limited, Anshul Specialty Molecules Private Limited, Kamaljiyot Investments Limited, Transpek Industry (Europe) Limited and Utkarsh Global Holdings Private Limited. Academically, he is an Engineering Graduate (BE-Chemical) from Mumbai University and a Post Graduate in Chemistry from Boston University, USA.

## **Mr. Dipesh K. Shroff, Director**

An industrialist with vast experience in the Chemicals and Agrochemicals Industries, Mr. Dipesh K Shroff holds diploma in civil engineering and owners'/ presidents' management programme at Harvard Business School to his credit. He serves on the board of a number of companies including Agrocel Industries Private Limited, Excel Crop Care Limited, Transpek Industry Limited and TML Industries Limited.

## **Mr. Atul G. Shroff, Director**

A highly experienced Industrialist Mr. Atul Shroff is actively involved with the Excel Group and is on the board for a number of group companies. He is part of the board for Transpek Industry Limited, Transpek Industry (Europe) Limited, Transchem Agritech Private Limited and Madison Investments Private Limited.

## **Mr. H. N. Motiwalla, Director**

Mr. Motiwalla is a Chartered Accountant by profession and a highly respected professional in corporate India. He is a senior partner of H. N. Motiwalla & Co., Chartered Accountants. Mr. Motiwalla has expertise in the field of Accounting, Audit, Finance, Taxation, corporate governance and Company Law. He serves as a board member of diverse corporations including Hitech Plast Limited, Gujarat Organics Private Limited, Ashapura Minechem Limited, Siyaram Silk Mills Limited, LIC Nomura Mutual Fund Trustee Company Private Limited. He is also Chairman of Audit Committee of several listed companies. Mr. Motiwalla has been enriching Excel with his wisdom and expertise since 2002.



**Mr. Priyam S. Jhaveri, Director**

Mr. Jhaveri is an Industrialist with vast experience in Chemicals and Textile Auxiliary Industry. He has been a Director of Excel Industries Limited since October 28, 2002. Apart from serving as the Managing Director of Phthalo Colours & Chemicals (I) Limited, he also holds directorship in quite a few companies including Indian Extractions Limited and Sadhana Nitro Chem Limited. Mr. Jhaveri holds a B.Com degree from Bombay University and a Diploma in Business Management.

**Mr. R. N. Bhogale, Director**

Mr. Bhogale holds a Bachelor's degree in mechanical engineering and has a vast experience in auto components and kitchenware industries. He is an eminent industrialist and possesses versatile skills, experience and knowledge in the field of management and administration. He has been the President of Maharashtra Chamber of Commerce, Industry & Agriculture. Amongst others, he serves on the Board for Nirlep Appliances Limited.

**Mr. R. M. Pandia, Director**

Mr. Rajeev M Pandia is highly respected corporate professional in the Chemical Industry and is well known for his contribution to the Industry through various forums. He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India) as Vice Chairman and Managing Director from 1992 until December 2008. He was, thereafter, Group Adviser and Director of SI Group (Global Markets), USA. During 2013, he was appointed on a Committee to draft the National Chemical Policy for India by the Ministry of Chemicals and Fertilisers, Government of India. He has been associated for many years with high level audits in respect of EHS, Sustainability and Technology functions. He was appointed on the Jury of World Chemistry Awards 2015, a global recognition program for the international chemical industry, being the only member from Asia. As Consultant, he now advises several Indian and international companies in the areas of Strategy, Project Execution and Operational Excellence. He is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai, India and holds the Master's degree in the same field from Stanford University, California. He is a Director in GRP Limited, Supreme Industries Limited and Deepak Phenolic Limited. He is an independent director on the Board of the Company since 8th August, 2014.

**Mr. S. S. Vaidya, Director**

Mr. Shailesh Vaidya is a practicing Advocate and Solicitor. He is a partner in Messrs. Kanga and Company, a 125 year old and reputed law firm of Advocates & Solicitors. He was past President of Indian Merchants' Chamber (Premier Chamber of Commerce in Western India) for 2013-2014. He is managing committee member of Indian Merchants' Chamber, Bombay Incorporated Law Society and IMC International ADR Centre. He is a Director in several public limited companies, including Siyaram Silk Mills Limited, Apcotex Industries Limited and Premier Limited. He is an independent director on the Board of the Company since 8th August, 2014.

**Mr. M. B. Parekh, Director**

Mr. M B Parekh holds a post graduate degree in chemical engineering from University of Wisconsin, USA and he is an industrialist with rich experience in chemical industry and consumer products. He is the Executive Chairman of Pidilite Industries Limited and Chairman & Managing Director of Vinyl Chemicals (India) Limited and also holds directorship in several other companies including Fevicol Company Limited.

**Mr. R. K. Sood, Director**

Mr. R.K. Sood is a Nominee Director on the Board representing LIC of India. He is B.Com (Hons.) and presently working as Executive Director with LIC of India, Mumbai, and has vast experience in the field of management and administration.



# Corporate Social Responsibilities

Though the 2% of the average net profit of preceding 3 years was Rs. 59.02 lacs, the Company has spent Rs. 69.83 lacs on the Projects taken under CSR.

The Company has engaged itself in Sustainable Development Activities in various villages located in the vicinity of its manufacturing units, in the MIDC area of Dhatav, Roha, Dist. Raigad and Lote, Khed, Dist. Raigad. Both the districts are in Konkan region.

Though this region receives average rainfall of 120 inches in monsoon, almost all the villages have to struggle for water in summer. Farming is becoming economically unviable mainly because of high input cost and lower yields in crops. Unwilling to part away from traditional farming techniques, voluntary experimenting and adoption of new techniques is rarely seen. The young generation of farmers is quite apprehensive in adopting farming as a profession. Also, because of Social Cause, NO RESPECT to the Farming profession and NO DIGNITY in the society. Migration to cities (Mumbai preferred) for any job, is considered better option. Other livelihood options supplementary to agriculture, such as animal husbandry and dairy development, value addition by food processing, sheep rearing, fodder cultivation and marketing remain untapped.

The Schools here are far behind in educational infrastructural facilities and the quality of education as compared to their counterparts in the Cities. The Students remain UNAWARE & UN-EXPOSED to the developments which are complimentary to academic education and serve as a Natural feed to develop competitive edge.

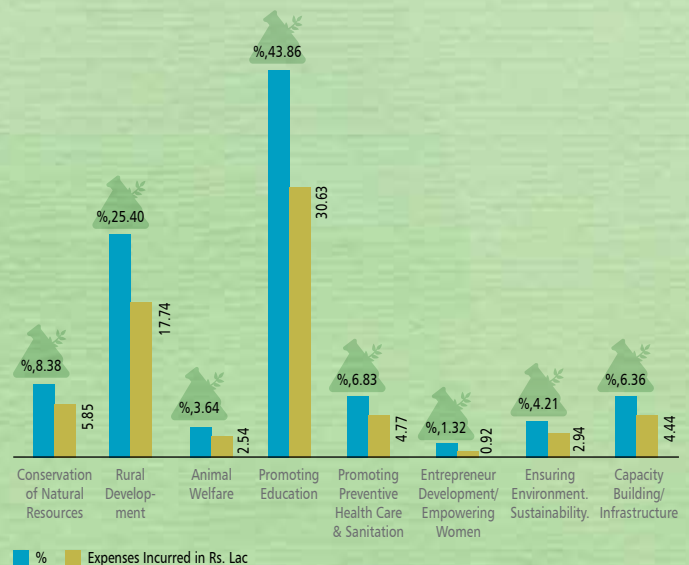
According to recent UN statistics, half of India's population does not have access to toilets, with the condition even more dismal in rural areas where around 60% of the population still defecates in the open. Poor and inadequate sanitation accounts for various health related issues causing economic and social losses.

The conditions here are not different. Though Government's drive has yielded in several villagers constructing toilets inside the house, lack of proper sanitation system and awareness on hygiene, results in health issues.

## The Company has focused on the following subjects mainly in the rural areas:

- Building water resources, which should be sufficient to cater domestic and agriculture requirement and for cattle;
- Improving agricultural outputs through appropriate modernisation and incorporating techniques which support conservation of Soil, Water and Air;
- Animal Husbandry as a ancillary income source;
- Preventive approach in Health and Sanitation;
- Promoting Education in interior rural regions through, extending support in developing infrastructure in schools, organising supplementary programs for students for their overall development, special coaching and Career Guidance to Xth standard students etc;
- Entrepreneurship and empowering women;
- Initiating and participating in activities for improving Environment with the focus on reducing green gases.

## Sector wise expenses are as shown:



## Conservation of Natural Resources



### Temporary Check Dams using sand, soil, loose boulders (Vanarai Bandhara):

Year 2015-16, a year of less rain fall causing draught in many districts of Maharashtra. Excel responded to the situation and initiated and supported in building 32 (Nos) temporary check dams (earthen/sand bags/loose boulders) in flowing rivers/rivulets/water bodies in the months of October/November. This created a storage of more than 3300 Cubic meter (33 lac litre) of water catering the domestic and agricultural requirement of about 6000 population and provided a drinking water for 3000 cattle of about 15 villages.



### Rejuvenation of Natural water bodies :

Constructing cement tanks for collecting, storage and for usage of water oozing from springs, cleaning of wells. On the appeal of Tahasildar, Chiplun, this project was completed. She visited the site and expressed satisfaction.



### Prevention of Salinity Ingress:

Repaired an earthen check dam near creek to prevent sea water entering in paddy farm land. Thus regaining about 90 acres of land owned by 60 farmers.

## Rural Development



Excel was invited to become a Private Partner to promote Rice and other cropping system with value chain, using a new technique, called Saguna Rice Technique -Developed by Krishi Bhushan Mr. Chandrashekhar Bhadsawle of Saguna Baug, Neral, Karjat. This is a low cost and high yield, zero tillage conservation agriculture technique. Prevention of Soil Erosion which is very high in traditional puddle method, carbon sequestration in Soil and no methane generation are other very significant advantages. More than 900 farmers from 10 districts were given training

and awareness about this technique. More than 500 farmers adopted the technique. About 50% savings in labour cost, 40% saving in time, about 80% reduction in drudgery and more than 30% increase in crop are some of the benefits gained by the farmers.

Mr. Deshmukh, Commissioner, Agriculture, Mr. Kolekar, Asst Com. and State Coordinator, Rice, inaugurating the training program, training to agriculture officers and farmers.





### Animal Welfare

Vaccination drive in consecutive 4th year has almost eliminated Foot and Mouth Disease. This year about 5000 cattle were subjected to vaccination. Healthy growth of newly bred calves born by artificial insemination using semen of a healthy bull and the mother cows was ensured by providing appropriate animal feed. Awareness on Quality animal feed and cooperative purchase has benefitted 12 milkmen, saved almost Rs. 2000/- per month on animal feed and could earn more because of increase in the milk output, 1 litre per day (Cow).



### Education

Conducting personality development programs for 160 students selected from about 15 schools located in interior parts is helping them in developing various skills such as Reading, Writing, memorising, stage daring, communication, team work etc. A special attention is also given to develop good healthy body through Yoga. Special coaching and guidance programs were conducted for X TH Std students, from 15 Schools.

Pradnya-Vikas : The beginning.  
Lighting Jnan Deep, Yoga, Surya Namaskar

Outdoor sports: Agility, Courage, competition and Team work

SAMUHA GAAN, Creativity, Observation skill, geometrical figures, Team work and Presentation, Art and Craft. Celebration

Meeting, Interviewing unknown person, knowing basics of business, surveying

Gunvatta Vikas : Science , Maths , other skills promotion:

Our Body, Chemistry made simple, Conducting simple experiments.

Stage daring, Visit to a Craftsman-learning skills, Knowing Environment Science.

Computer Training to VIII, IX students from schools.

A Set of Laboratory equipments for Chemistry, Physics and Biology is donated to 10 schools (One set each) with a tailor made fixed cupboard.

Mr. Sameer Shedje, President, Roha Nagar Parishad, Lighting the lamp

## Preventive Health Measures



Special drive was taken to check the Health status of Girls and women, especially checking Haemoglobin, Body Mass Index. About 1000 Girls/ women took the benefit. More than 60% of these were found having low Hb levels.

## Entrepreneur Development - Empowering Women



Cashew Processing training was given to 22 women. Provided interest free amounts (Rs. 35000/- each) to 3 women to start their own Cashew Processing activity. To promote Cashew Processing Entrepreneurship among Women, a Case Study was presented to 800 women in the Work Shop organised by Mahila Vikas Mahamandal. Officials from NABARD, ATMA, DIC and Banks to explain various Schemes.

### Cashew Processing Training

Visit to BAIF, Pune, Nursery by Bachat Gat



# Gujarat Ratna Award

Gujarat Ratna Award for Excellence in CSR presented to Excel Industries Limited, by Hon'ble Chief Minister of Gujarat Smt. Anandiben Patel. The award was received by Shri Janak D. Raval on behalf of the Company.





# Statutory Report & Financial Section



## NOTICE

NOTICE is hereby given that the **55<sup>th</sup> ANNUAL GENERAL MEETING** of the members of EXCEL INDUSTRIES LIMITED will be held at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020 on **Tuesday, the 26<sup>th</sup> July, 2016 at 3.00 p.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the **audited** standalone and consolidated **financial statements** of the Company for the financial year ended 31<sup>st</sup> March, 2016, together with the reports of the Board of Directors and Auditors thereon.
2. To declare a **Dividend** for the financial year ended 31<sup>st</sup> March, 2016, on Equity Shares of the Company.
3. To appoint a Director in place of **Mr Ravi A Shroff** (DIN 00033505), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider **ratification of appointment of Auditors** of the Company and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the appointment of M/s S R B C & CO. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 324982E), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the 56<sup>th</sup> annual general meeting of the Company at a remuneration as may be determined by the Board of Directors in consultation with the Auditors.”

### SPECIAL BUSINESS:

5. To consider continuation of appointment of **Mrs Usha A Shroff as Executive Vice-Chairperson** of the Company after attaining the age of seventy years and revision in her remuneration and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded for continuation of appointment of **Mrs Usha A Shroff** (DIN: 00020519) as Executive Vice-Chairperson of the Company up to 21<sup>st</sup> January, 2018, after attaining the age of seventy years and to revise her salary, perquisites and commission (collectively referred to as remuneration) as per the terms and conditions set out in the explanatory statement attached hereto, which terms and conditions are hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said continuation of appointment and remuneration in such manner as may be agreed between the Board of Directors and Mrs Usha A Shroff;

RESOLVED FURTHER THAT remuneration payable to Mrs Usha A Shroff shall not exceed the overall ceiling of the total managerial remuneration as prescribed under Section 197 of the Companies Act, 2013 or such other limit as may be prescribed from time to time;

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any of the Directors or Executives of the Company to give effect to the aforesaid resolution.”

6. To consider **material related party transactions** with Excel Crop Care Limited and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of Company be and is hereby accorded to all the material related party

transactions entered into and to be entered into during the financial year 2016-17, between the Company and Excel Crop Care Limited, a related party of the Company under Regulation 23 of the said Regulations, value of which transactions, in aggregate, is expected to exceed 10% of the annual consolidated turnover of the Company for the financial year 2015-16;

RESOLVED FURTHER THAT the Board of Directors (the "Board") and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds and things as may be deemed necessary, proper and desirable."

7. To ratify the remuneration of the **Cost Auditors** and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Cost Auditors M/s Kishore Bhatia & Associates (Firm Registration Number: 00294) for the financial year 2016-17 fixed at ₹ 3,20,000/- plus service tax and out-of-pocket expenses, by the Board of Directors at its meeting held on 27<sup>th</sup> May, 2016 be and is hereby approved and ratified."

8. To consider and approve to take on record **cessation of** Excel Crop Care Limited (ECCL) as a **promoter** or a part of the promoter group of the Company and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT consent of the members of the Company be and is hereby accorded to take on record cessation of Excel Crop Care Limited (ECCL) as the promoter or a part of the promoter group of the Company with effect from the date of transfer of 145760 equity shares by it (i.e., 2<sup>nd</sup> June, 2016) and the necessary changes be reflected in the books, records and financial statements of the Company in accordance with applicable laws, rules and regulations;

RESOLVED FURTHER THAT Mr Ashwin C Shroff, Chairman and Managing Director, Mr Ravi A Shroff, Executive Director and Mr. Surendra Singhvi, Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE, ONLY ON A POLL, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

Proxies submitted on behalf of limited companies, LLP, etc., must be supported by appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Pursuant to the provisions of Section 102 of the Companies Act, 2013, an explanatory statement relating to the special business to be transacted at the meeting is annexed hereto.
3. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Director retiring by rotation and being reappointed has been provided in the Corporate Governance Report forming part of this annual report.
4. The register of members and the share transfer books of the Company will remain closed from **Monday, the 18<sup>th</sup> July, 2016 to Tuesday, the 26<sup>th</sup> July, 2016** (both days inclusive).
5. Payment of dividend as recommended by the Directors, if declared at the meeting, will be made from **1<sup>st</sup> August, 2016** as follows: (a) to the Members holding shares in physical form and whose names appear in the Register of Members on the close of the day on **26<sup>th</sup> July, 2016**; and (b) to the Members holding shares in dematerialized form and whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on the close of business hours on **16<sup>th</sup> July, 2016**.



6. Payment of dividend will be made through National Electronic Clearing Service (NECS) by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and who wish to avail of NECS facility to receive dividend from the Company may furnish the information to Link Intime India Private Limited, the Registrars and Transfer Agents. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS mechanism.
7. All the documents referred to in this notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays, during 2.00 p.m. to 4.00 p.m. up to the date of the Annual General Meeting.
8. Members are requested to notify immediately any change in their communication address to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID Number and to Link Intime India Private Ltd, Company's Registrar & Share Transfer Agent, in respect of their holding in physical shares, quoting Folio No.
9. Electronic copy of annual report for 2015-16 is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the annual report for 2015-16 are being sent to them.
10. To support the green initiatives of the Government, members who have not registered their e-mail address so far are requested to register their e-mail address, in respect of their electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register their e-mail address with the Registrar of the Company i.e. M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078.
11. Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of seven years shall to be transferred to the Investor Education and Protection Fund.

The details of dividend paid for the financial year 2008-09 onwards are given below:

Date of Declaration	Dividend for the year	Dividend ₹/Per Share	Due date of the proposed transfer to the Investor Education & Protection Fund
24.08.2009	2008-09	0.50	29.09.2016
19.07.2010	2009-10	2.00	24.08.2017
22.07.2011	2010-11	3.75	27.08.2018
20.07.2012	2011-12	2.00	25.08.2019
26.07.2013	2012-13	3.00	31.08.2020
26.09.2014	2013-14	3.75	31.10.2021
31.10.2014	2014-15	3.00	05.11.2021
05.09.2015	2014-15	4.00	10.10.2022

Members who have not encashed the dividend warrants for the year 2008-2009 and/or any subsequent year(s) are requested to write to the Company for revalidation of dividend warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

## 12. Facility for voting:

- (A) In compliance with the provisions of section 108 of the Companies Act, 2013 read with the Rules made thereunder, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL).

- (B) The Company will also provide voting facility through ballot paper at the meeting. Members who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- (C) Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. **Instructions for remote e-voting:** Following are the instructions for remote e-voting for members receiving an e-mail or a physical copy of this notice of Annual General Meeting:
- The voting period begins on **Saturday, the 23<sup>rd</sup> July, 2016 at 9.00 a.m. and ends on Monday, the 25<sup>th</sup> July, 2016 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **20<sup>th</sup> July, 2016**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website **www.evotingindia.com**.
  - Click on Shareholders
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in physical form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (d).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (j) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the Company 'Excel Industries Limited'.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Shareholders can also their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (s) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Mr Prashant Diwan, Practising Company Secretary, (Membership No. FCS 1403), has been appointed as the Scrutinizer to scrutinize the remote e-voting process to be conducted for the Annual General Meeting, in a fair and transparent manner.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Wednesday, 20<sup>th</sup> July, 2016**.

The Scrutinizer shall unblock the remote e-voting facility at the end of the remote e-voting period, in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or person authorized by him in writing.

The Chairman or the person authorized by him in writing shall declare the result of the voting on or before 28<sup>th</sup> July, 2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **[www.excelind.co.in](http://www.excelind.co.in)** and on the website of CDSL immediately after the result is declared and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

## REQUEST TO THE MEMBERS

1. Members are requested to bring their attendance slip.
2. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates to the Company Secretary or to the Registrar and Transfer Agent, M/s Link Intime India Private Limited for consolidation of such folios into one to facilitate better services.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Registered Office:

184-87, Swami Vivekanand Road,  
Jogeshwari (W),  
Mumbai-400 102.

Mumbai, 5<sup>th</sup> June, 2016

### Route Map to the venue of the AGM





**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5**

Mrs Usha A Shroff was appointed as Executive Vice Chairperson of the Company for a period of 5 years with effect from 22<sup>nd</sup> January, 2013, by the members of the Company through an ordinary resolution, on a remuneration including a monthly salary in the scale of ₹ 2,15,000 - ₹ 2,95,000.

Mrs Usha A Shroff will attain the age of 70 years on 28<sup>th</sup> March, 2017, therefore, approval of the members by way of Special Resolution for continuation of her appointment under Section 196(3) of the Companies Act, 2013 is required. Mrs Usha A Shroff is post graduate in commerce and has rich experience of working with the Company since 1968. Considering her vast experience in the industry and involvement in the affairs of the Company for a long period of time it would be in the interest of the Company to continue her appointment as Executive Vice Chairperson of the Company.

The Board of Directors at their meeting held on 27.05.2016, on the recommendations of the Nomination and Remuneration Committee and subject to approval of the members, has approved the proposal for continuation of appointment of Mrs Usha A Shroff (DIN: 00020519) as Executive Vice-Chairperson of the Company after attaining the age of seventy years and revision in remuneration payable to her on following terms and conditions:

**I. SALARY**

₹ 2,95,000/- per month in the revised scale of ₹ 2,15,000/- - ₹ 3,35,000/- per month.

The annual increment will be effective from 22<sup>nd</sup> January every year and will be decided by the Board of Directors.

**II. PERQUISITES**

- (a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement, leave travel concession for herself and her family, club fees, medical insurance and such other perquisites as may be agreed to by the Board of Directors and Mrs Usha A Shroff, shall be paid in accordance with the rules of the Company and value of such perquisites for each financial year shall not exceed the amount of her annual salary.

For the purpose of calculating the above value of the perquisites, they shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, the perquisites shall be evaluated at actual cost.

Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the total value of the perquisites.

- (b) Company's contribution to provident fund, superannuation or annuity fund, gratuity payable as per the Rules of the Company, and encashment of leave at the end of her tenure as per the rules of the Company applicable to senior executives shall not be included in the computation of the total value of the perquisites as aforesaid.

**III. COMMISSION**

A sum calculated with reference to the net profits of the Company in a particular financial year, as may be decided by the Board of Directors, not exceeding 24 months of her salary, shall be paid within the overall ceilings stipulated as per the provisions of the Companies Act, 2013.

**IV. MINIMUM REMUNERATION**

If in any financial year, during the currency of her tenure, the Company has no profits or its profits are inadequate, then in such an event, subject to the approval of the Central Government as may be required, the remuneration by way of salary and perquisites as specified in paragraphs I and II above will be paid as minimum remuneration.

## V. OTHER TERMS

- (a) Leave: On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service shall be provided.
- (b) Reimbursement of entertainment, travelling, hotel and other expenses actually incurred by her in performance of duties shall be paid.
- (c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (d) The Directorship of Mrs Usha A Shroff shall not be liable to retire by rotation.
- (e) In the event of any dispute or difference arising at any time between Mrs Usha A Shroff and the Company in respect of the terms of her appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The terms for revision in remuneration proposed above are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the Act.

All other existing terms and conditions of her appointment shall remain unchanged.

Upon approval of the members, the Agreement for contract of service executed with Mrs Usha A Shroff shall be revised to give effect to the resolution under item number 5. The draft of the proposed revised agreement is available at the registered office of the Company and shall remain opened for inspection by the members on all working days between 2.00 p.m. and 4.00 p.m. except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.

Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors appointed/re-appointed is provided in the Corporate Governance Report forming part of this annual report.

Mrs Usha A Shroff is relative of Mr Ashwin C Shroff and Mr Ravi A Shroff.

Mr Ashwin C Shroff and Mr Ravi A Shroff are interested in this resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolution for approval of the members.

### Item No. 6

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires shareholders' approval by an ordinary resolution for all the material related party transactions. Related party transactions are considered material if the transaction(s) to be entered together with previous transactions already entered during a financial year exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

The proposed related party transactions of the Company together with the transactions already entered into during the financial year 2016-17 with Excel Crop Care Limited (ECCL), a related party of the Company under Regulation 23 of the said Regulations, is expected to exceed 10% of the annual consolidated turnover of the Company for the last financial year 2015-16. It is, therefore, proposed to obtain approval of the members by an ordinary resolution for all the related party transactions entered into and to be entered into with ECCL during the financial year 2016-17.

The Audit Committee of the Directors has accorded omnibus prior approval to all the related party transactions entered into and to be entered into with ECCL, during the year 2016-17.

The transactions entered into and to be entered into by the Company with ECCL are/would be in the ordinary course of business and at an arms' length. Pursuant Regulation 23 of the said Regulations, all entities falling under the category of 'related parties' (as defined therein) shall abstain from voting in respect of the resolution at Item No. 6 of the Notice, irrespective of whether the related party is a party to the particular transaction or not.

List of the related party transactions entered into and to be entered into during the financial year 2016-17 with ECCL is available for inspection by the members at the registered office of the Company on all working days between 2.00 p.m. and 4.00 p.m.



except Saturdays, Sundays and public holidays up to the date of the annual general meeting. The List is also posted on the Company's website <http://www.excelind.co.in>.

Except Mr Ashwin C Shroff, Mrs Usha A Shroff, Mr Dipesh K Shroff, Mr Atul G Shroff and Mr Ravi A Shroff, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Shareholding interest of the Director, Promoter and Key Managerial Personnel exceeding 2% of the total share capital of ECCL is as under:

Name of Entity	% of shareholding
Utkarsh Global Holdings Private Limited	42.41%

The Company holds 245760 shares in ECCL which constitutes 1.96% of their total share capital.

The Board commends the resolution for approval of the members.

#### Item No. 7

The Board of Directors at its meeting held on 27<sup>th</sup> May, 2016 appointed M/s Kishore Bhatia & Associates, practicing cost accountants, as Cost Auditors of the Company, in term of section 148 of the Companies Act, 2013 and fixed a sum of ₹ 3,20,000/- as remuneration payable for the financial year 2016-17.

The remuneration, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company, as per the requirements of the Companies (Audit and Auditors) Rules, 2014, read with the Section 148(3) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolution for approval of the members.

#### Item No. 8

Excel Crop Care Limited (ECCL) has sold entire shareholding of 145760 equity shares held by it in the Company on 2<sup>nd</sup> June, 2016, and as a result, it has ceased to be the promoter or a part of the promoter group of the Company with effect from the date of transfer of shares. Accordingly, a resolution from the members has been sought to take on record that with effect from the date of transfer of shares i.e. 2<sup>nd</sup> June, 2016, ECCL has ceased to be the promoter or a part of the promoter group of the Company.

The Board commends the resolution for approval of the members.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Registered Office:

184-87, Swami Vivekanand Road,  
Jogeshwari (W),  
Mumbai-400 102.

Mumbai, 5<sup>th</sup> June, 2016

## DIRECTORS' REPORT

To,  
The Members,  
Excel Industries Limited

Your Directors are pleased to present herewith the 55<sup>th</sup> Annual Report on the business and operations of your Company and the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 together with the Auditors Report thereon.

### KEY FINANCIAL HIGHLIGHTS

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

₹/Lacs

	2015-16		2014-15	
Gross Profit for the year	<b>5194.77</b>		6499.23	
Less: Depreciation/Amortization	<b>1539.49</b>		1469.90	
Profit before Tax	<b>3655.28</b>	<b>3655.28</b>	5029.33	5029.33
<b>Provision for Taxation:</b>				
Current Tax	<b>(900.00)</b>		(1239.15)	
Adjustment of tax related to earlier year			655.12	
Deferred Tax	<b>(235.72)</b>	<b>(1135.72)</b>	(388.87)	(972.90)
Profit After Tax		<b>2519.56</b>		4056.43
<b>Add:</b>				
Balance brought forward from the previous year		<b>2137.10</b>		1314.29
Balance available for Appropriation		<b>4656.66</b>		5370.72
<b>Appropriations:</b>				
Adjustment to depreciation	—		267.85	
Interim Dividend	—		327.17	
Tax on Interim Dividend	—		65.42	
Proposed Final Dividend	<b>565.68</b>		476.23	
Tax on Dividend	<b>115.16</b>		96.95	
Transfer to General Reserve	<b>2000.00</b>		2000.00	
		<b>2680.84</b>		3233.62
<b>Carried forward to next year</b>		<b>1975.82</b>		2137.10

### DIVIDEND

Your Directors have recommended a dividend of ₹ 4.50 (90%) per equity share of Face Value of ₹ 5/- each as against the total dividend of ₹ 7.00 (140%) (Interim dividend ₹ 3/- and Final dividend ₹ 4/-) paid for the previous financial year 2014-15. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

### AMOUNT TRANSFERRED TO RESERVE

Your Company proposes to transfer ₹ 20.00 crores to the general reserve, and an amount of ₹ 19.76 crores is proposed to be retained in the Statement of Profit and Loss Account.

### OPERATIONS

During the year under review, the total net sales decreased from ₹ 476.25 crores to ₹ 443.09 crores, registering a decline of 6.96%. The export sales increased from ₹ 78.00 crores to ₹ 93.13 crores registering an increase of 19.40%. Further, the Company made a profit of ₹ 36.55 crores before taxation compared to ₹ 50.29 crores in the previous year. Net profit after tax amounted to ₹ 25.20 crores as compared to ₹ 40.56 crores in the previous year registering decline of 37.87%.





## NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The Company is planning expansion of Organophosphonates and Acetyl Chloride production capacity in the current year. At the Roha Plant, we are in the process of constructing a facility for production of an Organophosphorous (OP) Insecticide on campaign basis. Also, at Roha Site, during the year 2016-17, we will be undertaking civil and structural work for a multi-purpose plant.

For Lote Plant, we have plans to add a new API production facility. This will help in commercial launch of new APIs and expanding our API product range.

## OUTLOOK

All the major weather forecasting agencies have predicted good monsoon during the current year. We are already seeing a pickup in demand from our customers for organophosphorous intermediates produced by us, in anticipation of a good monsoon. Further, after a prolonged period of depressed demand, some movement is seen in the Brazilian market (which is a major market for OP insecticides from India). This will mean an increased demand for OP Insecticide intermediates which is favourable for the company.

We see continued price pressure on the Organophosphonate range of products. However, there is a possibility of increased demand at improved price realizations from the US market (because of the likelihood of imposition of anti-dumping duty on imports from China).

The company has been able to establish its reputation as a serious player in the Pharma Intermediate and API business. Presently, the Company is the market leader in India for one of the APIs produced by it. It is planned to leverage this strength by further product introductions.

## HUMAN RESOURCES

Your company believes that human talent is its fundamental strength. The Company nurtures competencies and skills through learning and development programmes and recognizes talent, and rewards it through performance management system.

Performance management system ensures setting of KRAs in the beginning of the Financial Year and periodic and annual assessment of performance on the defined KRAs. For setting KRAs, Business Unit's KRAs are first established and then percolated down to the departmental and finally to individual KRAs.

Your company has generally enjoyed cordial relations with its employees. Worker and staff employees are paid in accordance with the wage agreement established with trade unions.

The employee strength of the Company as on 31<sup>st</sup> March, 2016 was 912.

## ENVIRONMENT, HEALTH AND SAFETY

The company accords the highest importance to Environment, Health and Safety (EHS). Continuous investment in infrastructure, skill building and systems is done to ensure that the EHS of the company is maintained at the highest standards.

## QUALITY

The Management of the Company is quality conscious and attaches utmost importance to the quality of the products. The Company continues to maintain industry-best standards in managing the quality of its products and services and has received appreciation and awards from its customers.

## INSURANCE

The Company continues to carry adequate insurance cover for all its assets against foreseeable perils like fire, flood, earthquake, fidelity etc. The Company continues to maintain consequential Loss (Fire) Policy and the Liability Policy as per the provisions of Public Liability Act. The Company has also taken a policy for Directors and Officers Responsibility Policy.

## PUBLIC DEPOSITS

Details of deposits, covered under Chapter V of the Act are as under:

- (a) The Company stopped accepting and renewing the fixed deposits with effect from 1<sup>st</sup> April, 2014, and it will refund all the existing fixed deposits as per their maturity dates.
- (b) The amount of existing deposits from the public and the shareholders of the Company at the end of the FY 2015-16 aggregates to ₹ 261.38 lacs.

Total 64 Depositor holders did not claim their deposits after the date on which the deposits became due for payment. The amount due on such deposits and remaining unclaimed as on 31<sup>st</sup> March, 2016, was ₹ 22.22 lacs.

- (c) There has been no default in repayment of deposits or payment of interest thereon during the year under review.
- (d) All existing deposits of the Company are in compliance with the requirements of Chapter V of the Act.

### PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS

The Company in the financial year 2013-14 had issued and allotted 20,00,000 fully convertible warrants of the face value of ₹ 69/- each on preferential basis aggregating to ₹ 1380 lacs to Utkarsh Global Holdings Private Limited, a promoter group company pursuant to special resolution passed in the Extraordinary General Meeting held on 15<sup>th</sup> March, 2014, in compliance with Section 81 (1A) of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009.

Each such warrant was convertible at the option of the holder of the warrants into one equity share of ₹ 5/- each of the Company at a premium of ₹ 64/- per equity share. The Company had received ₹ 345 lacs being 25% of consideration of the warrant at the time of allotment on warrants and balance 75% i.e. ₹ 1035 lacs was received before each tranche of conversion of warrants.

During the year, Company has issued and allotted 10,00,000 equity shares to Utkarsh Global Holdings Private Limited by conversion of 10,00,000 convertible warrants. Details of warrants converted during the year 2015-16 and in the year 2014-15 are as under:

Year of Allotment	Date of conversion of warrants	No. of equity shares allotted upon conversion of warrants
2014-15	15.12.2014	10,00,000
2015-16	24.07.2015	8,25,000
2015-16	24.09.2015	1,75,000
	<b>Total</b>	<b>20,00,000</b>

The proceeds from the preferential issue have been utilized for the purpose for which it was raised.

### BUYBACK

The Board of Directors at its meeting held on 28<sup>th</sup> March, 2016 had approved buyback of equity shares of ₹ 5/- each of the Company at a price not exceeding ₹ 275/- for each share. The maximum amount earmarked for buyback was ₹ 18 crores. Public Announcement for buyback was published in the newspapers on 6<sup>th</sup> April, 2016. The Company after receiving all necessary approvals commenced the Buyback of equity shares from 18<sup>th</sup> April, 2016, from open market through stock exchange route.

The Company after utilizing more than 50% amount of Maximum Buyback Size closed the Buyback Offer on 30.05.2016 in compliance with Buyback Regulations. The Company bought back 3,34,938 equity shares utilizing ₹ 9,11,75,393.70 under the Buyback offer. As a result of the Buyback total equity shares of the Company has reduced from 1,29,05,630 to 1,25,70,692 and consequently, promoters' shareholding has increased from 51.02% to 52.38%.

### EXCEL CROP CARE LIMITED CEASES TO BE THE PROMOTER

Excel Crop Care Limited, one of the promoter of the Company held 1,45,760 equity shares in the Company. Excel Crop Care Limited has sold entire 1,45,760 equity shares of the Company to another promoter Dipkanti Investments and Financing Private Limited on 2<sup>nd</sup> June, 2016, as a result Excel Crop Care Limited has ceased to be a promoter of the Company and is classified as non-promoter.

### EXECUTION OF SHARE PURCHASE AGREEMENT

Promoters and Promoter Group of Excel Crop Care Limited (ECCL) hold 2720501 equity shares in aggregate in ECCL. The Company and its wholly owned subsidiary Kamaljiyot Investments Limited are a part of the Promoters and Promoter Group of ECCL and hold 245760 shares and 218510 shares respectively in ECCL. The promoters of ECCL have decided to sell their stake in ECCL to Sumitomo Chemical Company, Limited, Japan.

Pursuant to the resolutions passed by the Board of Directors of the Company and Kamaljiyot Investments Limited in their meetings held on 5<sup>th</sup> June, 2016, the Company and Kamaljiyot Investments Limited have executed the Share Purchase Agreement for the sale of the Equity Shares held by them in ECCL to Sumitomo Chemical Company, Limited, Japan, at a price of ₹ 1259.36 per share subject to specified adjustments at completion and fulfilment of certain conditions precedent specified therein.



## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, your Company made a loan of ₹ 3 crores to Kamlijoyt Investments Limited, a wholly owned subsidiary, at an interest of 12.5% p.a. which is repayable within a period of twelve months. Your Company has not provided any Guarantees or made any Investments during the financial year 2015-16.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has two subsidiaries namely, Kamalijoyt Investments Limited and Excel Bio Resource Limited. Also, the Company has one Associate company namely, MobiTrash Recycle Ventures Private Limited.

The salient features of the financial statements of the subsidiaries and the Associate as required under Section 129(3) of the Companies Act, 2013 are furnished in Form AOC-I as **Annexure I**, forming part of this Report.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link <http://excelind.co.in/companyPolicies.html>.

The financial statements of the subsidiary companies are not attached with this Annual Report. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same in accordance with Section 136 of the Companies Act, 2013. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and are also available on the Company's website: <http://excelind.co.in/annualReports.html>. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies and its associate company.

## NUMBER OF MEETINGS OF THE BOARD

During the FY 2015-16 seven meetings of the Board of Directors were held, details of the meetings held are provided in the Corporate Governance Report forming part of this annual report.

## APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr Ravi A Shroff, Director of the Company, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. The brief resume of the Director and other related information is provided in the Corporate Governance Report forming part of this Annual Report. Your Director recommend his re-appointment as Director.

## NOMINATION AND REMUNERATION POLICY

On recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on Friday, 30<sup>th</sup> January, 2015 has approved a Nomination and Remuneration Policy for the appointment and remuneration of the directors, key managerial personnel (KMP) and other employees.

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

The Policy, *inter-alia*, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

As per the Policy, the remuneration/compensation to whole time Directors shall be recommended by the Nomination and Remuneration Committee to the Board for its approval. However, the remuneration/compensation to whole-time Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. Further, the Non-Executive Directors shall be entitled to the fees for attending meetings of Board and Committees, and also to the commission within the overall limit prescribed in the Companies Act, 2013.

The Nomination and Remuneration Policy is available on the Company's website <http://excelind.co.in/companyPolicies.html>.

Particulars of the Company's Remuneration Policy and information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and particulars of remuneration required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/Employees of the Company are set out in **Annexure II**, forming part of this Report.

## EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation of the Board, its Committees and individual Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a formal annual evaluation of its own performance and that of its Committees and individual Directors. The evaluation of each of the directors was done, *inter-alia*, on the basis of their advisory role and contribution in the decision making. Further, the evaluation of the Board as a whole and all the Committees of the Directors was done, *inter-alia*, on the basis of the overall directions and guidance provided to the senior executives and supervision over their performance.

### INDEPENDENT DIRECTOR

#### (i) Declaration from Independent Directors

The Board has received declaration 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### (ii) Criteria for Performance Evaluation

Nomination and Remuneration Committee has laid down various criteria for performance evaluation of Independent Directors which, *inter-alia*, includes preparedness and attendance at the meetings, understanding of Company's operations and business and contribution at Board Meetings.

#### (iii) Details of Familiarization Programme

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link <http://excelind.co.in/companyPolicies.html>

### RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into during the financial year 2015-16 were at an arm's length and in ordinary course of business.

The details of material transactions with related party are provided in Form AOC 2 as **Annexure III**, forming part of this Report.

All related party transactions as required under Accounting Standards 18 have been reported in the Notes to financial statements of the Company.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://excelind.co.in/companyPolicies.html>.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has framed "Whistle Blower Policy" for Directors and employees of the Company for reporting the genuine concerns or grievances or cases of actual or suspected, fraud or violation of the Company's code of conduct and ethics policy. The Whistle Blower Policy of the Company is available on the Company's website <http://excelind.co.in/companyPolicies.html>.

### CORPORATE SOCIAL RESPONSIBILITY

The Company firmly believes that the industry owes duty of welfare to the society at large and it shall pursue the commitment of Social Responsibility and carry out the social work directly and/or through other registered welfare organizations.

The Company's policy on Corporate Social Responsibility (CSR) states various CSR activities that the Company could undertake to discharge its responsibilities towards the society.

In the FY 2015-16, the Company has undertaken various CSR activities at Roha, Lote, Mumbai, Kutch and Thane. The CSR activities include water harvesting, rural development, promotion of education, animal welfare, women empowerment, entrepreneurship development, Swatchha Bharat/Sanitation programme and protection of environment.

For the year ended 31<sup>st</sup> March, 2016, the Company has spent ₹ 69.83 Lacs on aforesaid CSR activities directly or through other registered welfare organizations like Shri Vivekanand Research & Training Institute, Samarth Gram Vikas Trust, Bhartiya Vidya Bhavan, etc.



Details on CSR spending as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out in **Annexure IV**, forming part of this Report.

## RISK MANAGEMENT

Your Company has voluntarily constituted a Risk Management Committee to formulate a policy for risk management for implementing and monitoring the risk management plan of the Company.

The risk management committee is composed of three Directors including two independent Directors and one senior executive of the Company.

Your Company recognizes that the risk is an integral part of business and is committed to managing the risks in proactive and efficient manner. Your Company periodically assesses the risks in the internal and external environment along with the treating the risks and incorporates risk management plants in its strategy, business and operational plans.

Your Company, through its risk management process strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

## AUDIT COMMITTEE

The Audit Committee of Directors comprises of Mr H N Motiwala (Chairman of the Committee), Mr P S Jhaveri, Mr R N Bhogale and Mrs Usha A Shroff. All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors of the Company. The terms of reference and other details of the Audit Committee are available in the Corporate Governance Report forming part of this annual report.

## STATUTORY AUDITORS

M/s S R B C & CO. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 324982E/E300003) was appointed as the Statutory Auditors of the Company for a term of three consecutive years commencing from the conclusion of the 53<sup>rd</sup> Annual General Meeting of the Company till the conclusion of the 56<sup>th</sup> AGM subject to ratification by the Members at every Annual General Meeting. Necessary resolution for ratification of appointment of the Auditors is set out in the Notice of AGM for seeking approval of the members.

## SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board has appointed, Mr. Prashant Diwan, Practising Company Secretary as the Secretarial Auditor of the Company for the year 2015-16 to conduct the Secretarial Audit of the Company. The Secretarial Audit Report of the Company issued by Mr. Prashant Diwan for the financial year ended 31<sup>st</sup> March, 2016 is attached with this Report as **Annexure V**.

## COST AUDITORS

The Board of Directors at their meeting held on 30<sup>th</sup> July, 2015 has appointed M/s Kishore Bhatia & Associates (Firm Registration No. 00294), Practicing Cost Accountants, as the Cost Auditors of the Company for the financial year 2015-16 for all the applicable products of the Company. The Cost Audit Report for the year ended 31.03.2015 which was required to be filed with the Ministry of Corporate Affairs on or before 10.10.2015, was filed on 08.10.2015.

## CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. Your Company continues to follow the principles of good Corporate Governance and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis and Corporate Governance Report together with Auditors' Certificate thereon forms part of this Report.

## EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, extract of Annual Return in Form MGT 9 is set out in **Annexure VI**, forming part of this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy and technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out in **Annexure VII**, forming part of this Report.

## **MATERIAL ORDERS PASSED BY THE REGULATORY AUTHORITIES OR COURT/MATERIAL CHANGES OR COMMITMENTS**

There are no significant material order passed by the regulators/courts which can impact the going concern status of the Company and its future operations. There are no material changes or commitments occurring after 31<sup>st</sup> March, 2016 which may affect the financial position of the Company.

## **INTERNAL FINANCIAL CONTROLS**

The Company has adequate systems of internal financial controls to safeguard and protect its assets from unauthorized use or misappropriation. All the financial transactions are properly authorized, recorded and reported to the Management. The Company follows all the applicable Accounting Standards for proper maintenance of books of accounts for financial reporting.

## **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, the Board of Directors hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they 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 profit and loss of the Company for that period;
- (c) they have 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) they have prepared the annual accounts on a going concern basis; and
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE**

The reports of Statutory Auditor and Secretarial Auditor are free from any qualification, reservation or adverse remark or disclaimer.

## **ACKNOWLEDGEMENTS**

Your Directors acknowledge with gratitude the support and co-operation received from the Shareholders, Government Authorities, Bankers, Investors, Customers and Suppliers.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

## ANNEXURE I TO DIRECTORS' REPORT

### 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

Sr. No.	Particulars	Name of the Subsidiary	
		Kamaljiyot Investments Limited	Excel Bio Resources Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA	NA
3.	Share capital	19,998,200	5,100,000
4.	Reserves and Surplus	33,810,032	1,544,052
5.	Total Assets	167,943,616	6,751,302
6.	Total Liabilities	11,413,584	107,250
7.	Investments	155,351,068	19,990
8.	Turnover	8,951,912	993,062
9.	Profit before taxation	8,732,158	662,499
10.	Provision for taxation	440,000	428,334
11.	Profit after taxation	8,292,158	234,165
12.	Proposed Dividend	Nil	Nil
13.	% of shareholding	100%	100%

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai



**ANNEXURE I TO DIRECTORS' REPORT****Form AOC 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part B - Associates and Joint Ventures**

<b>Sr. No.</b>	<b>Name of Associates / Joint Ventures</b>	<b>MobiTrash Recycle Ventures Private Limited</b>
1.	Latest Balance Sheet date	31.03.16
2.	Share of Associate / Joint ventures held by the Company on the year end	
	(a) No. of shares held	N.A.
	(b) Amount of Investment in Associates / Joint Venture	—
	(c) Extent of Holding %	39.98
3.	Description of how there is significant influence	Shares held by subsidiaries
4.	Reason why associate / joint venture is not consolidated	N.A.
5.	Networth attributable to Shareholding as per latest Balance Sheet	(477,340)
6.	Profit / (Loss) for the year	
	i. Considered in Consolidation	(577,340)
	ii. Not considered in Consolidation	—

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

## ANNEXURE II TO DIRECTORS' REPORT

### Disclosure required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Ratio of the remuneration of each director to the median remuneration of the employees for the FY 2015-16 and percentage increase in the remuneration of each director in the FY 2015-16:**

Name of Directors	Designation	Ratio of remuneration of the Director to the median remuneration	% increase in Remuneration
Ashwin C. Shroff	Chairman & Managing Director	27.96	-6.22
Usha. A. Shroff	Executive Vice Chairperson	23.64	-12.73
Ravi A. Shroff	Executive Director	16.07	*
Dipesh K. Shroff	Non Executive Director	1.10	8.67
Atul G. Shroff	Non Executive Director	0.73	21.95
R. K. Sood	Nominee Director	0.93	*
H. N. Motiwalla	Independent Director	2.29	14.06
R. N. Bhogale	Independent Director	2.05	17.75
M. B. Parekh	Independent Director	0.98	33.65
P.S. Jhaveri	Independent Director	1.85	18.82
S. S. Vaidya	Independent Director	0.88	*
R. M. Pandia	Independent Director	1.17	*

\* Percentage increase in remuneration is not comparable as they were holding directorship for the part of the FY 2014-15, hence not reported.

- Percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the FY 2015-16:**

Name	Designation	% increase in Remuneration
K. D. Dabholkar	Chief Financial Officer	3.25%
S. K. Singhvi	Company Secretary	23.47%

Notes:

- Remuneration includes commission paid to all Directors and sitting fees paid to Non-Executive Directors.
- Commission to the Non-Executive Directors pertains to the FY 2014-15, which has been paid in the FY 2015-16.
- The median remuneration of employees of the Company has been increased by 3.27% in the FY 2015-16 over the median remuneration of employees of the Company in FY 2014-15.**
- There were 912 permanent employees on the rolls of the Company at the end of the FY 2015-16.**
- Explanation on the relationship between average increase in remuneration of all employees and Companies performance**

The increase in average remuneration of all employees in the FY 2015-16 as compared to the FY 2014-15 was 3.27%.

The Indices of the Company's performance are:

(₹ in Lacs)

	2015 -16	2014-15	Growth (%)
Net revenue from operations	44,813.27	48,155.66	-6.94
Profit before tax	3,655.28	5,029.33	-27.32
Profit after Tax	2,519.56	4,056.43	-37.89

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also considers external factors like cost of living.

There is a positive correlation in the increase in the remuneration and your company's performance.

6. **Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company**

The remuneration of KMP has increased by about 18.23% in the FY 2015-16, compared to FY 2014-15, where as profit before tax has decreased by 27.32% in FY 2015-16, compared to FY 2014-15.

7. **Details of Share Price and market Capitalization**

a. Variation in Market capitalization and price earning ratio

	As at 31/03/2016	As at 31/03/2015	Increase/ (decrease) %
Market capitalization	28018.12 lacs	33442.91 Lacs	(16.22)
Price earning ratio	10.83	7.76	39.56

b. Comparison of share price at the time of first public offer and market price of the share on 31.03.2016

The first public offer of the Company was at par i.e. ₹ 10/- per share in the year 1971 as against the market price of the shares of the face value of ₹ 5/- per share of the Company on 31/03/2016 was ₹ 217.10 registering a growth of 4342%.

Note: Market rate recorded with BSE at the closing of the day is taken into consideration.

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.**

The average increase in the salary of the employees other than the **managerial personnel** in FY 2015-16 is 3.57% and increase in the salary of managerial personnel is 18.23%.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per market trend.

9. **Comparison of each remuneration of the Key Managerial Personnel (KMP) against the performance of the Company**

Name of KMP	Designation	% increase in remuneration	% increase in Net profit before tax	% increase in Net revenue from operations
A C Shroff	Chairman and Managing Director	-6.22	-27.32	-6.94
K D Dabholkar	Chief Financial Officer	3.25	-27.32	-6.94
S K Singhvi	Company Secretary	23.47	-27.32	-6.94



**10. Key parameters for any variable component of remuneration availed by the directors**

Commission is the only variable component of remuneration availed by the directors.

**11. 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**

None of the employees has received remuneration in excess of the highest paid director during the FY 2015-16.

**12. Affirmation that the remuneration is as per the remuneration policy of the Company**

Remuneration paid to Directors, KMP and other employees is as per the remuneration policy of the Company.

**13. List of employees of the Company drawing salary not less than ₹ 60 lacs p.a. or ₹ 5 lacs p.m. during the financial year 2015-16**

Name	Designation	Remuneration ₹	Qualifications	Experience (years)	Joining Date	Age (Years)	Last Employment
Ashwin C Shroff	Chairman & Managing Director	1,14,62,116	B.Sc.	50	01.09.1965	71	—
Usha A Shroff	Executive Vice Chairperson	96,93,237	M.Com	48	01.11.1968	69	—
Ravi A Shroff	Executive Director	65,87,636	Post graduate in Chemistry	13	03.09.2014	38	Anshul Specialty Molecules Private Limited

Notes:

1. Remuneration mentioned above includes salary, allowances, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund but does not include contribution/provision towards Gratuity Fund.
2. The employment of Mr A C Shroff, Mrs U A Shroff and Mr R A Shroff is contractual. The period of employment in respect of Mr A C Shroff, Mrs U A Shroff and Mr R A Shroff is five years.
3. None of the employees is related to each other except Mr A C Shroff, Mrs U A Shroff and Mr R A Shroff.
4. None of the employees mentioned above holds more than 2% of the share of the Company, along with their spouse and dependent children.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

**ANNEXURE III TO DIRECTORS' REPORT****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Name(s) of the related party and nature of relationship	<b>NIL</b>
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Excel Crop Care Limited Group Company
Nature of contracts/arrangements/transactions	Purchase and sale of goods, services and other transactions
Duration of the contracts/arrangements/transactions	Periodical
Salient terms of the contracts or arrangements or transactions including the value, if any	Aggregate value of contract for the year 2015-16 is ₹ 4494.51 Lacs
Date(s) of approval by the Board, if any	N.A.
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

## ANNEXURE IV TO DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility (CSR) Activities of the Company for the financial year 2015-16

- Excel believes that the industry seeks a license to exist from the community around it. Hence, it shall pursue the commitment of Corporate Social Responsibility and carry out the welfare work directly and/or through other committed organizations. Excel's CSR Policy focuses on following key areas for carrying out its social responsibility:

Rural development

Environment

Natural Resources Management

Promotion of Education

Capacity building

Preventive health care

Animal welfare

Entrepreneurship Development/Empowering Women

The company's CSR Policy is available at <http://excelind.co.in/companyPolicies.html>

- The CSR Committee consist of:  
Mr Ashwin C Shroff, Chairman  
Mrs Usha A Shroff, Member  
Mr R N Bhogale, Member  
Mr M B Parekh, Member  
Mr R M Pandia, Member
- Average net profit of the company calculate as per Section 198 for the last three FY preceeding 31<sup>st</sup> March, 2016 is **₹ 2950.84 Lacs**
- CSR expenditure prescribed under Section 135 of the Companies Act, 2013 for the FY 2015-16 is **₹ 59.02 Lacs**
- (a) The total amount spent by the company on CSR activities in FY 2015-16 is **₹ 69.83 Lacs**  
(b) Amount unspent, if any: **N.A.**  
(c) Manner in which the total amount spent by the company on CSR activities in FY 2015-16 is detailed below:

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
1.	1.1	Desilting was done in the catchment area of a permanent Check Dam. Result - Maintained original 18000 m3 water storage and Generated additional 1200 m3 water storage. This will be available till next monsoon and will be used for agriculture, cattle and for domestic purpose by 3 villages of 1700 people and 980 cattle.	Conservation of Natural Resources	Area: Roha Dist: Raigad State: Maharashtra	1.00	0.74	—	0.74	0.74	Shri Vivekananda Research and Training Institute



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	1.2	21 Vanarai Bandhara were constructed in 9 villages by villagers - Total 2000 m <sup>3</sup> water available for domestic use. For three months.	Conservation of Natural Resources	Area: Roha Dist: Raigad State: Maharashtra	0.50	0.09	—	0.09	0.06	Shri Vivekananda Research and Training Institute
	1.3	A channel is dug along the paddy farms to hold water for percolation and storage.		Area: Roha Dist: Raigad State: Maharashtra	0.75	0.50	—	0.50	0.50	Shri Vivekananda Research and Training Institute
	1.4	Prevention of Salinity ingress = - Reconstructed damaged part of bund at creek side (20x8x3)m - 150 Acres Farming area regained - Beneficiaries 75 Farmers		Area: Roha Dist: Raigad State: Maharashtra	0.98	0.65	—	0.65	0.65	Shri Vivekananda Research and Training Institute
	1.5	Desilting was done which Result: Increase water capacity by 40 cubic, for domestic use benefitting 450 people and cattle.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.50	0.40	—	0.40	0.40	Shri Vivekananda Research and Training Institute
	1.6	Repairing of check dam and adjacent well is done. Result: This water will be available for Agriculture and cattle. Benefitting about 80 families.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.60	0.60	—	0.60	0.60	Shri Vivekananda Research and Training Institute
	1.7	In all 11 Vanarai Bandhara (temporary bunds) were built to hold the flowing water in 4 villages by villagers and NSS students. Result: 1350 cub met water storage available till monsoon for domestic use and for cattle, benefitting 124 families.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.25	0.08	—	0.08	0.08	Shri Vivekananda Research and Training Institute
	1.8	Rejuvenation of Natural Sources: On the appeal of Tahasildar, Chiplun, one collection tank to collect the water oozing from spring and two tanks (separate for people and cattle) for storage, with holding capacity of 55000 lit, new pipeline 300 met led fro Natural Source Collection tank to storage tank, old pipe used for irrigation Result: Clean and ample water available for people and cattle for drinking and for irrigation; benefitting 24 families.		Area: Lote Dist: Ratnagiri State: Maharashtra	1.75	1.54	—	1.54	0.80	Shri Vivekananda Research and Training Institute



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	1.9	New check dam is constructed which will have a holding capacity of 250000 lit. Result: The level of water in adjacent 2 wells will increase. This will be used for irrigation benefitting 20 families. Dhargarwadi well cleaning and check dam at Kumbhavali.	Conservation of Natural Resources	Area: Lote Dist: Ratnagiri State: Maharashtra	1.15	1.15	–	1.15	0.78	Shri Vivekananda Research and Training Institute
	1.10	Supported Watershed Mgt. Seminar/Jal Parikrama organised by Shashwat Foundation. 500 people participated.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.10	0.10	–	0.10	–	
		<b>Sub total 1</b>			<b>7.58</b>	<b>5.85</b>	–	<b>5.85</b>	<b>4.61</b>	
2.	2.1	Supported in Training awareness program for about 150 Agriculture Officers/Field personnel and about 900 farmers from 10 Districts. Contributed in cost of SRT dibbling tool used for direct sowing of seeds (paddy, pulses). Provided weedicides and Reaper on rent, provided for harvesting paddy to the farmers in Roha taluka, – Result: 500 farmers adopted SRT from 9 districts. The overall benefit was 50% Reduction in labour cost, 70% reduction in seed, 40% reduction in fertilizer, 40% to 50% increase in crop production, 30% of the time saved and almost 70% reduction in drudgery work. Prevented erosion of soil to almost 70% because of no tillage and improved Soil fertility. Improved productivity of second crop. Some of the farmers could take the third crop in summer.	Rural Development Projects	Area: Roha and other areas from 10 Districts Kolhapur, Nashik, Pune, Satara, Sangli, Palghar, Raigad, Ratnagiri, Sindhudurga, Thane. State: Maharashtra	10.00	8.70	–	8.70	6.15	Shri Vivekananda Research and Training Institute

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	2.2	Purchased 2 wheeler to monitor the progress and advice farmers at the time of need, villages being at a distance of min. 5 k.m. and max. 18 k.m. This could facilitate increased frequency of visits to farmers, almost 4 days a week and also reduced the travel expenses considerably.	Rural Development Projects	Area: Roha Dist: Raigad State: Maharashtra	0.70	0.68	—	0.68	0.68	Shri Vivekananda Research and Training Institute
	2.3	Awareness on ICM, IPM :- Conducted awareness workshop on ICM, IPM. Focusing on different Pest and Pesticides, Productive farming practices. - Total 120 farmers from 10 villages & 30 officers from Agri. Dept./KVK. Participated.		Area: Roha Dist: Raigad State: Maharashtra	0.70	0.56	0.05	0.61	0.56	Shri Vivekananda Research and Training Institute
	2.4	Awareness and training on Various Government schemes, Cultivation of Bush pepper, medicinal plants and other such cash crops and low cost high yield SRT method was given benefitting 150 farmers.		Area: Lote Dist: Ratnagiri State: Maharashtra	2.05	2.00	0.03	2.03	1.62	Shri Vivekananda Research and Training Institute: 0.58 Samartha Gram Vikas Trust: 1.04
	2.5	Supported ICCSIR in Installing and Operating Automatic Weather Station to give Weather Forecast, information for agriculture to farmers through various NGO's (ICCSIR-Automatic Weather Station)		Area: Mandvi Dist: Kutch State: Gujarat	3.00	2.67	0.33	3.00	3.00	Indian Centre for Climate & Societal Impact Research (ICCSIR) Mandvi, Kutch.
	2.6	Developing a facility for Multiple Social Activity Centre, called as Samaj Mandir, having Gymnasium, Play School, meeting hall, Library, facility for senior citizens etc. benefitting about 1000 villagers. 50% work completed.		Area: Lote Dist: Ratnagiri State: Maharashtra	2.75	2.72	—	2.72	2.72	Shri Vivekananda Research and Training Institute
		<b>Sub total 2</b>			<b>19.20</b>	<b>17.33</b>	<b>0.41</b>	<b>17.74</b>	<b>14.73</b>	



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
3.	3.1	Artificial Insemination (AI) of cow and its monitoring and care. Improve milk productivity by giving proper feed:- Out of 50 AI cows. (last year successfully carried out) selected 12 cows with calves from 5 villages. for health monitoring. Provided Cattle feed on 50:50 cost sharing basis, containing required Fats, Protein, fibre and mineral. Per Cow @ 4.0 kg and per Calf @ 0.5 kg per day for 3 months. There after ensured the feeding by the cattle owners subsequently. Health and milk out put was monitored. The Calf grew quite healthy based on the weight gain as compared to normal calf. Health improvement seen in all cows with increase in milk production by 1.0 litre per day. Benefitted 12 cattle owner. They became aware quality of feed and it's benefit. Track for 2nd fertility period and conduct 2nd A.I. To make first breed healthy.	Animal Welfare / Livelihood Enhancement Projects	Area: Roha Dist: Raigad State: Maharashtra	1.00	0.78	–	0.78	0.78	Shri Vivekananda Research and Training Institute
	3.2	Workshop of Milk Producing Farmers for productive Improvement. - 50 farmers from 20 villages were given training on various aspects of milk out put improvement. Initiated a culture of cultivation of Green fodder by distributing 42000 stumps of Napier Grass to 23 cattle owners. This green fodder was used by them to feed their cattle. 10 of these 23 could continue cultivation as water was available near by. The milk out put also increased.		Area: Roha Dist: Raigad State: Maharashtra	0.66	0.59	–	0.59	0.19	Shri Vivekananda Research and Training Institute

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	3.3	SHG group of 10 milkmen formed and was given a training of making proper cattle feed, operating on cooperative basis, purchasing the feed collectively in bulk. Regular Bachat gat account was opened where in which each member contributes ₹ 500/- per month. An amount of ₹ 50000/- was given as a loan without interest for purchasing the feed. This resulted in cost saving of ₹ 5000/- per month due to bulk purchase. Because of consistency in giving quality feed milk output has increased considerably (Cow:1 litre per day and Buffelow: 1.5 to 2.0 litre per day). More over they saved on time.	Animal Welfare / Livelihood Enhancement Projects	Area: Roha Dist: Raigad State: Maharashtra	1.00	0.51	–	0.51	0.51	Shri Vivekananda Research and Training Institute
	3.4	4500 cattle from 52 villages were subjected to Vaccination jointly in 15 days Vaccination Drive, with the Animal husbandry dept of Panchayat Samiti, Roha. Trained and qualified people were hired for this drive. This is the 5th consecutive year of vaccination. This has resulted in almost complete eradication of Foot and Mouth Dieses.		Area: Roha Dist: Raigad State: Maharashtra	0.70	0.65	0.01	0.66	0.65	Shri Vivekananda Research and Training Institute
		<b>Sub total 3</b>			<b>3.36</b>	<b>2.53</b>	<b>0.01</b>	<b>2.54</b>	<b>2.13</b>	



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
4.	4.1	One Girl Trainee, Diploma in Agriculture is imparted Vocational skill training in Cultivation of Vegetables using sewage water, sewage water treatment, SRT technique, Concept of Kitchen garden using recycled water, Soil sampling and testing, Communication with Villagers, Conducting Surveys in villages, Conducting Village meetings, data collection and collation, Report writing. She is also given training in using Computer. One B. Com. student is taken as trainee and being trained in Accounting, Computer application, costing of Projects, Data Collection and Collation, Organising and Conducting meetings/programs etc.	Promotion of Education	Area: Roha Dist: Raigad State: Maharashtra	2.10	1.72	0.35	2.07	1.72	Shri Vivekananda Research and Training Institute
	4.2	1) Guidance lectures of Experts were organised for Xth std students to make them aware of Importance of Good performance in Xth exam in choosing write higher education path and guidance in how to organise Time for study, prioritising the activities and how to study for Xth exams. 314 Students from 6 Schools benefitted.  2) Special Coaching lectures of Dr. Dilip Deshmukh, Expert in Maths & Science, were conducted for 392 students from 8 Schools, to prepare them in Maths and Science subjects, which students find rather difficult to understand. This is repeated in this year based on last year's success of the students.		Area: Roha Dist: Raigad State: Maharashtra	1.05	1.01	—	1.01	1.01	Shri Vivekananda Research and Training Institute



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	4.3	For Overall personality development program called “Pradnya Vikas” is initiated for 100 students from 8 Schools, selected through written test, through ‘Jnan Prabodhini, Pune’ a well known Institute in Research based Education. It is designed by Jnan Prabodhini to Suit the requirements of Rural Students. This batch will undergo this training for consecutive three years. This will help students in developing skills like, Reading & Writing, Observation, Questioning, Memorizing, Surveying, Leadership quality, Team Spirit, Communication skill etc. After 1st year’s program the teachers have found that these students are always in the lead role, help other students and have improved performance in academics.	Promotion of Education	Area: Roha Dist: Raigad State: Maharashtra	2.75	2.46	—	2.46	0.40	Shri Vivekananda Research and Training Institute
	4.4	Displayed Boards giving elaborate information on Education paths leading to Different Career were displayed in 10 schools. Also distributed Career Guidance Book, UDAAN to about 1000 students.		Area: Roha Dist: Raigad State: Maharashtra	0.45	0.35	—	0.35	0.35	Shri Vivekananda Research and Training Institute
	4.5	Established Computer Lab (15 computers in Lan with UPS, Printers with Furniture & fixtures) in VRTI training centre for imparting training to students/farmers/ villagers. 124 students of VIII, IX and X th std from 3 schools, 25 school teachers were given Basic Computer Training. - 25 Schools teachers from 3 schools used computer lab for Data entry Work for On Line program of State Education department.		Area: Roha Dist: Raigad State: Maharashtra	5.75	5.03	—	5.03	5.03	Shri Vivekananda Research and Training Institute

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	4.6	To get connected, to collect data, to organise programs 2 wheeler is purchased for frequent visiting to about 10 schools in interior areas of Roha Taluka, the distance ranging between 3.00 k.m. to 15 k.m.	Promotion of Education	Area: Roha Dist: Raigad State: Maharashtra	0.68	0.68	–	0.68	0.68	Shri Vivekananda Research and Training Institute
	4.7	Donated 1 set each of Laboratory Equipments, Chemistry, Physics and Biology to 9 schools with tailor made Cupboard. This will benefit more than 2700 students of Vth to Xth std.		Area: Roha Dist: Raigad State: Maharashtra	4.05	3.86	0.06	3.92	3.86	Shri Vivekananda Research and Training Institute
	4.8	Special coaching/guidence in maths, English, Science to students of 10th to improve performance in final exams was organised at 3 location for 600 students of Xth std from 16 Schools.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.55	0.40	–	0.40	0.35	Shri Vivekananda Research and Training Institute
	4.9	Gunavatta Vikas Program for selected students (60) from 6 Schools, in third consecutive year. Overall performance is improved.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.96	0.84	–	0.84	0.18	Shree Samartha Gram Vikas Trust.
	4.10	Career Guidance program was conducted for the students of Xth and XIIth std. Total 140 students from 2 Junior College participated.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.40	0.30	–	0.30	0.05	Shri Vivekananda Research and Training Institute
	4.11	Supporting Winter Sports of about 15 Primary Schools', 700 students participated.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.75	0.62	–	0.62	0.44	Shri Vivekananda Research and Training Institute
	4.12	To create awareness on, testing methods of Quality of drinking water, soil, environment and chemical; waste management, bio filters etc demonstration was given in Science Exhibition organised by Zilla Parishad. 400 students and 15 teachers visited and saw the demonstration		Area: Lote Dist: Ratnagiri State: Maharashtra	0.50	0.44	–	0.44	–	
	4.13	Provided support to develop e-Learning facility in 10 schools.		Area: Lote Dist: Ratnagiri State: Maharashtra	1.55	1.55	–	1.55	0.50	Shri Vivekananda Research and Training Institute

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	4.14	Supported to create drinking water facility in 2 schools and for repairing the roof of one school.	Promotion of Education	Area: Lote Dist: Ratnagiri State: Maharashtra	1.50	1.50	—	1.50	1.50	Shri Vivekananda Research and Training Institute
	4.15	Uttan Krishi Sanshodhan Sanstha (2 students sponsored)		Area: Thane Dist: Thane State: Maharashtra	0.50	0.50	—	0.50	0.50	Uttan Krishi Sanshodhan Sanstha (UKSS)
	4.16	Bharati Vidya Bhavan (Bhavan's Nature & Adventure Centre.		Area: Mumbai Dist: Mumbai State: Maharashtra	5.00	5.00	—	5.00	5.00	Bharati Vidya Bhavan (Bhavan's Natural & Adventure Centre.
	4.17	Supporting Infrastructure development in Primary School, Mandvi and Spl education support Kutchchi Language.		Area: Mandvi Dist: Kutch State: Gujarat	3.96	3.96	—	3.96	3.96	Shri Vivekananda Research and Training Institute, Kutch
		<b>Sub total 4</b>			<b>32.50</b>	<b>30.22</b>	<b>0.41</b>	<b>30.53</b>	<b>25.53</b>	
5.	5.1	Conducted H.B. Checkup Drive in 7 schools & 11 Villages covering 870 no's. (Age group 12 to 40 only for girls & Ladies) Identified 526 no's. Under weight (60% - below 18 BMI) & 438 no's H.B. level is low (53% - H.B. level <10 up to 7)	Promoting Preventive Health Care & Sanitation	Area: Roha Dist: Raigad State: Maharashtra	0.55	0.42	—	0.42	0.42	Shri Vivekananda Research and Training Institute
	5.2	Identified 70 cataract patients through Asha Workers & 50 were Operated.		Area: Roha Dist: Raigad State: Maharashtra	1.75	1.50	—	1.50	1.50	Shri Vivekananda Research and Training Institute
	5.3	General Health Check Up Camp organised at 2 Villages, Medical counselling done on preventive health measures and medicines were provided. 145 People took the benefit.		Area: Roha Dist: Raigad State: Maharashtra	2.00	1.80	0.02	1.82	1.42	Samarth Gram Vikas Trust: 0.91  Shri Vivekananda Research and Training Institute: 0.51
	5.4	3 Camps for Eye check up 3 camps were conducted in association with National Association for Blind, Lions club, Lote. 70 people benefitted.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.05	0.01	—	0.01	0.01	Shri Vivekananda Research and Training Institute



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
	5.5	Supported Child Nutrition program of Parshuram Hospital. In providing healthy food to 5 children of low weigh, and health progress was monitored till their weight improved.	Promoting Preventive Health Care & Sanitation	Area: Lote Dist: Ratnagiri State: Maharashtra	0.25	0.23	–	0.23	0.23	Shri Vivekananda Research and Training Institute
	5.6	Hb Checking camp was organised for women and Angan wadi Sevika. Total 110 women took the benefit.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.25	0.20	–	0.20	0.20	Shri Vivekananda Research and Training Institute
	5.7	Special Health Check up and Medical Treatment to Senior Citizens of village located in Remote area was done benefitting 120 villagers.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.75	0.59	–	0.59	0.29	Shri Vivekananda Research and Training Institute
		<b>Sub total 5</b>			<b>5.60</b>	<b>4.75</b>	<b>0.02</b>	<b>4.77</b>	<b>4.07</b>	
6.	6.1	Supported the Work Shop organised by Mahila Vikas Mahamandal, to develop Entrepreneurship among the Women. Officials from NABARD, ATMA, DIC and Banks to explain various Schemes. Excel also presented Case studies to give Awareness and Knowledge of Cashew Processing Technique and economics and Use of SRT technique. Total 800 women participating in a workshop benefitted.	Entrepreneurship Development/ Empowering Women	Area: Lote Dist: Ratnagiri State: Maharashtra	0.20	0.18	–	0.18	–	
	6.2	Cashew Processing training was given to 22 women. Provided interest free amounts (₹ 35000/- each) to 3 women to start their own Cashew Processing activity.		Area: Lote Dist: Ratnagiri State: Maharashtra	2.86	0.66	–	0.66	0.69	Shri Vivekananda Research and Training Institute
	6.3	Imparted Sewing Training on Sewing machines to 30 women.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.20	0.08	–	0.08	–	
		<b>Sub total 6</b>			<b>3.26</b>	<b>0.92</b>	<b>–</b>	<b>0.92</b>	<b>0.69</b>	

(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
7.	7.1	Nursery & Plantation: Forest trees, medicinal trees, horticultural, grass, for prevention of erosion of soil, carbon binding = 4 Schools prepared 11000 saplings and plantation done in Schools Ground, Near village Road.	Ensuring Environmental Sustainability	Area: Roha Dist: Raigad State: Maharashtra	1.50	1.34	–	1.34	0.71	Shri Vivekananda Research and Training Institute
	7.2	Maintaining of Karde- Murud beach Clean especially of Bad plastic and creating awareness among the people especially the Tourists is done in 4th year consecutively (50 Vendors, 500 villagers and about 10000 tourists).		Area: Lote Dist: Ratnagiri State: Maharashtra	0.50	0.41	–	0.41	–	
	7.3	Nursery of 7000 plants, of which 2000 from Mahila Bachat Gat, was prepared To develop Tree Bank		Area: Lote Dist: Ratnagiri State: Maharashtra	0.15	0.12	–	0.12	0.07	Shri Vivekananda Research and Training Institute
	7.4	Supported Environment Awareness drive through Marathon organised by Lote Parshuram Industries Association and Rotary Club		Area: Lote Dist: Ratnagiri State: Maharashtra	0.15	0.15	–	0.15	–	
	7.5	Supported the activity of protection of flora and fauna around Vireshwar Temple and creating awareness on Bio Diversity among the visiting worshipers.		Area: Lote Dist: Ratnagiri State: Maharashtra	1.00	0.82	–	0.82	0.41	Shri Vivekananda Research And Training Institute
	7.6	Supported the activity organised by Chiplun Nagar Parishad and Patrakar Sangha, Chiplun, of Sowing Of Seeds of various plants such as Subabul, Chinch, Awala, Gulmohar, Peltophorum, Kashid, Suru etc, on 5 acres of land at the base of Parshuram Ghat/Range. 500 people participated and 100000 seeds were sown.		Area: Lote Dist: Ratnagiri State: Maharashtra	0.10	0.10	–	0.10	–	
		<b>Sub total 7</b>			<b>3.40</b>	<b>2.94</b>	<b>–</b>	<b>2.94</b>	<b>1.19</b>	



(Amt in Lacs)

Sr. No.	Sub. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/ where project/ programmed was undertaken)	Amount outlay (budget) project or programs wise	Amount spent on the project of programs – Direct expenditure	Amount spent on the project of programs – Overheads	Cumulative expenditure upto reporting period	Name and amount spend through implementing agency	
									Amount	Name
8.		CSR team has attends various seminars and meetings for effective implementation of CSR activities and developing infrastructure	Meetings/ Seminars/ Infrastructure	Area: Roha Dist: Raigad State: Maharashtra  Area: Lote Dist: Ratnagiri State: Maharashtra  Area: Mumbai Dist: Mumbai State: Maharashtra	6.00	–	4.44	4.44	1.55	Shri Vivekananda Research and Training Institute
		<b>Grand Total</b>			<b>80.90</b>	<b>64.54</b>	<b>5.29</b>	<b>69.83</b>	<b>54.50</b>	

6. In case the Company has failed to spent 2% of average net profit of last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: N.A.
7. The CSR committee of the Company has confirmed that they have implemented and monitored the CSR Policy in compliance with CSR objectives and Policies of the Company.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
and Chairman of the CSR Committee  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai



## ANNEXURE V TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> 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  
**EXCEL INDUSTRIES LIMITED**  
184-187, Swami Vivekanand Road  
Jogeshwari (West)  
Mumbai – 400 102

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EXCEL INDUSTRIES LIMITED** having **CIN: L24200MH1960PLC011807** (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 the Company'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 on 31<sup>st</sup> March, 2016 generally 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 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
  - (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

As per the explanations given to me in the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations/guidelines were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

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

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Listing Agreement for Equity Shares entered into by the Company with Stock Exchange(s) for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to this report except filing of return with RBI with respect to Overseas Direct Investment.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

I further report that as per the explanations given to me in the representations made by the management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the explanations given to me in the representations made by the management and relied upon by me, I further report that, during the audit period, except for issue and allotment of Equity Shares by conversion of Warrants, approving Buy Back of its own Securities and passing of special resolution through Postal Ballot for seeking approval of Members u/s. 180(1)(a) of the Companies Act, 2013, Alteration of Memorandum of Association & Adoption of new set of Articles of Association; there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

PRASHANT DIWAN  
*Practising Company Secretary*  
FCS: 1403 CP: 1979

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

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  
**EXCEL INDUSTRIES LIMITED**  
184-187, Swami Vivekanand Road  
Jogeshwari (West)  
Mumbai – 400 102

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

1. Maintenance of secretarial record 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 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. Where ever 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, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

PRASHANT DIWAN  
*Practising Company Secretary*  
FCS: 1403 CP: 1979

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai



## ANNEXURE VI TO DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2016

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	:	L24200MH1960PLC011807
Registration Date	:	05.09.1960
Name of the Company	:	Excel Industries Limited
Category of the Company	:	Company limited by shares
Sub-Category of the Company	:	Indian Non Government Company
Address of the Registered office and contact details	:	184-87, Swami Vivekanand Road, Jogeshwari (West), Mumbai 400 102. Maharashtra Tel : 91 22 66464200 Fax: 91 22 26783657 Email : excel.mumbai@excelind.com
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078 Tel : 022 25946970 / 91 22 25963838 Fax: 022 25946969

#### 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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Diethyl Thio Phosphoryl Chloride	300-9	43.22%
2.	Phosphorous Pentasulphide	300-8	10.62%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1.	Kamaljiyot Investments Limited <b>Address:</b> 184-87 Swami Vivekanand Road, Jogeshwari (W), Mumbai 400 102	U65990MH1983PLC030597	Subsidiary	100%	2(87)(ii)
2.	Excel Bio Resources Limited <b>Address:</b> 184-87 Swami Vivekanand Road, Jogeshwari (W), Mumbai 400 102	U01403MH2007PLC176907	Subsidiary	100%	2(87)(ii)
3.	Mobitrash Recycle Ventures Private Limited <b>Address:</b> 184-87 Swami Vivekanand Road, Jogeshwari (W), Mumbai 400 102	U37100MH2015PTC269272	Associate	39.98%*	2(6)

\* Shares held by subsidiaries of the Company.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	423848	0	423848	3.56	423848	0	423848	3.28	(0.28)
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	5057100	0	5057100	42.48	6057100	0	6057100	46.93	4.45
e) Banks/Fl	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A)(1):</b>	<b>5480948</b>	<b>0</b>	<b>5480948</b>	<b>46.04</b>	<b>6480948</b>	<b>0</b>	<b>6480948</b>	<b>50.21</b>	<b>4.17</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	104082	0	104082	0.87	104082	0	104082	0.81	(0.06)
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/Fl	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A)(2):</b>	<b>104082</b>	<b>0</b>	<b>104082</b>	<b>0.87</b>	<b>104082</b>	<b>0</b>	<b>104082</b>	<b>0.81</b>	<b>(0.06)</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>5585030</b>	<b>0</b>	<b>5585030</b>	<b>46.91</b>	<b>6585030</b>	<b>0</b>	<b>6585030</b>	<b>51.02</b>	<b>4.11</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	825	25	850	0.01	825	25	850	0.01	0.00
b) Venture Capital Funds	—	—	—	—	—	—	—	—	—
c) Alternate investments fund	—	—	—	—	—	—	—	—	—
d) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
e) Foreign portfolio investors	0	100	100	0.00	0	100	100	0.00	0.00
f) Banks/Fl	1020028	194	1020222	8.57	1021058	194	1021252	7.91	(0.66)
g) Insurance Companies	0	1	1	0.00	0	1	1	0.00	0.00
h) Provident funds/Pension funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	324	398	722	0.01	24	398	422	0.01	0.00
<b>Sub-total (B)(1):</b>	<b>1021177</b>	<b>718</b>	<b>1021895</b>	<b>8.58</b>	<b>1021907</b>	<b>718</b>	<b>1022625</b>	<b>7.92</b>	<b>(0.66)</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	4603956	374701	3956762	33.23	3628654	347146	3975800	30.81	(2.42)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	522621	0	522621	4.39	569621	0	569621	4.41	0.02
c) Non Resident	—	—	—	—	—	—	—	—	—
d) Others (specify)	800962	18360	819322	6.88	738055	14502	752554	5.83	(1.05)
<b>Sub-total (B)(2):</b>	<b>4906362</b>	<b>392344</b>	<b>5298705</b>	<b>44.51</b>	<b>4936330</b>	<b>361645</b>	<b>5297975</b>	<b>41.05</b>	<b>(3.46)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>5927539</b>	<b>393061</b>	<b>6320600</b>	<b>53.09</b>	<b>5958237</b>	<b>362363</b>	<b>6320600</b>	<b>48.98</b>	<b>(4.11)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A + B + C)</b>	<b>11512569</b>	<b>393061</b>	<b>11905630</b>	<b>100.00</b>	<b>12543267</b>	<b>362363</b>	<b>12905630</b>	<b>100.00</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Atul Govindji Shroff	59784	0.50	0	59784	0.46	0	(0.04)
2.	Mrs. Shruti Atul Shroff	22018	0.18	0	22018	0.17	0	(0.01)
3.	Miss Vishwa Atul Shroff	810	0.01	0	810	0.01	0	0
4.	Mrs. Chetna P. Saraiya	8610	0.07	0.08	8610	0.07	0.06	(0.01)
5.	Mr. Praful M. Saraiya	2033	0.02	0	2033	0.02	0	0
6.	Mrs. Hiral Tushar Dayal	10960	0.09	0	10960	0.08	0	(0.01)
7.	Mr. Tushar Charandas Dayal	1310	0.01	0	1310	0.01	0	0
8.	Ms. Ami Kantisen Shroff	31882	0.27	0	31882	0.25	0	(0.02)
9.	Mr. Kantisen Chaturbhuj Shroff	57040	0.48	0	57040	0.44	0	(0.04)
10.	Mr. Dipesh Kantisen Shroff	8619	0.07	0	8619	0.07	0	0
11.	Mrs. Preeti Dipesh Shroff	14110	0.12	0.02	14110	0.11	0.02	(0.01)
12.	Mr. Abhay Sunil Saraiya	150	0	0	150	0	0	0
13.	Mr. Ashwin Champraj Shroff	83070	0.70	0	83070	0.64	0	(0.06)
14.	Mrs. Usha Ashwin Shroff	6497	0.05	0	6497	0.05	0	0
15.	Mrs. Anshul Ambrish Bhatia	21616	0.18	0	21616	0.17	0	(0.01)
16.	Mr. Ravi Ashwin Shroff	47670	0.40	0	47670	0.37	0	(0.03)
17.	Mr. Hrishit Ashwin Shroff	47669	0.40	0	47669	0.37	0	(0.03)
18.	Mr. Dilipsingh G. Bhatia (NRI)	104082	0.87	0	104082	0.81	0	(0.06)
19.	Anshul Specialty Molecules Pvt. Ltd.	27500	0.23	0	27500	0.21	0	(0.02)
20.	Dipkanti Investments & Financing Pvt. Ltd.	89972	0.76	0	89972	0.70	0	(0.06)
21.	Excel Crop Care Ltd.	145760	1.22	0	145760	1.13	0	(0.09)
22.	Vibrant Greentech India Pvt. Ltd.	149991	1.26	0	149991	1.16	0	(0.10)
23.	Hyderabad Chemical Products Ltd.	46833	0.39	0	46833	0.36	0	(0.03)
24.	Pritami Investments Pvt. Ltd.	79862	0.67	0	79862	0.62	0	(0.05)
25.	Shrodip Investments Pvt. Ltd.	29350	0.25	0	29350	0.23	0	(0.02)
26.	Transpek Industry Limited	156650	1.32	0	156650	1.21	0	(0.11)
27.	Utkarsh Global Holdings Pvt. Ltd.	4331182	36.38	0	5331182	41.31	0	4.93
	<b>Total</b>	<b>5585030</b>	<b>46.91</b>	<b>0.09</b>	<b>6585030</b>	<b>51.02</b>	<b>0.08</b>	<b>4.11</b>

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

Sr. No.		Shareholding at the beginning of the year 2015-16		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	4585030	42.04	5585030	46.91
	On 15.12.2014 the Company has converted 1000000 warrants in to Equity Share of ₹ 5 each out of 2000000 warrants issued to <b>Utkarsh Global Holdings Pvt Ltd</b>	1000000	4.87	1000000	4.11
	At the End of the year	5585030	46.91	6585030	51.02

**iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in shareholding during the year			Date of change	Cumulative shareholding during the year/Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No of shares Decrease	No of Shares Increase	Reason		No. of shares	% of total shares of the Company
1.	Life Insurance Corp of India	1012799	8.51	0	0	—	—	1012799	7.85
2.	Rajju D. Shroff	87432	0.73	0	0	—	—	87432	0.68
3.	Musaddilal Rawat	64416	0.54	0	0	—	—	64416	0.50
4.	Maya Rawat	84991	0.71	0	0	—	—	84991	0.66
5.	Veena K. Jagwani	71000	0.60	0	0	—	—	71000	0.55
6.	S. Shyam	27936	0.23	0	24260	Market Purchased	26.02.2016	52196	0.40
				0	8584	Market Purchased	04.03.2016	60780	0.47
				0	3156	Market Purchased	11.03.2016	63936	0.50
7.	Vinod Kumar Ohri	70000	0.59	0	0	—	—	70000	0.54
8.	Koushik Sekhar	63362	0.53	0	0	—	—	63362	0.49
9.	Kalpana Jain	51552	0.43	0	0	—	—	51552	0.40
10.	Custodian (Special Court) A/c Rina S Mehta & Sudhir S Mehta	84824	0.71	0	0	—	—	84824	0.66

**Note:**

Change in shareholding percentage at the end of the year is also due to allotment of 10,00,000 shares to the promoters on preferential basis.



**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in shareholding during the year			Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No of shares Decrease	No of Shares Increase	Reason	No. of shares	% of total shares of the Company
	<b>DIRECTORS</b>							
1.	Mr. Ashwin C. Shroff	83070	0.70	0	0	0	83070	0.64
2.	Mrs. Usha A. Shroff	6497	0.05	0	0	0	6497	0.05
3.	Mr. Ravi A. Shroff	47670	0.40	0	0	0	47670	0.40
4.	Mr. Atul G. Shroff	59784	0.50	0	0	0	59784	0.46
5.	Mr. Dipesh K. Shroff	8619	0.07	0	0	0	8619	0.07
6.	Mr. R. N. Bhogale	0	0	0	0	0	0	0
7.	Mr. H. N. Motiwalla	0	0	0	0	0	0	0
8.	Mr. P. S. Jhaveri	0	0	0	0	0	0	0
9.	Mr. M. B. Parekh	0	0	0	0	0	0	0
10.	Mr. R. K. Sood	0	0	0	0	0	0	0
11.	Mr. Shailesh Vaidya	0	0	0	0	0	0	0
12.	Mr. Rajeev M. Pandia	0	0	0	0	0	0	0
	<b>Key Managerial Personnel (KMP)</b>							
1.	Mr. Kailas Dabholkar	365	0.003	0	0	0	365	0.003
2.	Mr. S. K. Singhvi	100	0.000	0	0	0	100	0.000

**V. INDEBTEDNESS:**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	652,085,517	191,551,263	105,570,500	949,207,280
ii) Interest due but not paid	67,436	—	—	67,436
iii) Interest accrued but not due	894,351	1,032,585	10,002,076	11,929,012
<b>Total (i + ii + iii)</b>	<b>653,047,304</b>	<b>192,583,848</b>	<b>115,572,576</b>	<b>961,203,728</b>
Change in Indebtedness during the financial year				
Addition	153,537,416	705,865,495	—	859,402,911
Reduction	283,068,919	552,026,616	79,433,000	914,528,535
<b>Net Change</b>	<b>(129,531,503)</b>	<b>153,838,879</b>	<b>(79,433,000)</b>	<b>(55,125,624)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	522,554,014	345,390,142	26,137,500	894,081,656
ii) Interest due but not paid	28,907,000	—	—	28,907,000
iii) Interest accrued but not due	600,335	1,014,229	2,113,876	3,728,440
<b>Total (i + ii + iii)</b>	<b>552,061,349</b>	<b>346,404,371</b>	<b>28,251,376</b>	<b>926,717,096</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director and Whole-time Directors:**
**(Amt. in ₹)**

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole-time Directors			Total Amount
		Mr. Ashwin C Shroff	Mrs. Usha A Shroff	Mr. Ravi A Shroff	
		Chairman and Managing Director	Executive Vice Chairperson	Executive Director	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,820,000	5,985,206	3,894,667	16,699,873
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	877,116	414,684	382,493	1,674,293
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission	—	—	—	—
	— as % of profit	3,750,000	3,150,000	2,150,000	9,050,000
	— others, specify	—	—	—	—
5.	Others, please specify	—	—	—	—
	<b>Total (A)</b>	<b>11,447,116</b>	<b>9,549,890</b>	<b>6,427,160</b>	<b>27,424,166</b>
	Ceiling as per the Act	39,928,000			

**B. Remuneration to Non-Executive Director**
**1. Independent Director**

Sr. No.	Particulars of Remuneration	Name of Independent Directors						Total Amount
		Mr. R. N. Bhogale	Mr. H. N. Motiwalla	Mr. P. S. Jhaveri	Mr. M. B. Parekh	Mr. S. S. Vaidya	Mr. R. M. Pandia	
1.	Fee for attending Board/ Committee Meetings	340,000	440,000	360,000	100,000	160,000	180,000	1,580,000
2.	Commission	500,000	500,000	400,000	300,000	200,000	300,000	2,200,000
3.	Others, please specify	—	—	—	—	—	—	—
	<b>Total (B1)</b>	<b>840,000</b>	<b>940,000</b>	<b>760,000</b>	<b>400,000</b>	<b>360,000</b>	<b>480,000</b>	<b>3,780,000</b>

## 2. Other Non-Executive Director

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors		Name of the Nominee Director	Total Amount
		Mr. Atul G. Shroff	Mr. Dipesh K. Shroff	Mr. R. K. Sood	
1.	Fee for attending Board/ Committee Meetings	100,000	150,000	80,000	330,000
2.	Commission	200,000	300,000	300,000	800,000
3.	Others, please specify	—	—	—	—
	<b>Total (B2)</b>	<b>300,000</b>	<b>450,000</b>	<b>380,000</b>	<b>1,130,000</b>

<b>Total Managerial remuneration to Non-Executive Director (B1 + B2)</b>		<b>4,910,000</b>
Overall Ceiling as per the Act + Sitting fees		5,902,800

- Notes: 1. Commission to the Non-Executive Directors pertains to the FY 2014-15, has been paid in the FY 2015-16.  
2. Ceiling limits are for the year 2015-16.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Kailas Dabholkar	Mr. Surendra Singhvi	
		Chief Financial Officer	Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,903,910	1,429,250	4,333,160
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	111,950	—	111,950
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	— as % of profit	—	—	—
	— others, specify	—	—	—
5.	Others, please specify	—	—	—
	<b>Total</b>	<b>3,015,860</b>	<b>1,429,250</b>	<b>4,445,110</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai



## ANNEXURE VII TO DIRECTORS' REPORT 2015-16

### (A) CONSERVATION OF ENERGY

#### (i) The steps taken or impact on conservation of energy:

1. Replacement of Reciprocating Compressor for Nitrogen gas generation system with Energy efficient Screw compressor.
2. Replacement of Reciprocating Compressor by Screw compressor for chilled water plant.
3. Installation of Energy efficient pumps in Boiler and cooling water circulation system.
4. Replacement of Old Generator with New Energy efficient Diesel Generator with Acoustics enclosure.
5. Systematic replacement of old lightings with energy efficient LED Lamps in Office, process buildings and production premises.

#### (ii) The steps taken by the company for utilizing alternate sources of energy:

1. 70% of electrical power purchase is through Open Access of which 9% is derived from non conventional renewal sources.

#### (iii) The capital investment on energy conservation equipments

In FY 2015-16, Company has made following additions to Boilers to conserve energy.

(₹ in Lacs)

Particulars	Amount
Roha	4.99
Lote	14.36
<b>Total</b>	<b>19.35</b>

### (B) TECHNOLOGY ABSORPTION

#### (i) The efforts made towards technology absorption:

1. Introduced Dual Detector technology in Gas Chromatograph to get accurate results of organic and inorganic volatile compounds simultaneously.
2. Introduction of sophisticated Atomic Absorption Spectrophotometer for trace metal analysis.
3. Developed in-house technology for Quality improvement of Sulphur generated in process and the same is reused.
4. New washing technique introduced in Pharmaceutical intermediate plant which has resulted in high quality and better color of product.
5. Mass flow meter is introduced for accurate filling of export consignments.
6. All the new facilities are brought under SCADA monitoring for better process monitoring and control.

#### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

1. Successfully developed and commercialized the process of one Veterinary Bulk Drug and three Pharmaceutical intermediates.
2. Two intermediates for new generation API successfully completed in Pilot plant.
3. Analytical method validation and Identification of all impurities completed for three pharmaceutical intermediates.
4. Process development for four new intermediates for Agrochemical segment and two new intermediates in Polymer segment completed.



5. Received GMP Approval from FDA for API plant at Roha site.
6. Process application laboratory of the company has successfully developed innovative applications for Codex range of products.
7. Granulation capacity of Biocel plant enhanced to 5 MT per day.

(iii) The expenditure incurred on R&D for the FY 2015-16:

(₹ in Lacs)

(a) Capital	196.68
(b) Recurring	560.67
(c) Total	757.35
(d) Total R&D expenditure as a percentage of total turnover	1.71%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the FY 2015-16 is ₹ 87.78 Crores and the foreign exchange outgo in terms of actual outflows during the FY 2015-16 is ₹ 114.54 Crores

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

The businesses in which the Company operates can be categorised as follows:

1. Agrochemical Intermediates.
2. Specialty Chemicals
3. Polymer Inputs and Additives
4. Pharmaceutical Intermediates and Actives
5. Environment and Bio-tech

This report seeks to present a discussion and Analysis of the Industry Structure, Outlook, Opportunities, Threats and Risks and Concerns for each of the business segments mentioned above.

### AGROCHEMICAL INTERMEDIATES

#### Industry Structure

The Agrochemical Industry plays an important role in ensuring food security. Globally, the agrochemical industry is going through a period of consolidation and lot of merger and acquisition activity has been seen in the last couple of years, particularly by the dominant innovator companies. Going forward, it is expected that once the process of consolidation is over, the multinational majors would be concentrating on newer generation molecules and brand promotion and marketing. This would open up the space for generic players in the older generation molecules and also create an opportunity for manufacturing companies to collaborate with the majors in contract manufacturing opportunities.

On the domestic front, Indian agrochemicals sector has been witnessing impressive growth. There is a clearly visible trend of multinationals shifting from old generics (like Organophosphorous – OP insecticides) to newer generation molecules which would benefit the Indian agrochemical generic companies at least in the short to medium term.

It is clear that the multinational companies would be looking at India as a cost effective manufacturing hub for sourcing specialty intermediates and actives. Given the fact that labour and environmental compliance costs are increasing in China, Indian manufacturing companies stand a very good chance of catering to this need for high quality knowledge intensive specialty intermediates and actives.

The Company with its established position as a leading supplier of OP insecticide Intermediates and its process R & D and manufacturing strengths is well poised to take advantage of the opportunities arising out of the above trends as well as meet the challenges.

#### Agrochemical Intermediates Business – Year 2015-16 in Retrospect

The year 2015-16 was a challenging year for the Indian Agrochemicals Industry in general. India was faced with a drought for the second year in succession due to the “El Nino” effect. Further, Brazil which is a major export market for pesticides from India faced the worst ever drought in a century coupled with adverse overall economic conditions.

The above factors had an adverse impact on the demand for agrochemicals resulting in depressed prices, piling of inventories along the agrochemical value chain and pressure on the margins.

The overall situation as elaborated above had a bearing on the performance of the agrochemical intermediates business of the company.

The Company has been facing competition from China for its prime OP intermediate China has huge excess capacities. Due to the sluggish demand situation, Chinese producers sharply dropped the price. The Company had to respond by way of reduced pricing. Also, there was a reduction in the total offtake because of the adverse demand condition. Hence, there was a reduction in the sales volumes of the Company. Despite the challenges, your Company was able to effectively increase the market share.

The turnover of the agrochemical intermediates business for the year 2015-16 was ₹ 240 Crores as against ₹ 288 Crores for the year 2014-15.

## Outlook

After 2 years of sub-optimal rainfall, it is expected that India will have a good monsoon in 2016. All the weather forecasting agencies have come out with optimistic forecasts for the monsoon in the current year. The El-Nino phenomenon is expected to weaken and this will be replaced by the La-Nina phenomenon which usually has a positive effect on the rainfall in the Indian sub-continent.

Also, after a prolonged period of sluggish demand resulting in slow movement of finished goods inventory in the agrochemical value chain, we are seeing some movement and depletion of inventories resulting in increase of demand of our products. One of the indicators of the improved demand is that there has been a steady increase in the price of OP intermediates from China which will mean improved realisations for the products of the Company.

Overall, in all probability, the external environment will be favourable during the year 2016-17, which will have a positive bearing on the performance of the agrochemical intermediates business.

## Opportunities

- The shift in focus of multinational majors from older molecules to newer generation molecules is expected to create a space for Indian/Chinese players at least in the short to medium term. The company with its dominant position as a leading player in the area of OP intermediates is well positioned to take full advantage of this opportunity.
- India is expected to emerge as a preferred manufacturing hub for specialty agrochemical intermediates/actives. The Company with its well established strengths in process R & D and manufacturing is in an ideal position to take advantage of these opportunities. The Company is actively engaging with leading innovator companies for custom development of specialty intermediates and actives.
- A number of molecules are slated to go off-patent between 2016 and 2020. The Company has identified a few potential molecules from this list and has started working on offering the key intermediates as well as actives.
- The Company is confident that the focussed approach as mentioned above in each of the opportunity areas will yield positive results for the agrochemical intermediates business.

## Threats

- The Company is under constant threat of sudden and sharp price reductions by Chinese competitors. The company is constantly working on improving the process and cost efficiencies to ensure that it is in a strong competitive position to withstand this threat.
- Agrochemicals are constantly under scanner of regulatory authorities and NGOs for environmental and health concerns. This threat exists for OP insecticides too which are mature molecules. An adverse regulatory/judicial decision can be detrimental to the prospects of the intermediates produced by the company. The company actively engages with the Government, trade bodies and associations as well as the OP insecticide producers to ensure that the correct and balanced perspective is presented on the regulatory and environment front. Also, as mentioned above, the company is also putting in a lot of focussed effort on custom development and new product development to build up a revenue stream from new generation molecules in order to mitigate this risk.

## SPECIALTY CHEMICALS

### Industry Structure

The specialty chemicals industry encompasses a wide gamut of the chemicals industry. Broadly speaking, specialty chemicals have the following features which distinguish them from the basic chemicals:

- They are a few steps ahead in the value chain starting from basic chemicals
- The performance of the chemical in the end use/formulation is a critical success factor apart from the compliance to the product specifications.



- A knowledge/application development component is associated with these chemicals apart from the basic production technology.
- Small Volume – High Value chemicals account for a significant chunk of the Specialty Chemicals Industry. There are some chemicals which are classified in this category but are sold in relatively high volumes and are commoditised as far as pricing behaviour is concerned.
- Knowledge of the end applications of the customer, quick response to customer needs, investment in multipurpose equipment and ability to switch over quickly from one campaign to another are a few of the Critical Success Factors (CSFs) in the specialty chemicals segment.

Due to the expected transition of China from a low cost manufacturing export oriented economy to an advanced consumption based economy, it is expected that the focus will shift on India as a base for sourcing of knowledge/application intensive specialty chemicals. Also, given the changing lifestyle and rising aspirations of the middle class in India, the domestic demand for many of these specialty chemicals is expected to increase significantly.

## Outlook

The specialty chemicals business of the company comprises of the following product categories:

- Organophosphonates
- Acetyl Chloride
- Biocides
- Floatation reagents – Styrene Phosphonic Acid (SPA)

The outlook for each of the product categories is presented briefly as under:

### Organophosphonates

Organophosphonates are chelating agents/corrosion inhibitors based on Phosphorous Trichloride (PCl<sub>3</sub>). The company is a leader in the production of Organophosphonates. It has the advantage of being the leading producer of PCl<sub>3</sub> which is the key raw material required for the production of Organophosphonates. The company has been able to increase its volumes in the domestic market by leveraging on its dominant position and responding appropriately on the pricing.

In terms of future outlook, we see continued demand for Organophosphonates because of their established and proven efficacy in various applications. However, we also see continued aggression on the pricing because of the huge global capacities, particularly in China.

### Acetyl Chloride

The company is the leading producer of Acetyl Chloride in India. Acetyl Chloride is used as an acetylating agent in the production of Pharma APIs like Ibuprofen and Naproxen. India has emerged as an Ibuprofen manufacturing hub. The company has been able to successfully maintain its dominant position in Acetyl Chloride.

Going forward, the Company is confident of retaining its dominant status in this product. However, an increasing trend of Chinese imports is being seen for this product which will mean a pressure on volumes as well as pricing.

### Biocides

The company is the market leader in the product Sodium Pentachlorophenate (SPCP). This biocide has a proven efficacy in water based paints, wood preservation and a host of other applications. At the same time, it is highly cost effective.

These are the reasons for its continued usage in India. Currently, there are only two producers in India. The company is the major producer with a dominant market share. In recent years, the company has been able to significantly increase the volumes for this product.

We foresee continued demand for SPCP.



### Opportunities

- It is reasonable to expect a continued demand for Organophosphonates in view of their established efficacy as chelating agents in various applications.
- The US which is a large market for Phosphonates and dominated by Chinese players has initiated anti-dumping proceedings against imports from China. If the Anti-Dumping Duty is put in place as a result of these proceedings, it will create a space for other players. The company with its established position as a leading producer of Organophosphates is ideally placed to exploit this opportunity.

### Threats

- Because of huge capacities particularly in China, the market for Organophosphonates is highly price sensitive and the company continues to face pressure to match the price aggression by competitors, in order to maintain the volumes. The company plans to meet this threat by focussing on development of new applications using formulations based on the Phosphonates. Certain applications with potential have been identified and we are working on the market development of the same.
- Specialty Chemicals which are application oriented are under constant scrutiny of the regulatory agencies and NGOs for potential harmful impact on the humans/environment. A ban/phase out resulting out of a regulatory/judicial decision might have an adverse effect on the performance of the business. The company actively engages with the Government, trade bodies and associations to ensure that the correct and balanced perspective is presented on the regulatory and environment front.

## POLYMER INPUTS AND ADDITIVES

### Industry Structure and Outlook

Polymer Inputs/Additives are a class of functional chemicals which are used to impart special properties / functional characteristics to Polymers. These include Catalysts, Flame Retardants, Clarifying Agents, Branching and Cross-Linking Agents, Plasticizers etc. With the increasing use of Polymers in various applications like automobiles, electronics, construction industry, power equipment, aerospace etc. there is a good potential for Polymer Inputs and Additives

In recent years, the Company has been able to establish itself as a leader in the range of polymer inputs produced by it. The company has been able to establish a leadership position for the Polycarbonate Branching Agent produced by it. The sales turnover of the Polymer Inputs business for the year 2015-16 was ₹ 48 Crores.

Going forward, the Company expects the sales of its existing range of Polymers inputs to be strong. There are concerns on the declining trend of sales for the Polypropylene Co-Catalysts produced by the company due to the shift by the customer to new generation catalysts.

### Opportunities

- With its established position for the polymer input products manufactured by it, the Company is in an ideal position to take advantage of the market opportunities by expanding on the range of its offerings. The Company is engaging with potential customers for custom development of new products.

### Threats

- A shift to newer generation co-catalysts by the customer might adversely impact the sale of co-catalysts produced by the company. The Company is working on expanding its product range in order to mitigate this threat and has invested in dedicated R & D and process development resources for this purpose.
- The Polymer Additives as well as the final polymeric materials in which these additives are used are subject to constant scrutiny by regulatory bodies and NGOs for their potential impact on environment as well as human health. Any ban/restriction on the additives produced by the Company/end products due to such scrutiny might have an adverse impact on the sales/profit margins of this segment.

## PHARMACEUTICAL INTERMEDIATES AND ACTIVES

### The Indian API industry and its latest trends

The Indian Pharmaceutical industry is estimated to grow at 15-20% CAGR over the next five years. The industry is expected to outperform the global pharmaceutical industry which is set to grow by 5% in the same period. Presently the market size of the Indian pharmaceutical industry stands at USD 20 Billion.

India has around 2300 API manufacturing units and hence commands respect in the global supply domains. Stringent regulatory norms by the CDSCO ensures that the quality of the product meets Global Standards.

The biggest challenge for Indian API manufacturer comes from China. Over a period of time, Indian API players have gradually migrated up the value chain to focus on value added formulations with higher margins. Under these situations, it is imperative that API manufacturers in India focus on backward integration to achieve better control on critical activities which add value to the chain. This scenario appears to be an opportunity for several API intermediate manufacturers to look towards moving ahead in the value chain and enter the API domain.

### Segment Performance and Outlook

The Pharmaceutical Intermediates and API business has recorded sales of INR 20 Crores for the fiscal year 2015-2016. Robust process engineering and expertise in handling complex high volume reactions has enabled the business to achieve leadership position in one of its molecules in the domestic market. The Business has extended its reach in the export markets and is soon anticipating to be manufacturing a key intermediate for a large Japanese Pharma major. The Company has increased focus on new products & pipeline of APIs and Intermediates to be launched in next two years has already identified which will give boost to segment performance.

The Company has obtained WHO – GMP Certificate for complying with Good Manufacturing Practices at our Lote Parshuram site for manufacture of Active Pharmaceutical Ingredients (APIs), Bulk Drugs.

### Way Forward:

- Moving up the Value chain – Increase of API sales as compared to Intermediates in the Domestic markets
- API sales to export markets – DMF compilations and partnering with finished formulations manufacturers
- Intermediate sales in highly regulated markets
- Commercialisation of pipeline products
- Add new products to pipeline through enhanced customer interaction
- Product selection based on volume and capability based approach
- Investment in manufacturing facility for added capacities to support future growth

### Opportunities

- Intermediate manufacturing for Large Japanese Pharma major.
- API sales to Domestic and Export markets
- New products in therapeutic segment (Antidiabetic) scheduled to be commercialized in the year 2016-17 are expected to contribute significantly
- Aligning itself with the fastest growing therapeutic segment (Antidiabetic) in the Indian Pharmaceuticals market.
- Manufacturing of Intermediates for high value off patented products.
- Willingness of Increasing European players to partner with Indian intermediate manufacturers

### Threats

- Lack of support from Government to levy anti-dumping taxes on Imports
- Goods confiscated as illegal imports are sold off to Traders with heavy undercutting
- Competition from China in APIs and its intermediates continues to grow.
- Short term Indian API and Intermediate players – Traders
- Short Life span/product life cycle



### **Risks and Concerns**

- Dependency on single molecule as prices may drop within 2-3 years during replacement of molecule.
- Next generation molecule may impact existing molecule efficacy.
- End user exploring possibility of backward integration.
- Aggressive domestic competition.
- Delay in getting export approvals, will have impact on penetration in export market.

### **ENVIRONMENT AND BIOTECH**

#### **Industry Structure and Development**

Municipal Solid Waste Management industry is seeing an unprecedented momentum in India thanks to the Prime Minister's very ambitious 'Swachh Bharat Mission'. The industry has seen two very important regulatory milestones in the forms of:

- (a) Municipal Solid Waste Management Rules 2016 released by the Ministry of Environment and Forests which lay significant emphasis on segregation, de-centralized (at source treatment of waste) and composting.
- (b) Marketing Development Assistance of Rs 1,500 per MT on the sale of City Compost released by the Department of Fertilizers.

Your company has played a significant role in the ideation, formulation and release of the above policies which will act as a shot in the arm for the entire Solid Waste Management industry for both centralized and de-centralized technology providers and operators.

The industry has seen multiple entrepreneur driven organizations enter into the business of de-centralized solid waste management seeing the potential in the market due the above.

The MSW Management industry is definitely poised to assume a solid structure with long term players looking to provide sustainable solutions for a cleaner India.

#### **Segment performance and outlook**

The Company has registered marginal increase in sales during the year.

The sales of Organic Waste Converter (OWC) machine have improved and the outlook for the OWC market is promising.

#### **Opportunities, Threats, Risks and Concerns**

Urban Local Bodies are being mandated and monitored by the state and central governments for the tangible steps being taken by them in the field of sustainable solid waste management. Though the process is slow, this presents immense opportunities to all players in the industry in terms of offering technology solutions, end-to-end services as well as operations and maintenance of small and medium plants employing the urban poor.

Many large business houses are looking to spend a significant amount of their Corporate Social Responsibility funds towards sustainable models of de-centralized solid waste management.

The mandate on bulk waste generators to segregate and manage their own organic waste is becoming much tighter. Hence a large opportunity presents itself in that sector too.

Multiple Municipal Corporations are coming up with tenders / expressions of interest to set up and operate mixed MSW treatment and disposal facilities which will compost and Refuse Derived Fuel (RDF) as major components.

While the opportunities are immense, the threat of competition is also increasing. The first decade of 2000 saw several large opportunistic players enter the business expecting a quick turnaround, in turn offered halfhearted solutions which put reputation of the entire industry at risk.

Your company will need to actively explore the opportunities, weigh the risk of liabilities and also ensure we remain competitive at all times. Continuous innovation, newer solutions with high barrier to entry and focus on differentiation continue to be our strategy to face the above threat.



## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies are audited and certified by their respective Auditors for consolidation.

The Company has proper and adequate system of internal audit and control which ensures that all the assets are safeguarded against loss from unauthorized use and that all transactions are authorized recorded and reported correctly.

The Company continuously improves upon the existing practices for each of its major functional areas with a view to strengthen the internal control systems.

The Company has assigned internal audit function to a firm of Chartered Accountants. Regular internal audit and checks are carried out to ensure that the responsibilities are discharged effectively. All major findings and suggestions arising out of internal audit are reported and reviewed by the Audit Committee. The management ensures implementation of these suggestions and reviews them periodically.

## FINANCIAL PERFORMANCE & ANALYSIS

During the year under review, the total net sales decreased from ₹ 476.25 crores to ₹ 443.09 crores, registering a decline of 6.96%. The export sales increase from ₹ 78.00 crores to ₹ 93.13 crores registering an increase of 19.40%. Further, the Company made a profit of ₹ 36.55 crores before taxation compared to ₹ 50.29 crores in the previous year. Net profit after tax amounted to ₹ 25.20 crores as compared to ₹ 40.56 crores in the previous year registering decline of 37.87%.

## HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

Your company believes that human talent is its fundamental strength. The Company nurtures competencies and skills through learning and development programmes and recognizes talent, and rewards it through performance management system.

Performance management system ensures setting of KRAs in the beginning of the Financial Year and periodic and annual assessment of performance on the defined KRAs. For setting KRAs, Business Unit's KRAs are first established and then percolated down to the departmental and finally to individual KRAs.

Your company has generally enjoyed cordial relations with its employees. Worker and staff employees are paid in accordance with the wage agreement established with trade unions.

The employee strength of the Company as on 31<sup>st</sup> March, 2016 was 912.

## CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in Government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on the Code of Governance

Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and being fair to all stakeholders.

The objective of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder value. The Company has professionals on its Board of Directors who get actively involved in the deliberations of the Board as well as Committees of Directors on all important policy matters.

### 2. Board of Directors

For the year 2015-16, the Board of Directors comprised of three Whole-time Directors and nine Non-Executive Directors.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership in committees of other companies. Composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships/memberships of committees of other companies are as under:

NAME	CATEGORY	NO. OF BOARD MEETINGS ATTENDED DURING 2015-16	ATTENDANCE AT LAST AGM	NO. OF DIRECTORSHIP HELD IN OTHER PUBLIC LIMITED COMPANIES	NO. OF POSITIONS HELD IN THE COMMITTEES* OF DIRECTORS OF OTHER PUBLIC COMPANIES	
					AS A MEMBER	AS A CHAIRMAN
Mr. Ashwin C. Shroff (promoter)	Chairman & Managing Director	7	YES	3	Nil	1
Mrs. Usha A. Shroff (promoter)	Executive Vice Chairperson	7	YES	3	1	1
Mr. Ravi A Shroff (promoter)	Executive Director	7	YES	3	Nil	Nil
Mr. Atul G. Shroff (promoter)	Promoter – Non-Executive	5	YES	1	1	Nil
Mr. Dipesh K. Shroff (promoter)	Promoter – Non-Executive	6	YES	6	1	Nil
Mr. R. N. Bhogale	Independent Director	6	NO	Nil	Nil	Nil
Mr. H. N. Motiwalla	Independent Director	7	YES	8	2	5
Mr. P. S. Jhaveri	Independent Director	6	YES	2	3	Nil
Mr. M. B. Parekh	Independent Director	4	YES	4	2	Nil
Mr. R. K. Sood	Nominee Director	4	YES	Nil	Nil	Nil
Mr S. S. Vaidya	Independent Director	7	YES	5	Nil	Nil
Mr. R. M. Pandia	Independent Director	6	YES	2	Nil	1

\* Committee includes Audit Committee and Stakeholders' Relationship Committee of Board of Directors of the public company.

Date of Board meetings of the Company held during the year 2015-16.

22.05.2015	30.07.2015	10.09.2015	06.11.2015
11.02.2016	18.03.2016	28.03.2016	

Mr. Ashwin C. Shroff, Mr. Atul G. Shroff and Mr. Dipesh K. Shroff are cousin brothers. Mrs. Usha A. Shroff is wife of Mr. Ashwin C. Shroff and Mr. Ravi A. Shroff is son of Mr. Ashwin C. Shroff.

**3. Particulars of the Director, retiring by rotation and being eligible, offers himself for re-appointment, are as under:**

Name of Director	<b>MR. RAVI A. SHROFF</b>
Date of Birth	05-02-1978
Academic Qualification	Chemical Engineer from Mumbai University and a Post Graduate in Chemistry from Boston University, USA
Experience and Expertise	Industrialist with experience in the field of Chemicals and Pharma Industry and has expertise in the field of marketing, administration and business development.
Date of Appointment	03-09-2014
Other Public Companies in which Directorship is held	Kamaljyot Investments Limited Transpek Industry Limited TML Industries Limited
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	NIL
No. of Shares held in the Company	47670
DIN	00033505
Relation with other Directors or Key Managerial Personnel	Son of Mr. Ashwin C. Shroff and Mrs. Usha A. Shroff

**Particulars of Mrs. Usha A. Shroff, whose proposal for continuation of appointment after attaining the age of 70 years is to be passed by Special Resolution, are as under:**

Name of Director	<b>MRS. USHA A. SHROFF</b>
Date of Birth	28-03-1947
Academic Qualification	M. Com. with Cost Accounting
Experience and Expertise	Industrialist with vast business experience
Date of Appointment	13-09-2000
Other Public Companies in which Directorship is held	Kamaljyot Investments Limited TML Industries Limited Excel Bio Resources Limited
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	TML Industries Limited – Chairperson, Audit Committee, Member of Share Transfer Committee and Remuneration Committee
No. of Shares held in the Company	6497
DIN	00020519
Relation with other Directors or Key Managerial Personnel	Wife of Ashwin C. Shroff and mother of Ravi A. Shroff

#### 4. No. of Shares held by Non-Executive Directors as on March 31, 2016

Name of the Director(s)	Shares Held (No.)
Mr. Atul G. Shroff	59,784
Mr. Dipesh K. Shroff	8,619

Other Non-Executive Directors do not hold any shares in the Company as on March 31, 2016.

#### 5. Audit Committee

The role of the Audit Committee is to supervise the Company's financial reporting process and disclosure of its financial information, to approve appointment of CFO, to recommend the appointment of Statutory Auditors, Cost Auditors and Internal Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control systems, the scope of audit including observations of the Auditors, adequacy of the internal control systems, major accounting policies and practices, compliances with Accounting Standards, Listing Regulations and other legal requirements concerning financial statements and related party transactions. The Committee also reviews the Company's risk management systems and the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

The Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed in the Board meetings and taken on record.

The Company has complied with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regard to the composition of the Audit Committee.

The Audit Committee of the Board of Directors of the Company comprised of the following four Members as on March 31, 2016:

Mr. H. N. Motiwalla, Chairman	Independent Director
Mrs. Usha A. Shroff, Member	Promoter, Executive Vice Chairperson
Mr. P.S. Jhaveri, Member	Independent Director
Mr. R. N. Bhogale, Member	Independent Director

The Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee meetings were held on the following dates during the last financial year.

22.05.2015	30.07.2015	10.09.2015	06.11.2015
11.02.2016	18.03.2016		

Attendance at the Audit Committee Meetings during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	6	6
Mrs. Usha A. Shroff	6	6
Mr. P.S. Jhaveri	6	6
Mr. R. N. Bhogale	6	5

Audit Committee meetings are also attended by senior finance executives, Statutory Auditors and Internal Auditors. The Cost Auditors are also invited to the meetings, whenever required.

#### 6. Nomination and Remuneration Committee

##### Terms of reference and composition:

The Broad terms of reference of the Company's Nomination and Remuneration Committee are to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down

and to recommend to the Board their appointment/removal, to formulate the criteria for evaluation of Independent Directors and the Board, to determine and recommend to the Board the remuneration payable to Whole-time Directors, to determine and advise the Board for the payment of annual increments and commission to the Whole-time Directors and to determine and recommend policy for remuneration to directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee comprised of the following three Members as on March 31, 2016:

Mr. H. N. Motiwalla, Chairman	Independent Director
Mr. R. N. Bhogale, Member	Independent Director
Mr. P. S. Jhaveri, Member	Independent Director

The Nomination and Remuneration Committee meetings were held on the following dates during the last financial year.

22.05.2016                      30.07.2015                      11.02.2016

Attendance at the Nomination and Remuneration Committee Meetings during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	3	3
Mr. R. N. Bhogale	3	3
Mr. P. S. Jhaveri	3	3

#### 7. **Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee looks into the stakeholders' complaints, if any, and redress the same expeditiously.

The Stakeholders' Relationship Committee comprised of the following Members as on March 31, 2016:

Mr. Dipesh K. Shroff, Chairman	Promoter, Non-Executive Director
Mrs. Usha A. Shroff, Member	Promoter, Executive Vice Chairperson
Mr. H. N. Motiwalla, Member	Independent Director
Mr. Ravi A. Shroff, Member	Promoter, Executive Director

Mr. S. K. Singhvi, Company Secretary, is also designated as the Compliance Officer of the Company.

The Stakeholders' Relationship Committee meetings were held on the following dates during the last financial year.

06.04.2015                      23.04.2015                      22.05.2015                      30.07.2015  
13.08.2015                      9.10.2015                      06.11.2015                      16.11.2015  
28.01.2016                      11.02.2016                      25.02.2016

Attendance at the Stakeholders Relationship Committee Meeting during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Dipesh K. Shroff	11	3
Mrs. Usha A. Shroff	11	11
Mr. H. N. Motiwalla	11	4
Mr. Ravi A. Shroff	11	11

During the year 13 complaints were received from the investors, all of which were resolved. There are no shares pending for transfer as on March 31, 2016.



## 8. Corporate Social Responsibility Committee (CSR):

The Board of Directors of the Company in its meeting held on 28<sup>th</sup> March, 2014 constituted the Corporate Social Responsibility Committee.

The Role of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount to be spent on the CSR activities, and institute a transparent monitoring mechanism for implementation of the CSR Projects undertaken by the Company, and to review and amend, the Corporate Social Responsibility Policy of the Company whenever required.

The Corporate Social Responsibility Committee comprised of the following Members as on March 31, 2016:

Mr. Ashwin C. Shroff, Chairman	Promoter, Chairman and Managing Director
Mrs. Usha A. Shroff, Member	Promoter, Executive Vice Chairperson
Mr. R. N. Bhogale, Member	Independent Director
Mr. M. B. Parekh, Member	Independent Director
Mr. R. M. Pandia, Member	Independent Director

The Corporate Social Responsibility Committee meetings were held on the following dates during last financial year.

22.05.2015                      06.11.2015                      11.02.2016

Attendance at the Corporate Social Responsibility Committee meetings during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Ashwin C. Shroff	3	3
Mrs. Usha A. Shroff	3	3
Mr. R. N. Bhogale	3	3
Mr. M. B. Parekh	3	0
Mr. R. M. Pandia	3	2

## 9. Allotment Committee:

The Role of Allotment Committee is to issue and allot securities of the Company from time to time.

Allotment Committee comprised of the following Members as on March 31, 2016:

Mr. H. N. Motiwalla, Member	Independent Director
Mr. P. S. Jhaveri, Member	Independent Director
Mr. R. N. Bhogale, Member	Independent Director

The Allotment Committee meeting were held on the following dates during the last financial year.

24.07.2015                      24.09.2015

Attendance at the Allotment Committee meeting during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	2	2
Mr. R. N. Bhogale	2	1
Mr. P. S. Jhaveri	2	2

#### 10. Risk Management Committee:

The Role of Committee is to review the risk policy and plan of the Company from time to time and to guide and advise the executives in managing the business risks of the Company.

The Committee comprises of the following Members:

Mr. H. N. Motiwalla	Independent Director
Mr. Rajeev M. Pandia	Independent Director
Mr. Ravi A. Shroff	Executive Director
Mr. B. Balachandran	President (Chemicals Division)

#### 11. Remuneration of Directors:

The Non Executive Directors are paid sitting fees for meetings of the Board and Committees of Directors and commission, if any. There is no other pecuniary relationship or transaction of the non executive directors with the Company.

The Company pays remuneration to its Chairman & Managing Director, Executive Vice Chairperson and Executive Director by way of salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Board, on the recommendations of the Nomination and Remuneration Committee, approves annual increments to the Whole-time Directors. Commission of Whole-time Directors is range bound not exceeding 24 months salary and is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.

Given below are the details of remuneration paid to the Directors during the financial year 2015-16:

DIRECTORS	SITTING FEES FOR BOARD/COMMITTEE MEETINGS (₹)	SALARIES AND OTHER PERQUISITES (₹)	COMMISSION* (₹)	TOTAL (₹)
Mr. Ashwin C. Shroff	N.A.	77,12,116	37,50,000	1,14,62,116
Mrs. Usha A. Shroff	N.A.	65,43,237	31,50,000	96,93,237
Mr. Ravi A. Shroff	N.A.	44,37,636	21,50,000	65,87,636
Mr. Atul G. Shroff	1,00,000	N.A.	2,00,000	3,00,000
Mr. R. N. Bhogale	3,40,000	N.A.	5,00,000	8,40,000
Mr. H. N. Motiwalla	4,40,000	N.A.	5,00,000	9,40,000
Mr. P.S. Jhaveri	3,60,000	N.A.	4,00,000	7,60,000
Mr. Dipesh K. Shroff	1,50,000	N.A.	3,00,000	4,50,000
Mr. M. B. Parekh	1,00,000	N.A.	3,00,000	4,00,000
Mr. R. K. Sood	80,000	N.A.	3,00,000	3,80,000
Mr. S. S. Vaidya	1,60,000	N.A.	2,00,000	3,60,000
Mr. R. M. Pandia	1,80,000	N.A.	3,00,000	4,80,000

The employment of the Chairman & Managing Director, Executive Vice Chairperson and Executive Director is contractual. The employment is for a period of five years and terminable by either party giving 3 months notice.

Severance compensation is payable to the Whole-time Directors, if their employment is terminated before the contractual period, subject to the provisions and limitations specified in the Companies Act, 2013. There are no stock options or performance linked incentive to the Directors.

The Company offers benefits to retiring Whole-time Directors as per a scheme in force duly approved by the Shareholders. The quantum of benefits in each individual case is decided by the Board of Directors at their discretion.

\*Commission to the Non-Executive Directors pertains to the year 2014-15, which has been paid in the year 2015-16.

**Familiarization Programme:** The Company has conducted familiarization Programme during the year for Independent Directors so as to assist them in performing their role as Independent Directors. Details of the Programme is available on Company's website at <http://www.excelind.co.in/downloads/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>.

**Performance evaluation criteria for Independent Directors:**

The Company has laid down evaluation criteria separately for Independent Directors. The criteria for evaluation of Directors includes parameters such as attendance, maintaining effective relationship with fellow Board members, providing quality and valuable contribution during meetings, successfully bringing their knowledge and experience for formulating strategy of the company etc. Based on such criteria, the evaluation is done in a structured manner through consultation and discussion.

**12. General Meetings**

Location and time of the last three Annual General Meetings

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2012-13	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 26 <sup>th</sup> July, 2013	3.00 p.m.	1
2013-14	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 26 <sup>th</sup> September, 2014	3.00 p.m.	5
2014-15	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Thursday, 10 <sup>th</sup> September, 2015	3.00 p.m.	2

**Postal Ballot**

During the year, the following special resolutions were passed through Postal Ballot:

- Creation of Mortgage/Charge on the movable and immovable properties of the Company, both present and future, in respect of borrowings

The results of Postal Ballot are as under:

	Votes cast in favour	Votes cast against	Total
Remote e-voting	64,65,405	170	64,65,575
Postal Ballot	1,95,818	3,276	1,99,094
<b>Total</b>	<b>66,61,223</b>	<b>3,446</b>	<b>66,64,669</b>

% of votes in favour of the resolution	99.95
% of votes against the resolution	0.05

- Alteration of Memorandum of Association of the Company:- Alteration of object clause III(1)

The results of postal ballot are as under:

	Votes cast in favour	Votes cast against	Total
Remote e-voting	64,65,333	242	64,65,575
Postal Ballot	1,95,508	3,136	1,98,644
<b>Total</b>	<b>66,60,841</b>	<b>3,378</b>	<b>66,64,219</b>

% of votes in favour of the resolution	99.95
% of votes against the resolution	0.05

## iii) Adoption of new set of Articles of Association of the Company

The results of postal ballot are as under:

	Votes cast in favour	Votes cast against	Total
Remote e-voting	64,65,333	242	64,65,575
Postal Ballot	1,95,488	3,156	1,98,644
<b>Total</b>	<b>66,60,821</b>	<b>3,398</b>	<b>66,64,219</b>

% of votes in favour of the resolution	99.95
% of votes against the resolution	0.05

All the above special resolutions were passed with requisite majority. Mr. Prashant Diwan, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot process.

None of the business proposed to be transacted at the ensuing 55<sup>th</sup> Annual General Meeting require passing thorough Postal Ballot.

### 13. Disclosures

i) **Related Party Transactions:**

Related party transactions are entered in the Register of Contract under Section 189 of the Companies Act, 2013 and the register is placed before the Board. All related party transactions entered into during the year 2015-16 were at arm's length and in the ordinary course of business.

There were no materially significant related party transactions that had potential conflict with the interest of the Company. The Company has adopted a Related party transaction policy and it is available on its website at <http://www.excelind.co.in/downloads/Related%20Party%20Transaction%20Policy.pdf>.

ii) **Whistle Blower Policy:**

The Board of Directors of the Company has approved and adopted a Whistle Blower Policy of the Company for establishing a vigil mechanism for directors and employees to report genuine concerns regarding fraud or unethical behavior as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In appropriate cases any personnel of the Company can have direct access to the audit committee. We affirm that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy is posted on the website of the Company at <http://www.excelind.co.in/downloads/Whistle%20Blower%20Policy.pdf>.

iii) **Particulars of Cost Auditor:**

Name of the Cost Auditor	M/s. Kishore Bhatia & Associates
Firm Registration No.	00294
Date of Appointment for the year 2015-16:	30.07.2015
Filing of Cost Audit Report for FY 2014-15:	
Due Date	10.10.2015
Actual Date	08.10.2015

iv) **Statutory Compliance, Penalties and Strictures:**

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authorities on all matters related to capital markets during the last year. There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities relating to the above compliance.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. Means of Communication:**

- The financial results of the Company are published in the newspapers viz. DNA (English) and Daily Sagar (Marathi).
- The financial results are also displayed on the Company's Website: <http://www.excelind.co.in>
- NEAPS and BSE Listing are web-based application designed by NSE and BSE respectively for corporate filing. All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others are also filed electronically through their portal.

No presentation has been made by the Company to Institutional investors or analysts.

The Company has adopted a Policy for determining 'Material Subsidiaries' and its available on its website at <http://www.excelind.co.in/downloads/Policy%20to%20Determine%20Material%20Subsidiary.pdf>

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: As such, the Company is not exposed to any commodity price risk.

**15. Management Discussion and Analysis forms part of the Annual Report.****16. General Shareholder Information**

- **Annual General Meeting**

Date and Time : Tuesday, the 26<sup>th</sup> July, 2016 at 3.00 p.m.

Venue : Rama and Sundri Watumull Auditorium,  
Kishinchand Chellaram College,  
Dinshaw Wachha Road,  
Churchgate, Mumbai-400 020.

- **Financial Year**

: Year ended March 31, 2016

- **Dates of Book Closure**

: Monday, 18<sup>th</sup> July, 2016 to Tuesday, 26<sup>th</sup> July, 2016 (both days inclusive).

- **Listing on Stock Exchanges**

: The Company's Equity shares are listed on the following Stock Exchanges:

- 1) BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001
- 2) National Stock Exchange of India Ltd. (NSE)  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G Block, Bandra – Kurla Complex, Bandra (E),  
Mumbai 400 051

The Company has paid the listing fees to these Stock Exchanges for the year 2015-16.

- **Dividend payment date**

: From 1<sup>st</sup> August, 2016

- **Stock Codes (for shares):**

The Stock Exchange, Mumbai (Physical Segment) : 650

The Stock Exchange, Mumbai (Demat Segment) : 500650

National Stock Exchange of India Limited : EXCELINDUS

Demat ISIN Number in NSDL and CDSL : INE 369A01029



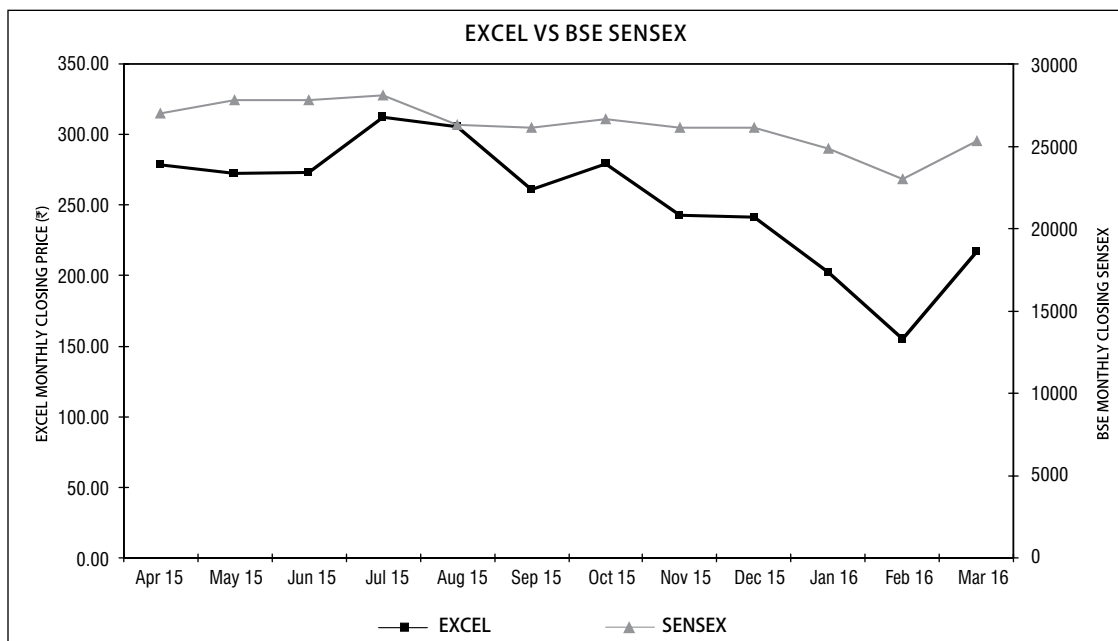
• **Market Price Data:**

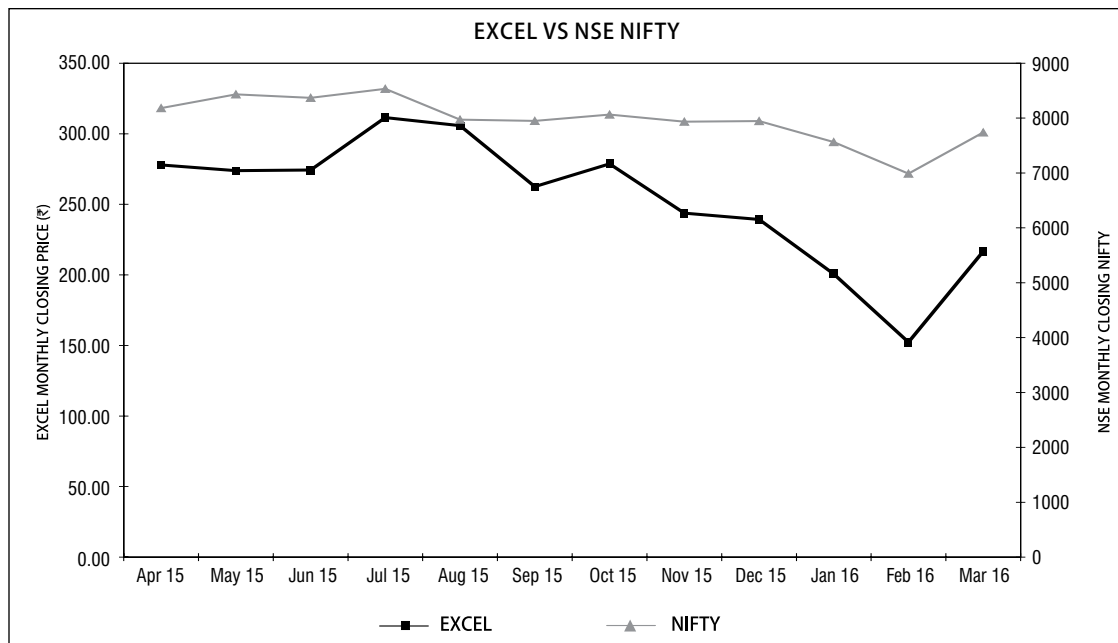
	(IN ₹)		(IN ₹)	
	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	HIGH	LOW	HIGH	LOW
April-2015	342.00	265.00	343.00	261.00
May-2015	350.00	257.00	349.80	257.00
June-2015	313.00	264.00	312.00	265.00
July-2015	330.00	270.00	340.00	271.70
Aug-2015	353.00	270.00	351.80	261.00
Sept-2015	313.00	249.00	314.00	249.00
Oct-2015	292.00	255.40	292.90	255.10
Nov-2015	284.60	201.00	283.45	201.15
Dec-2015	254.20	216.00	254.55	216.90
Jan-2016	258.00	186.00	257.00	183.00
Feb-2016	207.00	140.00	211.90	138.70
Mar-2016	234.00	147.20	233.85	148.10

(Source: This information is complied from the data available from the website of BSE and NSE)

• **Share Price Movements:**

Share Price Movement for the period from April, 2015 to March 2016 Excel Industries Limited v/s BSE Sensex & NSE Nifty.





**Share Transfer System:** The share transfer function is carried out by the Registrar and Transfer Agent-Link Intime India Pvt. Ltd. Share transfers in physical form can be lodged at their office at C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 (Tel: 2596 3838 & 25946970).

Share transfers and other share related requests are considered for approval every fortnight by the Company's Officials who are authorized in this behalf.

- Distribution of Shareholdings as on March 31, 2016**

CATEGORY	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 500	12971	89.42	1648971	12.78
501 - 1000	846	5.83	622194	4.82
1001 - 2000	356	2.45	500343	3.88
2001 - 3000	112	0.77	276417	2.14
3001 - 4000	53	0.37	187997	1.45
4001 - 5000	29	0.21	132665	1.03
5001 - 10000	52	0.36	358402	2.78
Above 10000	86	0.59	9178641	71.12
Total	14505	100.00	12905630	100.00

- Categories of Shareholders as on March 31, 2016**

CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES	VOTING STRENGTH %
Promoters	36	6585030	51.02
Individuals	13990	4869517	37.73
Companies	276	345617	2.68
Non-Resident Individuals	178	82841	0.64
Indian Banks, Financial Institutions and Mutual Funds	17	1022103	7.92
Foreign Institutional Investors & Foreign Banks	8	522	0.01
Total	14505	12905630	100.00

As per Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened a demat account styled as “Excel Industries Limited Unclaimed Share Suspense Account”. The details of the shares held in the account are as under:

CATEGORY	NO. OF SHAREHOLDERS	SHARES
Body Corporate	8	579
Foreign Banks	3	187
Mutual Funds	2	100
Public	248	36059
Total	261	36925

- Dematerialisation of Shares and Liquidity:**

97.19% of the Company's share capital is held in dematerialised form as on March 31, 2016. The Company's shares are regularly traded on the Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd., (NSE).

- Unclaimed Shares**

During the year, as per Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, after completing all the procedures, transferred the unclaimed shares to “Excel Industries Limited Unclaimed Share Suspense Account”. Status of account is as under:

Outstanding shares lying in the account at the beginning of the year		Number of shareholders approached and to whom the Company transferred shares from the Unclaimed Share Suspense Account to shareholder account during the year		Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	
No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
265	37522	4	597	261	36925

Voting rights on their shares shall remain frozen till the rightful owner of the shares claim their shares.



- **Factory Locations:**

- (a) Plot No.112, M.I.D.C. Industrial Area,  
Dhatav, Roha,  
Dist. Raigad-402 116.
- (b) D-9, M.I.D.C., Lote Parshuram,  
Tal: Khed, Dist. Ratnagiri-415 722.
- (c) Narol Sarkhej Octroi Naka,  
Near Sewage Farm,  
Baherampura, Ahmedabad-380 022.

- **Address for correspondence:**

Excel Industries Limited,  
184-87, Swami Vivekanand Road, Jogeshwari (West),  
Mumbai-400 102.  
Tel.: 6646 4200, 2678 4255 & 2678 8258  
Fax.: 6696 3514 / 2678 3657  
[excel.mumbai@excelind.com](mailto:excel.mumbai@excelind.com)

- **Address for correspondence for share related work:**

LINK INTIME INDIA PVT. LTD.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai 400 078  
Tel: 91 22 2596 3838 / 91 22 2594 6970

**Help Desk contact**

E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**E-mail Address for Investor Grievances:**

[ranjan.desai@excelind.com](mailto:ranjan.desai@excelind.com)

**17. Managing Directors Declaration on Code of Conduct and Ethics:**

The Board of Directors of the Company has laid down Code of Conduct and Ethics (The Code) for the Company's Directors and Senior Executives. All the Directors and the Senior Executives covered by the code have affirmed compliance with the code on an annual basis.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF  
Chairman & Managing Director  
DIN: 00019952

Date: 5<sup>th</sup> June, 2016  
Place: Mumbai

## AUDITORS' CERTIFICATE

To

**The Members of Excel Industries Limited**

We have examined the compliance of conditions of corporate governance by Excel Industries Limited, for the year ended on 31 March, 2016, as stipulated in Regulation 17 to 27 of the 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No: 037924

Place: Mumbai

Date: 5 June, 2016



## TEN-YEAR HIGHLIGHTS

										(₹ in lacs)
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
I. CAPITAL ACCOUNTS										
A. Share Capital	645.28	595.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28
B. Reserves	20061.02	17582.26	14119.45	12849.76	11750.98	10536.63	9670.21	9127.96	9147.61	9007.41
C. Money received against Convertible Warrants	—	172.50	345.00	—	—	—	—	—	—	—
D. Shareholders' Funds (A+B+C)	20706.30	18350.55	15009.73	13395.04	12296.26	11081.91	10215.49	9673.24	9692.89	9552.69
E. Borrowings	7772.62	7881.65	9462.45	6887.10	6371.31	5181.78	6011.05	7523.50	7358.85	7280.99
F. Deferred Tax Liability (Net)	1869.49	1633.77	1382.83	1472.50	1406.24	1369.61	1468.26	1019.22	993.70	919.55
G. Capital Employed (D+E+F)	30348.41	27865.97	25855.01	21754.64	20073.81	17633.30	17694.80	18215.96	18045.44	17753.23
H. Gross Block	27585.27	26374.33	27900.95	24923.78	23246.53	21251.31	21507.89	21474.10	20721.74	19127.27
I. Net Block	16573.53	15835.04	14664.19	12310.04	11256.31	10096.98	10440.01	10650.45	10975.93	10408.27
J. Debt-Equity Issue	0.38:1	0.43:1	0.63:1	0.51:1	0.52:1	0.47:1	0.59:1	0.78:1	0.76:1	0.76:1
II. REVENUE ACCOUNTS										
A. Gross Revenue	49307.71	53655.32	46101.74	42454.83	34376.84	29647.53	25497.38	26963.53	25412.91	22717.31
B. Profit/(Loss) before Taxes	3655.28	5029.33	2053.42	2168.09	1176.75	2035.25	1139.61	137.08	593.50	198.04
% of Gross Revenue	7.41%	9.37%	4.44%	5.11%	3.42%	6.86%	4.47%	0.51%	2.34%	0.87%
C. Exceptional Item	—	—	—	—	724.01	—	—	—	—	—
D. Profit/(Loss) after Taxes	2519.56	4056.43	1748.15	1479.31	1514.33	1430.90	607.06	74.49	421.73	131.80
% of Gross Revenue	5.11%	7.56%	3.78%	3.48%	4.41%	4.83%	2.38%	0.28%	1.66%	0.58%
E. Return on Shareholders' Funds %	12.17%	22.11%	11.65%	11.04%	12.32%	12.91%	5.94%	0.77%	4.35%	1.38%
III. EQUITY SHAREHOLDERS' EARNINGS										
A. Earning per Equity Share *	₹ 20.05	36.22	16.03	13.59	13.46	12.30	7.30	0.40	3.62	1.23
B. Dividend per Equity Share *	₹ 4.50	7.00	3.75	3.00	2.00	3.75	2.00	0.50	1.00	0.50
C. Equity Dividend	₹ 565.68	803.40	408.96	327.17	218.11	408.96	218.11	54.53	109.06	54.53
D. Net Worth per Equity Share*	₹ 160.44	154.13	137.63	122.83	112.75	101.62	93.67	88.70	88.88	87.59
E. Market Rate as on 31st March	₹ 217.10	280.90	69.00	60.00	68.70	74.15	58.25	26.45	53.15	41.17

\* Face Value of Equity Share – ₹ 5/-.

**SUMMARISED BALANCE SHEET**
**As at 31st March**

	2016		2015	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY OWNED				
1. FIXED ASSETS				
Gross Block	27,585.27		26,374.33	
Less: Depreciation	11,011.74		10,539.29	
		16,573.53		15,835.04
2. INTANGIBLE ASSETS		101.81		172.63
3. NON-CURRENT INVESTMENTS		1,403.02		1,403.02
4. LONG TERM LOANS & ADVANCES				
& OTHER NON-CURRENT ASSETS		2,672.78		1,893.50
5. NET CURRENT ASSETS		10,619.82		9,851.61
		31,370.96		29,155.80
WHAT THE COMPANY OWED				
1. BORROWINGS (LONG TERM & SHORT TERM)		7,772.62		7,881.65
2. LONG TERM PROVISIONS		1,022.55		1,290.34
3. NET WORTH (Shareholders' Equity)				
Represented by				
(i) Share Capital	645.28		595.28	
(ii) Reserves	20,061.02		17,582.26	
(iii) Convertible Warrants	—		172.50	
		20,706.30		18,350.04
4. DEFERRED TAX LIABILITIES (NET)		1,869.49		1,633.77
		31,370.96		29,155.80

**SUMMARISED PROFIT AND LOSS ACCOUNT**
**For the year ended 31st March**

	2016		2015	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY EARNED				
From Sales (including Excise Duty)		48,520.88		52,426.14
From Export incentives	102.27		112.76	
From Other Sources	684.56		1,116.42	
		786.83		1,229.18
		49,307.71		53,655.32
WHAT THE COMPANY SPENT				
On Manufacturing Costs		37,183.14		39,790.52
On Employees		5,859.18		6,167.92
Interest on Loans		1,070.63		1,197.64
Depreciation		1,539.48		1,469.91
		45,652.43		48,625.99
OPERATING PROFIT		3,655.28		5,029.33



## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Excel Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 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. 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**

In our opinion and to the best of our information and according to the explanations given to us, the 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, its profit, and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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 2" to this report; 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 information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statement;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No.: 37924

Place : Mumbai

Date : May 27, 2016

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date.**

**Re: Excel Industries Limited (‘the Company’)**

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Certain fixed assets have been physically verified by the management during the year as per the phased programme of verification over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company. Further, two title deeds of immovable properties having gross book value of ₹ 406.75 lacs included in fixed assets are mortgaged with the lenders. As per confirmation from the lenders and information provided to us by the management, the title deeds are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii)
  - (a) During the year, the Company has granted loan of ₹ 300 lacs to a wholly owned subsidiary covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the interest of the Company.
  - (b) In respect of loan granted to a wholly owned subsidiary, the payment of principal and interest amount has been regular to the extent applicable.
  - (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of investments made have been complied with by the Company.
- (v) In respect of deposits accepted during the earlier years, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act related to the manufacture of insecticides, industrial alcohol, fertilizers and Pharma products and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)
  - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lacs) *	Period to which the amount relates	Forum where the dispute is pending
Customs	Custom Demand	144.88	2011-13	Commissioner of Appeals of Customs, Mumbai
Central Excise Act, 1944	Excise Duty Demand	21.11	2007-08	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Excise Duty Demand	26.78	2008-13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Excise Duty Demand	1.34	2013-14	Customs, Excise and Service Tax Appellate Tribunal, Mumbai



Name of the statute	Nature of dues	Amount (₹ in Lacs) *	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty Demand	3.41	2014	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Excise Duty Demand	1.79	2015	Assistant Commissioner of Central Excise, Raigad
Central Excise Act, 1944	Excise Duty Demand	8.99	2005-09	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Excise Duty Demand	22.51	2009-14	Commissioner of Appeals of Central Excise, Raigad
Central Excise Act, 1944	Excise Duty Demand	1.42	2015	Assistant Commissioner of Central Excise, Raigad
Service Tax (Finance Tax, 1994)	Service Tax Demand	2.56	2011-14	Assistant Commissioner of Central Excise, Raigad
Service Tax (Finance Tax, 1994)	Service Tax Demand	0.64	2014-15	Assistant Commissioner of Central Excise, Raigad
Service Tax (Finance Tax, 1994)	Service Tax Demand	1.96	2011-14	Assistant Commissioner of Central Excise, Raigad
Service Tax (Finance Tax, 1994)	Service Tax Demand	1.13	2014-15	Assistant Commissioner of Central Excise, Raigad
State Excise Act	Excise Duty Demand	294.44	2002-15	High Court, Mumbai
Income Tax Act, 1961	Income Tax Demand	882.27	AY 2010-11, AY 2011-12 & AY 2012-13	Commissioner of Income Tax (Appeals)

\* including penalty/interest and net of amount paid under protest.

- (viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank.
- (ix) According to the information and explanations given by the management and on an overall examination of the balance sheet, we report that term loans were applied for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

#### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No.: 37924

Place : Mumbai

Date : May 27, 2016

**Annexure 2 to the independent auditor's report of even date on the standalone financial statements of Excel Industries Limited.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**To the Members of Excel Industries Limited**

We have audited the internal financial controls over financial reporting of Excel Industries 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**

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. 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 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**

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 as specified 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 issued by the Institute of Chartered Accountants of India. 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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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 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**

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**

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 S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No.: 37924

Place : Mumbai

Date : May 27, 2016

## BALANCE SHEET AS AT MARCH 31, 2016

	Notes	As at March 31, 2016 (₹ in Lacs)	As at March 31, 2015 (₹ in Lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	6,45.28	5,95.28
Reserves and surplus	4	200,61.02	175,82.26
Money received against convertible warrants	26	—	1,72.50
		<b>207,06.30</b>	183,50.04
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	10,10.40	18,15.08
Deferred tax liability (net)	6	18,69.49	16,33.77
Long-term provisions	7	10,22.55	12,90.34
		<b>39,02.44</b>	47,39.19
<b>Current Liabilities</b>			
Short-term borrowings	8	67,62.22	60,66.57
Trade payables	9		
— Total outstanding dues of micro enterprises and small enterprises		2,04.74	3,63.18
— Total outstanding dues of creditors other than micro enterprises and small enterprises		69,28.83	50,70.89
Other current liabilities	9	18,96.78	26,10.45
Short-term provisions	7	13,70.42	12,34.64
		<b>171,62.99</b>	153,45.73
<b>TOTAL</b>		<b>417,71.73</b>	384,34.96
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10	162,54.26	155,76.70
Intangible assets	11	1,01.81	1,72.63
Capital work-in-progress		3,11.62	2,55.64
Intangible assets under development		7.65	2.70
Non-current investments	12	14,03.02	14,03.02
Loans and advances	13	25,99.78	18,83.50
Other non-current assets	14.2	73.00	10.00
		<b>207,51.14</b>	193,04.19
<b>Current Assets</b>			
Inventories	15	62,89.40	66,52.07
Trade receivables	14.1	126,89.28	105,64.63
Cash and bank balances	16	4,00.75	2,13.53
Loans and advances	13	15,40.91	11,84.28
Other current assets	14.2	1,00.25	5,16.26
		<b>210,20.59</b>	191,30.77
<b>TOTAL</b>		<b>417,71.73</b>	384,34.96
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
For S R B C & CO LLP	For and on behalf of the Board of Directors of Excel Industries Limited		
Firm registration No.: 324982E/E300003	ASHWIN C. SHROFF	Ravi A. Shroff	
Chartered Accountants	Chairman and Managing Director	Executive Director	
	DIN: 00019952	DIN: 00033505	
per Jayesh M. Gandhi	KAILAS D. DABHOLKAR	SURENDRA K. SINGHVI	
Partner	Chief Financial Officer	Company Secretary	
Membership No. 37924			
Place : Mumbai	Place : Mumbai		
Date: May 27, 2016	Date: May 27, 2016		

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>INCOME</b>			
Revenue from operations (gross)	17	<b>490,25.10</b>	529,55.40
Less: Excise duty		<b>42,11.83</b>	47,99.74
Revenue from operations (net)		<b>448,13.27</b>	481,55.66
Other income	18	<b>2,82.61</b>	6,99.92
<b>Total revenue (I)</b>		<b>450,95.88</b>	488,55.58
<b>EXPENSES</b>			
Cost of raw materials and components consumed	19	<b>217,93.94</b>	247,28.74
Purchase of traded goods	20	<b>9,14.54</b>	9,76.81
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	<b>4,66.55</b>	(9,61.27)
Employee benefits expense	21	<b>58,59.18</b>	61,67.92
Other expenses	22	<b>96,12.68</b>	100,46.91
<b>Total expenses (II)</b>		<b>386,46.89</b>	409,59.11
<b>Earnings before depreciation and amortisation, interest and tax (EBITDA) (I-II)</b>		<b>64,48.99</b>	78,96.47
Depreciation and amortisation expense	23	<b>15,39.48</b>	14,69.91
Finance costs	24	<b>12,54.23</b>	13,97.23
<b>Profit before tax</b>		<b>36,55.28</b>	50,29.33
<b>Tax expenses</b>			
Current tax		<b>9,00.00</b>	12,39.15
Deferred tax		<b>2,35.72</b>	3,88.87
Adjustment relating to earlier periods (net)		—	(6,55.12)
<b>Total tax expense</b>		<b>11,35.72</b>	9,72.90
<b>Profit for the year</b>		<b>25,19.56</b>	40,56.43
<b>Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]</b>	25		
Basic (in ₹)		<b>20.05</b>	36.22
Diluted (in ₹)		<b>20.05</b>	33.81
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP  
Firm registration No.: 324982E/E300003  
Chartered Accountants

per Jayesh M. Gandhi  
Partner  
Membership No. 37924

Place : Mumbai  
Date: May 27, 2016

For and on behalf of the Board of Directors of Excel Industries Limited

ASHWIN C. SHROFF  
Chairman and Managing Director  
DIN: 00019952

KAILAS D. DABHOLKAR  
Chief Financial Officer

Place : Mumbai  
Date: May 27, 2016

RAVI A. SHROFF  
Executive Director  
DIN: 00033505

SURENDRA K. SINGHVI  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 (₹ in Lacs)	For the year ended March 31, 2015 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	36,55.28	50,29.33
Adjustments for :		
Depreciation	14,50.82	13,80.39
Amortisation of Intangible Assets	88.66	89.52
Tangible Assets written off	1,66.08	1,09.74
Provision for Doubtful Receivables (net)	10.99	11.70
Bad Debts/Sundry Debit Balances Written Off	8.70	4.37
Loss on sale of Tangible Assets	1,03.57	31.63
Interest income	(41.77)	(1,35.12)
Interest expenses	10,70.63	11,97.64
Dividend received	(31.43)	(2,81.66)
Exchange difference Adjustment unrealised gain/(loss)	(23.19)	4.32
Profit on sale of non-current investments	—	(57.35)
	<u>28,03.06</u>	<u>23,55.18</u>
<b>Operating Profit before working capital changes</b>	<b>64,58.34</b>	<b>73,84.51</b>
Movements in Working Capital		
Decrease/(Increase) in Trade Receivables	(21,82.92)	(4,84.07)
Decrease/(Increase) in Inventories	3,62.67	(18,37.99)
Decrease/(Increase) in Other Current Assets	2,81.11	(89.39)
Decrease/(Increase) in Loans & Advances	(2,15.01)	(84.11)
Increase/(Decrease) in Current Liabilities & Provisions	13,11.54	5,14.93
	<u>(4,42.61)</u>	<u>(19,80.63)</u>
Cash generated from Operations	60,15.73	54,03.88
Direct taxes paid (Net of refunds)	14,57.82	9,83.57
<b>Net cash flow from Operating Activities (A)</b>	<b>45,57.89</b>	<b>44,20.31</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including CWIP and capital advances	(26,56.59)	(32,87.94)
Purchase of intangible assets	(17.84)	(79.87)
Proceeds from sale of fixed assets	1,73.11	1,89.54
Loan to a Subsidiary Company	(3,00.00)	—
Interest received	41.37	1,34.94
Dividend received	31.43	2,81.66
Sale of long term Investments	—	67.49
<b>Net cash flow used in Investing Activities (B)</b>	<b>(27,28.52)</b>	<b>(26,94.18)</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 (₹ in Lacs)	For the year ended March 31, 2015 (₹ in Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from conversion of warrants to Equity shares	5,17.50	5,17.50
Proceeds from Long-term borrowings	3,81.66	9,28.04
Proceeds from Short-term borrowings (net)	7,07.29	—
Repayment of Short-term borrowings (net)	—	(8,11.22)
Repayment of Long-term borrowings	(16,28.55)	(8,82.41)
Interim Dividend Paid	—	(3,23.01)
Tax on interim dividend	—	(65.42)
Dividend Paid	(4,69.48)	(4,03.09)
Tax on final dividend	(96.95)	(69.50)
Interest Paid	(11,50.42)	(11,58.08)
<b>Net cash flow used in Financing Activities (C)</b>	<b>(17,38.95)</b>	<b>(22,67.19)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	90.42	(5,41.06)
Cash and cash equivalents at the beginning of the year	1,98.54	7,39.60
Cash and cash equivalents at the end of the year	2,88.96	1,98.54
<b>Break-up:</b>		
Balance with Banks:		
(i) In Unclaimed Dividend Accounts*	37.28	30.54
(ii) In Current Accounts	2,51.68	—
(iii) Deposits with original maturity of less than three months	—	1,68.00
Total cash and cash equivalents (note 16)	2,88.96	1,98.54
Note: * Cash and cash equivalents include ₹ 37.28 lacs (Previous Year: ₹ 30.54 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.		
Summary of significant accounting policies	2.1	
<div> <p>As per our report of even date</p> <p>For S R B C &amp; CO LLP Firm registration No.: 324982E/E300003 Chartered Accountants</p> <p>per Jayesh M. Gandhi Partner Membership No. 37924</p> <p>Place : Mumbai Date: May 27, 2016</p> </div> <div> <p>For and on behalf of the Board of Directors of Excel Industries Limited</p> <p>ASHWIN C. SHROFF Chairman and Managing Director DIN: 00019952</p> <p>KAILAS D. DABHOLKAR Chief Financial Officer</p> <p>Place : Mumbai Date: May 27, 2016</p> </div> <div> <p>RAVI A. SHROFF Executive Director DIN: 00033505</p> <p>SURENDRA K. SINGHVI Company Secretary</p> </div>		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**1. CORPORATE INFORMATION**

Excel Industries Limited (the Company) is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of Chemicals, Pharma intermediates and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio-Pesticides and other Bio-products. The Company caters to both domestic and international markets. The Company is also engaged in manufacturing activity on behalf of third parties.

**2. BASIS OF PREPARATION**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). 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, except in case of certain class of assets for which revaluation was carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Tangible fixed assets**

Fixed Assets are stated at cost less accumulated depreciation/amortisation and provision for impairment, if any, except for the following :

- (i) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on September 30, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.
- (ii) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly 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.

**(c) Depreciation on tangible fixed assets****I. Component Accounting**

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1st April, 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Now, the Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. However, there is no material impact of the same on first application.

- (i) Leasehold Land (at cost or revalued as the case may be) is amortised over the period of 69 years and 95 years for Roha and Lote Parashuram sites respectively.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

## (ii) Other Fixed Assets:

- (1) In the case of following assets (which have been revalued) at Roha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer. These lives are lower than those indicated in schedule II.

Description of Tangible Assets	*Rates (SL Method) (Range)	Schedule II Rates (SL Method)
Buildings	1.58%-31.67%	1.58%
Road	9.50%-20.58%	9.50%
Plant and Machinery - Metallic	5.28%	4.75%
Plant and Machinery - Non-metallic	11.88%	4.75%
Electrical Installations	9.50%-32.64%	9.50%

\* Depreciation Rates on a straight line method for the balance useful life based on technical estimates.

- (2) With effect from 1st April, 2014, the Company has prospectively changed its method of providing depreciation in respect of its assets viz. Furniture & Fixtures, Vehicles, Laboratory Equipments and Office Equipments from written down value basis to straight line method basis based on following useful life taken as per technical estimates.

Description of Tangible Assets	Useful life of Assets as estimated by the management
Furniture & Fixtures	10 Years
Vehicles	8 Years
Laboratory Equipments	10 Years
Office Equipments	8 Years

The Company has also provided 100% depreciation on additions to assets costing ₹ 25,000/- or less.

**(d) Intangible assets and Amortisation**

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Amortisation:
- (a) Computer software is amortised on a straight line basis proportionately over a period of four years.
- (b) Trademarks are amortised on a straight line basis proportionately over a period of five years.
- (c) Product Registration expenses are amortised on a straight line basis over a period of four years.
- (d) The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.
- (e) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**(e) Research and development costs**

Research costs (other than cost of Fixed Assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**(f) Leases**Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases.

Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expenses in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

**(g) Borrowing costs**

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**(i) Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognised at a nominal value.

Government Grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of Shareholders' Fund.

**(j) Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(k) Inventories**

Raw materials, containers (packing materials), stores and spares (including fuel) are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, containers and stores and spares is determined on a moving weighted average basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on absorption costing basis at actuals.

Traded Goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(l) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from service contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Benefits

Duty free imports of raw materials under Advance License for Imports as per the Export and Import Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Scheme is included under the note "Other Operating Revenue" as 'Exports incentives'.

Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Royalty

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Other Income

Certain items of income such as insurance claims, overdue interest from customers etc. are recognised to the extent there is certainty of its realisation.

**(m) Foreign currency translation**

Foreign currency transactions and balances

**(i) Initial recognition**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### (iii) Exchange differences

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

#### (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

#### (n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The Company recognises contribution payable to the Superannuation Fund as an expenditure, when an employee renders the related service. The contribution is charged to the statement of profit and loss of the year when the contribution accrues. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The scheme is funded with insurance Companies in the form of qualifying insurance policies.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are recognised immediately to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)****(o) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternative tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(p) Segment reporting**Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**
Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(q) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

**(r) 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

**(s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**(t) 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.

**(u) Derivative Instruments and hedge accounting**

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions.

The Company designates these forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement.

For the purpose of hedge accounting, the hedge is classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The Company uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized immediately in the statement of profit and loss.

Amounts recognized in the hedging reserve are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in the hedging reserve remains in the hedging reserve until the forecast transaction or firm commitment affects profit or loss.

**(v) Measurement of EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**3. SHARE CAPITAL**

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Authorised shares</b>		
<b>3,80,00,000</b> (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	<b>19,00.00</b>	19,00.00
<b>8,50,000</b> (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	<b>85.00</b>	85.00
<b>3,00,000</b> (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	<b>15.00</b>	15.00
<b>Issued, subscribed and fully paid-up shares</b>		
<b>1,29,05,630</b> (Previous Year: 1,19,05,630) Equity Shares of ₹ 5/- each (Refer note 3 (d) below)	<b>6,45.28</b>	5,95.28
	<b>6,45.28</b>	5,95.28

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
**Equity Shares**

	March 31, 2016		March 31, 2015	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	<b>11,905,630</b>	<b>5,95.28</b>	10,905,630	5,45.28
Issued during the period – Convertible warrants (Refer Note 26)	<b>1,000,000</b>	<b>50.00</b>	1,000,000	50.00
<b>Outstanding at the end of the period</b>	<b>12,905,630</b>	<b>6,45.28</b>	11,905,630	5,95.28

**(b) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ **4.50/-** (Previous Year: ₹ 7/- including Interim dividend ₹ 3/-)

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

**(c) Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company are as under):**

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class
Equity shares of ₹ 5/- each fully paid				
Life Insurance Corporation of India	<b>1,012,799</b>	<b>7.85%</b>	1,012,799	8.51%
Utkarsh Global Holdings Private Limited	<b>5,331,182</b>	<b>41.31%</b>	4,331,182	36.38%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**3. SHARE CAPITAL (Contd.)****(d) Proposed Buyback of Equity Shares**

The Board of Directors of the Company, pursuant to the provisions of the Article 22 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and applicable rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, at their meeting held on March 28, 2016, approved the Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from its shareholders/beneficial owners, other than those who are promoters, promoter group, the persons acting in concert and persons who are in control of the Company, from the open market through stock exchanges i.e. using the electronic trading facilities of BSE Limited and The National Stock Exchange of India Limited, where the Equity Shares of the Company are listed, for a maximum of 11,50,000 Equity Shares ("Maximum Offer Shares") for a total consideration not exceeding ₹ 1,800 lacs (the "Maximum Buyback Size"), subject to a minimum Buyback of Equity Shares for a minimum amount of ₹ 900 lacs being 50% of the Maximum Buyback Size ("Minimum Buyback Size") and at a price not exceeding ₹ 275 per Equity Share (the "Maximum Buyback Price"), payable in cash.

**4. RESERVES AND SURPLUS**

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Capital reserve</b>		
(a) Profit on purchase of debentures	0.01	0.01
(b) Government grants/subsidies	70.00	70.00
	<u>70.01</u>	<u>70.01</u>
<b>Securities premium account</b>		
Balance as per the last financial statements	8,21.08	1,81.08
Add: premium on issue of equity shares on conversion of convertible warrants (Refer Note 26)	6,40.00	6,40.00
<b>Closing balance</b>	<u>14,61.08</u>	<u>8,21.08</u>
<b>Hedging Reserve:</b>		
Cash Flow Hedge Reserve	0.04	—
<b>Closing balance</b>	<u>0.04</u>	<u>—</u>
<b>General Reserve:</b>		
Balance as per the last financial statements	145,54.07	125,54.07
Add: amount transferred from surplus balance in the statement of profit and loss	20,00.00	20,00.00
<b>Closing balance</b>	<u>165,54.07</u>	<u>145,54.07</u>
<b>Surplus in the statement of profit and loss:</b>		
Balance as per the last financial statements	21,37.10	13,14.29
Profit for the year	25,19.56	40,56.43
Less: Appropriations		
Adjustment to depreciation ₹ Nil (Previous Year: Net of tax ₹ 137.93 lacs) (Refer Note below)	—	(2,67.85)
Interim dividend on equity shares for the year [Amount per share ₹ Nil (Previous Year: ₹ 3/-)]	—	(3,27.17)
Tax on interim equity dividend	—	(65.42)
Proposed dividend on equity shares for the year [Amount per share ₹ 4.50/- (Previous Year: ₹ 4/-)]	(5,65.68)	(4,76.23)
Tax on proposed equity dividend	(1,15.16)	(96.95)
Transfer to general reserve	(20,00.00)	(20,00.00)
Total appropriations	<u>(26,80.84)</u>	<u>(32,33.62)</u>
<b>Net surplus in the statement of profit and loss</b>	<u>19,75.82</u>	<u>21,37.10</u>
<b>Total reserves and surplus</b>	<u>200,61.02</u>	<u>175,82.26</u>

**Note:**

During the previous year, the Company had revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or as re-assessed by the Company. Accordingly, an amount of ₹ 267.85 lacs (net of deferred tax ₹ 137.93 lacs) has been adjusted against the opening balance of surplus in the Statement of Profit and Loss, in the previous year being the carrying amount after retaining residual value of assets as on 1st April, 2014, in cases where the assets have no remaining useful lives as on the said date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**5. LONG-TERM BORROWINGS**

	<b>Non-current portion</b>		<b>Current maturities</b>	
	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
<b>Term Loans (secured):</b>				
Indian rupee loan from banks	<b>6,64.34</b>	10,86.56	<b>4,22.22</b>	4,22.22
<b>From other (secured):</b>				
Under vehicle finance scheme	<b>34.00</b>	45.53	<b>15.99</b>	13.69
Finance lease obligation	<b>3,12.06</b>	4,38.58	<b>4,68.62</b>	3,63.20
<b>Deposits (unsecured):</b>				
From shareholders	—	22.98	<b>22.98</b>	1,41.63
From public	—	2,21.43	<b>2,16.18</b>	6,62.11
	<b>10,10.40</b>	18,15.08	<b>11,45.99</b>	16,02.85
<b>The above amount includes:</b>				
Secured borrowings	<b>10,10.40</b>	15,70.67	<b>9,06.83</b>	7,99.11
Unsecured borrowings	—	2,44.41	<b>2,39.16</b>	8,03.74
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	<b>(11,45.99)</b>	(16,02.85)
<b>Net amount</b>	<b>10,10.40</b>	18,15.08	<b>—</b>	—

- (a) Loan from Bank of India amounting to ₹ **531.00 lacs** (Previous Year: ₹ 731.00 lacs) is for a period of five years repayable in quarterly installments of ₹ 50 lacs and carrying interest rate of 12.25% to 13.50% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further to be secured by registered mortgage of land and buildings of the factory located at Roha.
- (b) Loan from HDFC Bank Ltd. amounting to ₹ **555.56 lacs** (Previous Year: ₹ 777.78 lacs) is for a period of five years repayable in quarterly installments of ₹ 55.56 lacs and carrying rate of interest @11.90% to 12.50% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further to be secured by registered mortgage of immovable assets at Lote Parashuram.
- (c) Term loan under vehicle finance from a financial institution amounting to ₹ **49.99 lacs** (Previous Year: ₹ 59.22 lacs) carrying interest rate ranging from 12% to 14% p. a. repayable in equated monthly installments and secured by hypothecation of the vehicles acquired by utilising the said loans.
- (d) Finance lease obligation is secured by hypothecation of equipment's taken on lease. It will be discharged by monthly lease rental payments on various dates mentioned in asset lease agreement. Finance lease obligation to Siemens Financial Services Pvt. Ltd. amounting to ₹ **780.68 lacs** (Previous Year: ₹ 801.78 lacs) is for a period of three years and carry the interest @ 11.50% p.a. to 12.50% p.a.
- (e) Deposits from shareholders and public repayable after two years from the respective dates of deposits and carry the interest @ 10% p.a.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>6. DEFERRED TAX LIABILITY (Net)</b>	<b>As at March 31, 2016 ₹ in Lacs</b>		<b>As at March 31, 2015 ₹ in Lacs</b>	
<b>Deferred tax liability</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	<b>20,81.13</b>		20,46.06	
Other allowances	<b>2,54.99</b>		86.86	
<b>(A)</b>	<b>23,36.12</b>		21,32.92	
<b>Deferred tax assets</b>				
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowed for tax purpose on payment basis	<b>4,24.63</b>		4,56.94	
Provision for doubtful receivables and advances	<b>30.71</b>		28.63	
Other disallowances	<b>11.29</b>		13.58	
<b>Gross deferred tax assets</b>	<b>(B) 4,66.63</b>		4,99.15	
<b>Net deferred tax liability</b>	<b>(A – B) 18,69.49</b>		16,33.77	

<b>7. PROVISIONS</b>	<b>Long-term</b>		<b>Short-term</b>	
	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 27)	<b>49.26</b>	3,61.73	<b>5,00.00</b>	5,00.00
Provision for leave benefits	<b>9,73.29</b>	9,28.61	<b>1,89.58</b>	1,61.46
<b>Other provisions</b>				
Proposed equity dividend	—	—	<b>5,65.68</b>	4,76.23
Provision for tax on proposed equity dividend	—	—	<b>1,15.16</b>	96.95
<b>Total</b>	<b>10,22.55</b>	12,90.34	<b>13,70.42</b>	12,34.64

<b>8. SHORT-TERM BORROWINGS</b>	<b>As at March 31, 2016 ₹ in Lacs</b>		<b>As at March 31, 2015 ₹ in Lacs</b>	
<b>From banks</b>				
Cash credit and packing credit (secured)	<b>33,08.32</b>		31,63.18	
Working capital demand loan (secured)	—		9,87.88	
Foreign currency buyer's credit (unsecured)	<b>3,72.07</b>		5,76.00	
Short term foreign currency loan (unsecured)	<b>9,91.36</b>		—	
Short Term Loan from Banks (unsecured)	<b>20,90.47</b>		10,89.51	
	<b>67,62.22</b>		58,16.57	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>8. SHORT-TERM BORROWINGS (Contd.)</b>	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
<b>From others</b>		
Inter corporate deposits (unsecured)	—	2,50.00
<b>Total</b>	<b>67,62.22</b>	<b>60,66.57</b>
<b>The above amount includes</b>		
Secured Borrowing	<b>33,08.32</b>	41,51.06
Unsecured Borrowing	<b>34,53.90</b>	19,15.51
<p>Cash credit and packing credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Roha and Lote Parashuram. The cash credit and packing credit loan is repayable on demand and carries interest rates @ 11.70% to 13.20% p.a.</p> <p>Outstanding foreign currency buyers's credit are unsecured and carry an interest rate of libor plus 46 bps.</p> <p>Short term foreign currency loan is unsecured and carry an interest rate of libor plus 90 bps.</p> <p>Short term unsecured loans from Banks are payable within period of 3 to 12 months and carries interest rate of 9.50% p.a to 12.25% p.a.</p>		
<b>9. OTHER CURRENT LIABILITIES</b>	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 36 for details of dues to micro and small enterprises)	<b>2,04.74</b>	3,63.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>69,28.83</b>	50,70.89
<b>(A)</b>	<b>71,33.57</b>	54,34.07
<b>Other liabilities</b>		
Overdrawn bank balance	—	3.10
Current maturities of long-term borrowings (Refer Note 5)	<b>11,45.99</b>	16,02.85
[Includes current maturity of finance lease obligation ₹ 468.62 lacs (Previous Year: ₹ 363.20 lacs)]		
Interest accrued but not due on borrowings	<b>37.28</b>	1,19.29
Interest accrued and due on borrowings	<b>2.89</b>	0.67
Investor education and protection fund will be credited by following amounts as and when due:		
Unclaimed dividend	<b>37.28</b>	30.54
Unclaimed matured deposits	<b>22.22</b>	7.56
Advances from customers	<b>31.32</b>	70.81
Creditors for capital goods	<b>1,98.69</b>	4,28.16
Statutory liabilities	<b>2,87.05</b>	2,72.17
Sundry deposits	<b>14.72</b>	24.57
Others	<b>1,19.34</b>	50.73
<b>(B)</b>	<b>18,96.78</b>	26,10.45
<b>Total (A+B)</b>	<b>90,30.35</b>	80,44.52

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**10. TANGIBLE ASSETS**

(₹ in Lacs)

	Land free hold	Land lease hold	Leasehold improvements	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
<b>Cost or Valuation</b>												
At April 1, 2014	1,71.85	2,82.71	23.43	37,93.68	187,82.96	8,36.08	7,37.50	2,75.38	6,77.56	3,01.28	9.48	258,91.91
Additions	—	—	—	1,40.56	46,47.36	41.87	28.38	46.92	57.37	76.17	—	50,38.63
Disposals/adjustment	—	—	—	2,10.04	38,51.55	2,06.81	1,83.34	1,47.75	1,25.89	88.84	0.33	48,14.55
<b>At March 31, 2015</b>	<b>1,71.85</b>	<b>2,82.71</b>	<b>23.43</b>	<b>37,24.20</b>	<b>195,78.77</b>	<b>6,71.14</b>	<b>5,82.54</b>	<b>1,74.55</b>	<b>6,09.04</b>	<b>2,88.61</b>	<b>9.15</b>	<b>261,15.99</b>
Additions	—	—	—	4,34.20	16,93.89	64.36	1,30.90	1,03.46	1,15.89	51.76	1.20	25,95.66
Disposals/adjustments	—	—	—	22.42	12,82.91	35.90	(16.13)	(0.46)	21.34	99.09	0.58	14,45.65
<b>At March 31, 2016</b>	<b>1,71.85</b>	<b>2,82.71</b>	<b>23.43</b>	<b>41,35.98</b>	<b>199,89.75</b>	<b>6,99.60</b>	<b>7,29.57</b>	<b>2,78.47</b>	<b>7,03.59</b>	<b>2,41.28</b>	<b>9.77</b>	<b>272,66.00</b>
<b>Depreciation</b>												
At April 1, 2014	—	59.31	23.43	10,32.76	100,28.06	7,01.45	4,21.14	2,23.57	5,28.04	2,11.74	7.26	132,36.76
Adj. Against Reserves	—	3.24*	—	1,01.78	10,72.21	40.96	48.37	16.45	63.94	32.85	0.59	13,80.39
Charge for the year	—	—	—	43.96	2,44.73	40.15	41.28	—	33.57	0.92	1.17	4,05.78
Disposals/adjustments	—	—	—	1,96.51	35,55.03	2,04.62	1,77.41	1,47.15	1,24.76	77.83	0.33	44,83.64
<b>At March 31, 2015</b>	<b>—</b>	<b>62.55</b>	<b>23.43</b>	<b>9,81.99</b>	<b>77,89.97</b>	<b>5,77.94</b>	<b>3,33.38</b>	<b>92.87</b>	<b>5,00.79</b>	<b>1,67.68</b>	<b>8.69</b>	<b>105,39.29</b>
Charge for the year	—	3.69*	—	97.25	11,72.23	34.48	44.82	19.40	49.55	28.93	0.47	14,50.82
Adj. Against Reserves	—	—	—	—	—	—	—	—	—	—	—	—
Disposals/adjustments	—	—	—	20.52	8,41.87	33.94	(14.64)	(0.31)	19.96	76.41	0.62	9,78.37
<b>At March 31, 2016</b>	<b>—</b>	<b>66.24</b>	<b>23.43</b>	<b>10,58.72</b>	<b>81,20.33</b>	<b>5,78.48</b>	<b>3,92.84</b>	<b>1,12.58</b>	<b>5,30.38</b>	<b>1,20.20</b>	<b>8.54</b>	<b>110,11.74</b>
<b>Net Block</b>												
<b>At March 31, 2015</b>	<b>1,71.85</b>	<b>2,20.16</b>	<b>—</b>	<b>27,42.21</b>	<b>117,88.80</b>	<b>93.20</b>	<b>2,49.16</b>	<b>81.68</b>	<b>1,08.25</b>	<b>1,20.93</b>	<b>0.46</b>	<b>155,76.70</b>
<b>At March 31, 2016</b>	<b>1,71.85</b>	<b>2,16.47</b>	<b>—</b>	<b>30,77.26</b>	<b>118,69.42</b>	<b>1,21.12</b>	<b>3,36.73</b>	<b>1,65.89</b>	<b>1,73.21</b>	<b>1,21.08</b>	<b>1.23</b>	<b>162,54.26</b>

Notes: a. \* Amount amortized in respect of leasehold land.

b. Buildings include cost of shares in co-operative housing societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).

c. Buildings include buildings given on operating lease:

Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs).

Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 3.25 lacs).

Accumulated depreciation ₹ 91.66 lacs (Previous Year: ₹ 88.41 lacs).

Net block ₹ 1,04.79 lacs (Previous Year: ₹ 1,08.04 lacs).

d. The borrowing cost capitalised during the year is ₹ Nil (Previous Year: ₹ 19.95 lacs). (Refer Note 40).

e. Plant and Machinery includes plant taken on finance lease:

Gross block ₹ 13,38.47 lacs (Previous Year: ₹ 9,95.06 lacs).

Depreciation charge for the year ₹ 1,04.68 lacs (Previous Year: ₹ 36.26 lacs).

Accumulated depreciation ₹ 36.26 lacs (Previous Year: ₹ Nil).

Net book value ₹ 11,97.53 lacs (Previous Year: ₹ 9,58.80 lacs).

**11. INTANGIBLE ASSETS (ACQUIRED)**

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Total
<b>Cost (Gross block)</b>				
At April 1, 2014	7.00	4,33.08	67.70	5,07.78
Additions/purchase	—	79.87	—	79.87
Disposals/Adjustment	—	1,86.34	—	1,86.34
<b>At March 31, 2015</b>	<b>7.00</b>	<b>3,26.61</b>	<b>67.70</b>	<b>4,01.31</b>
Additions/purchase	—	17.84	—	17.84
Disposals/Adjustment	—	—	—	—
<b>At March 31, 2016</b>	<b>7.00</b>	<b>3,44.45</b>	<b>67.70</b>	<b>4,19.15</b>
<b>Amortisation</b>				
At April 1, 2014	7.00	2,68.82	49.68	3,25.50
Charge for the year	—	76.31	13.21	89.52
Disposals/Adjustment	—	1,86.34	—	1,86.34
<b>At March 31, 2015</b>	<b>7.00</b>	<b>1,58.79</b>	<b>62.89</b>	<b>2,28.68</b>
Charge for the year	—	83.85	4.81	88.66
Disposals/Adjustment	—	—	—	—
<b>At March 31, 2016</b>	<b>7.00</b>	<b>2,42.64</b>	<b>67.70</b>	<b>3,17.34</b>
<b>Net Block</b>				
<b>At March 31, 2015</b>	<b>—</b>	<b>1,67.82</b>	<b>4.81</b>	<b>1,72.63</b>
<b>At March 31, 2016</b>	<b>—</b>	<b>1,01.81</b>	<b>—</b>	<b>1,01.81</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12. NON CURRENT INVESTMENTS	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Trade investment (valued at cost unless stated otherwise)</b>		
Unquoted equity instruments		
Investment in subsidiaries		
(a) <b>1,99,982</b> (Previous Year: 1,99,982) Equity Shares of ₹ 100/- each fully paid-up in Kamaljiyot Investments Limited	<b>1,99.98</b>	1,99.98
(b) <b>5,10,000</b> (Previous Year: 5,10,000) Equity Shares of ₹ 10/- each fully paid-up in Excel Bio Resources Limited	<b>51.13</b>	51.13
Investment in joint venture		
<b>4,68,000</b> (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong	<b>27.26</b>	27.26
Less: Provision for diminution in value of investments	<b>(27.26)</b>	(27.26)
	—	—
Others		
(a) <b>8,88,750</b> (Previous Year: 8,88,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	<b>1,77.75</b>	1,77.75
(b) <b>10,67,450</b> (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Private Limited	<b>2,86.08</b>	2,86.08
Quoted equity instruments		
Others		
(a) <b>2,45,760</b> (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	<b>3,66.26</b>	3,66.26
(b) <b>5,84,977</b> (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	<b>3,09.00</b>	3,09.00
<b>Total trade Investment (A)</b>	<b>13,90.20</b>	13,90.20
<b>Non-trade investment (valued at cost unless stated otherwise)</b>		
Unquoted equity instruments		
(a) <b>2,500</b> (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	<b>0.25</b>	0.25
(b) <b>50,000</b> (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	<b>5.00</b>	5.00
Quoted equity instruments		
(a) <b>4,285</b> (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	<b>1.54</b>	1.54
(b) <b>13,400</b> (Previous Year: 13,400) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	<b>6.03</b>	6.03
<b>Total non-trade investments (B)</b>	<b>12.82</b>	12.82
<b>Total Investments (A + B)</b>	<b>14,03.02</b>	14,03.02
Aggregate amount of quoted investments [Market value ₹ <b>38,02.47 lacs</b> : (Previous Year: ₹ 31,76.25 lacs)]	<b>6,82.83</b>	6,82.83
Aggregate amount of unquoted investments (net of provision for diminution)	<b>7,20.19</b>	7,20.19
Aggregate provision for diminution in value of investments	<b>27.26</b>	27.26

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

13. LOANS AND ADVANCES		Non-current		Current	
		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Capital advances</b>					
Unsecured, considered good	(A)	2,29.03	1,19.36	—	—
<b>Security deposits</b>					
Unsecured, considered good	(B)	4,27.39	3,93.30	—	—
<b>Loan to a related party</b> (Refer Notes 29, 35 & 45)					
Unsecured, considered good	(C)	8,40.00	8,40.00	3,00.00	—
<b>Advances recoverable in cash or kind</b>					
Unsecured, considered good		—	—	6,42.79	6,29.65
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	6,77.79	6,64.65
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(D)	—	—	6,42.79	6,29.65
<b>Other loans and advances, unsecured, considered good</b>					
Advance income-tax (net of provision for taxation)		10,55.62	4,97.72	—	—
Prepaid expenses		26.42	10.51	2,19.85	2,14.15
Loans to employees		21.32	22.61	25.85	25.11
Balances with statutory/government authorities		—	—	3,52.42	3,15.37
	(E)	11,03.36	5,30.84	5,98.12	5,54.63
<b>Total</b>	<b>(A + B + C + D + E)</b>	<b>25,99.78</b>	<b>18,83.50</b>	<b>15,40.91</b>	<b>11,84.28</b>
14. TRADE RECEIVABLES AND OTHER ASSETS					
14.1. Trade receivables					
		Non-current		Current	
		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>					
Unsecured, considered good		—	—	4,65.56	63.32
Doubtful		—	—	58.71	47.72
		—	—	5,24.27	1,11.04
Less: Provision for doubtful receivables		—	—	(58.71)	(47.72)
		—	—	4,65.56	63.32
<b>Other receivables</b>					
Unsecured, considered good		—	—	122,23.72	105,01.31
		—	—	126,89.28	105,64.63

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>14.2. Other assets</b>		<b>Non-current</b>		<b>Current</b>	
		<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
		<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Unsecured, considered good unless stated otherwise</b>	<b>(A)</b>				
Non-current bank balance (Refer Note 16)		<b>73.00</b>	10.00	—	—
<b>Others</b>					
Interest receivable		—	—	<b>17.85</b>	17.45
Export benefit receivable		—	—	<b>14.19</b>	50.20
Income tax refund receivable		—	—	<b>4.56</b>	4,20.71
Fixed asset held for Sale (valued at lower of cost and net realisable value)		—	—	<b>24.51</b>	—
Miscellaneous receivables		—	—	<b>39.14</b>	27.90
	<b>(B)</b>	—	—	<b>1,00.25</b>	5,16.26
<b>Total</b>	<b>(A+B)</b>	<b>73.00</b>	10.00	<b>1,00.25</b>	5,16.26
<b>15. INVENTORIES (Valued at lower of cost and net realisable value)</b>					
		<b>As at</b>		<b>As at</b>	
		<b>March 31, 2016</b>		<b>March 31, 2015</b>	
		<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	
Raw materials [including stock-in-transit ₹ 5,32.68 lacs (Previous Year: ₹ 6,53.48 lacs)]		<b>21,18.46</b>		19,14.36	
(Refer Note 19)		<b>1,07.76</b>		1,41.33	
Packing materials (Refer Note 19)					
Finished goods [including stock-in-transit ₹ 80.29 lacs (Previous Year: ₹ 1,94.80 lacs)]		<b>19,06.38</b>		21,10.38	
(Refer Note 20)		<b>14,78.72</b>		17,05.81	
Work-in-progress (Refer Note 20)		<b>1,91.12</b>		2,26.58	
Traded goods (Refer Note 20)					
Stores and spares [including stock-in-transit ₹ 1,45.87 lacs (Previous Year: ₹ 1,32.13 lacs)]		<b>4,86.96</b>		5,53.61	
[including fuel and coal]		<b>62,89.40</b>		66,52.07	
<b>Total</b>		<b>62,89.40</b>		66,52.07	
<b>16. CASH AND BANK BALANCES</b>					
		<b>Non-current</b>		<b>Current</b>	
		<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
		<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Cash and cash equivalents</b>					
<b>Balances with banks:</b>					
On current accounts		—	—	<b>2,51.68</b>	—
On unclaimed dividend accounts		—	—	<b>37.28</b>	30.54
Deposits with original maturity of less than three months		—	—	—	1,68.00
		—	—	<b>2,88.96</b>	1,98.54
<b>Other bank balances</b>					
Deposits with original maturity for more than 12 months		<b>73.00</b>	10.00	<b>1,05.00</b>	—
Margin money deposits		—	—	<b>6.79</b>	14.99
		<b>73.00</b>	10.00	<b>1,11.79</b>	14.99
Amount disclosed under non-current assets (Refer Note 14.2)		<b>(73.00)</b>	(10.00)	—	—
<b>Total</b>		—	—	<b>4,00.75</b>	2,13.53
<b>Margin money deposits given as security</b>					
Margin money deposits with a carrying amount of ₹ 6.79 lacs (Previous Year: ₹ 14.99 lacs) have been given against opening of Letter of Credit Account and Bank guarantee.					

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

17. REVENUE FROM OPERATIONS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	470,17.73	510,56.59
Traded goods	15,03.15	13,69.56
<b>Sale of services</b>		
Processing charges	2,21.45	1,91.82
Erection/Technical fees/Commissioning & Installation Charges	20.47	55.16
<b>Other operating revenue</b>		
Export incentives	1,02.27	1,12.76
Scrap sales	1,60.03	1,69.52
<b>Revenue from operations (gross)</b>	490,25.10	529,55.40
Less: Excise duty (Refer note below)	42,11.83	47,99.74
<b>Revenue from operations (net)</b>	448,13.27	481,55.66
Note:- Excise duty on sales amounting to ₹ 42,11.83 lacs (Previous Year: ₹ 47,99.74 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ (19.87) lacs (Previous Year: ₹ 93.75 lacs) has been considered as (income)/expenses in Note 22 of financial statements.		
<b>Details of products sold</b>	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Finished goods sold</b>		
Phosphorous and its compounds	322,67.20	379,84.43
Chemicals	125,51.28	108,22.84
Organic manure/culture	3,78.49	4,58.23
Others	18,20.76	17,91.09
	470,17.73	510,56.59
<b>Traded goods sold</b>		
Chemicals	5,53.15	5,65.84
Others	9,50.00	8,03.72
	15,03.15	13,69.56
	485,20.88	524,26.15
18. OTHER INCOME	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Interest income on</b>		
Bank deposits	35.21	36.28
Income tax refund	3.28	95.12
Others	3.28	3.72
	41.77	1,35.12
<b>Dividend income</b>		
From long term investments	31.43	2,81.66
<b>Gain on sale of long term investments</b>	—	57.35
<b>Income on Technology Transfer</b>	—	1,50.00
<b>Others</b>		
Rent	29.14	35.95
Exchange gain (net)	90.39	—
Others	89.88	39.84
	2,09.41	75.79
<b>Total</b>	2,82.61	6,99.92

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>			
	<b>Current Year</b>	<b>Previous Year</b>	
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	
<b>a. Raw materials</b>			
Inventory at the beginning of the year	19,14.36		11,61.69
Add: Purchases	208,61.59		243,70.62
	227,75.95		255,32.31
Less: Inventory at the end of the year	21,18.46		19,14.36
	(A) 206,57.49		236,17.95
<b>b. Packing materials</b>			
Inventory at the beginning of the year	1,41.33		1,42.02
Add: Purchases	11,02.88		11,10.10
	12,44.21		12,52.12
Less: Inventory at the end of the year	1,07.76		1,41.33
	(B) 11,36.45		11,10.79
<b>Total</b>	<b>(A + B) 217,93.94</b>		<b>247,28.74</b>
<b>Details of raw materials consumed</b>			
	<b>Current Year</b>	<b>Previous Year</b>	
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	
<b>Raw materials</b>			
Phosphorous and its compounds	104,11.89		112,34.09
Minerals	8,00.72		11,67.64
Organic Chemicals	67,53.21		80,81.72
Others	26,91.67		31,34.50
	206,57.49		236,17.95
<b>Details of inventory</b>			
	<b>As at</b>	<b>As at</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	
<b>Raw materials</b>			
Phosphorous and its compounds	12,02.84		9,27.61
Minerals	53.50		40.12
Organic Chemicals	7,87.36		8,26.19
Others	74.76		1,20.44
	21,18.46		19,14.36
<b>20. (INCREASE)/DECREASE IN INVENTORIES</b>			
	<b>Current Year</b>	<b>Previous Year</b>	<b>(Increase)/decrease</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Inventories at the end of the year</b>			<b>March 31, 2016</b>
Finished goods	19,06.38	21,10.38	2,04.00
Work-in-progress	14,78.72	17,05.81	2,27.09
Traded goods	1,91.12	2,26.58	35.46
	35,76.22	40,42.77	4,66.55
<b>Inventories at the beginning of the year</b>			<b>March 31 2015</b>
Finished goods	21,10.38	16,03.45	(5,06.93)
Work-in-progress	17,05.81	13,12.42	(3,93.39)
Traded goods	2,26.58	1,65.63	(60.95)
	40,42.77	30,81.50	(9,61.27)
	4,66.55	(9,61.27)	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>20. (INCREASE)/DECREASE IN INVENTORIES (Contd.)</b>		
<b>Details of Purchase of traded goods</b>		
	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
Phosphorous and its compounds	—	53.60
Chemicals	<b>3,75.17</b>	4,29.03
Others	<b>5,39.37</b>	4,94.18
	<b>9,14.54</b>	9,76.81
<b>Details of inventory</b>		
<b>Finished goods</b>		
Phosphorous and its compounds	<b>7,30.58</b>	10,10.90
Chemicals	<b>10,54.70</b>	9,54.65
Organic manure	<b>72.70</b>	60.51
Others	<b>48.40</b>	84.32
	<b>19,06.38</b>	21,10.38
<b>Work-in-progress</b>		
Phosphorous and its compounds	<b>8,15.42</b>	2,17.33
Chemicals	<b>6,20.42</b>	4,25.71
Others	<b>42.88</b>	10,62.77
	<b>14,78.72</b>	17,05.81
<b>Traded goods</b>		
Chemicals	<b>10.70</b>	40.90
Others	<b>1,80.42</b>	1,85.68
	<b>1,91.12</b>	2,26.58
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Salaries, wages and bonus	<b>47,53.94</b>	44,95.57
Contribution to provident and other funds	<b>4,11.75</b>	3,98.60
Provision/payment of gratuity (Refer Note 27)	<b>1,13.23</b>	5,99.78
Provision for other retirement benefits	<b>1,79.13</b>	3,17.58
Workmen and staff welfare expenses	<b>4,01.13</b>	3,56.39
	<b>58,59.18</b>	61,67.92



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

22. OTHER EXPENSES	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares (Refer Note 39)	43.68	85.30
Processing charges	72.95	85.70
(Increase)/decrease of excise duty on inventory (Refer Note 17)	(19.87)	93.75
Power and fuel	28,03.25	30,74.74
Effluent expenses	5,26.68	7,46.25
Rent (Refer Note 30)	49.57	48.68
Rates and taxes	1,20.48	1,04.83
Insurance	70.27	64.67
Repairs and maintenance		
— Plant and machinery	15,72.50	15,01.36
— Buildings	1,70.89	1,93.92
— Others	1,51.14	1,52.26
CSR expenditure (Refer Note 44)	69.83	38.91
Sales commission and discounts	2,05.38	1,89.95
Travelling and conveyance	2,59.59	2,18.94
Legal and professional fees	3,59.48	3,66.73
Directors' sitting fees	19.10	14.90
Payment to auditor (refer details below)	43.98	31.14
Exchange differences (net)	—	66.63
Bad debts/sundry debit balances written off (net)	8.70	4.37
Freight outward and forwarding expenses	12,20.60	11,36.73
Charity and donations (Refer Note 43)	64.65	89.30
Provision for doubtful receivables (net)	10.99	11.70
Tangible assets written off	1,66.08	1,09.74
Loss on sale of tangible fixed assets (net)	1,03.57	31.63
Miscellaneous expenses	15,19.19	15,84.78
	<b>96,12.68</b>	<b>100,46.91</b>
<b>Payment to auditor (net of Service Tax)</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
<b>As auditor:</b>		
Audit fee	23.00	17.50
Tax audit fee	6.00	6.00
Limited review	4.50	4.50
<b>In other capacity:</b>		
Certification fees and other matters	9.30	2.30
Reimbursement of expenses	1.18	0.84
	<b>43.98</b>	<b>31.14</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>23. DEPRECIATION AND AMORTISATION EXPENSES</b>		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Depreciation on tangible assets	<b>14,50.82</b>	13,80.39
Amortisation of intangible assets	<b>88.66</b>	89.52
	<b>15,39.48</b>	14,69.91
<b>24. FINANCE COSTS</b>		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Interest	<b>10,70.63</b>	11,97.64
Bank and financial charges	<b>1,55.39</b>	1,43.35
Exchange difference on borrowings	<b>28.21</b>	56.24
	<b>12,54.23</b>	13,97.23
<b>25. EARNINGS PER SHARE (EPS)</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Profit after tax as per statement of profit and loss	<b>25,19.56</b>	40,56.43
Add/Less: Reconciliation items	—	—
<b>Net profit for calculation of basic/diluted EPS</b>	<b>25,19.56</b>	40,56.43
	<b>Nos.</b>	Nos.
Weighted average number of equity shares in calculating basic EPS	<b>12,564,510</b>	11,198,781
Effect of dilution		
Convertible warrants	—	797,767
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>12,564,510</b>	11,996,548
Basic (in ₹)	<b>20.05</b>	36.22
Diluted (in ₹)	<b>20.05</b>	33.81
<b>26. MONEY RECEIVED AGAINST CONVERTIBLE WARRANTS ISSUED</b>		
The Company had issued and allotted 20,00,000 fully convertible warrants on a preferential basis aggregating to ₹ 1,380 lacs to Utkarsh Global Holdings Private Limited, a promoter group Company, pursuant to a special resolution passed in the Extraordinary General Meeting held on 15 March 2014. The said issue was pursuant to Section 81 (1A) of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009.		
Each such warrant is convertible at the option of the holder of the warrants into one equity share of face value of ₹ 5/- each of the Company at a premium of ₹ 64/- per equity share.		
In the previous year 2014-15, 1,000,000 fully convertible warrants had been converted to 1,000,000 equity shares of ₹ 5/- each to Utkarsh Global Holdings Private Limited.		
During the year 2015-16, the Company has issued and allotted 10,00,000 fully paid equity shares by conversion of the balance 10,00,000 convertible warrants and received a sum of ₹ 517.50 lacs being 75% of the issue price (25% of the issue price had been received at the time of issue of the warrants)		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**27. DETAILS OF EMPLOYEE BENEFITS**
**(I) Defined Benefit Plan Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service then instead of 15 days, he/she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with insurance Companies in the form of qualifying insurance policies.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of profit and loss are as follows:

**Defined Benefit Plan**

	<b>Current Year Gratuity (₹ in Lacs)</b>	<b>Previous Year Gratuity (₹ in Lacs)</b>
Current service cost	<b>2,01.94</b>	1,77.84
Interest cost on benefit obligation	<b>2,96.11</b>	2,83.75
Expected return on plan assets	<b>(2,56.57)</b>	(2,24.23)
Net actuarial (gain)/loss recognised in the year	<b>(1,28.25)</b>	3,62.42
Amount included under the head employee benefit expenses (Refer Note 21)	<b>1,13.23</b>	5,99.78

(b) The amounts recognised in the Balance Sheet are as follows:

	<b>As at March 31, 2016 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)</b>	<b>As at March 31, 2015 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)</b>
Present value of funded obligation	<b>39,74.76</b>	37,85.56
Less: Fair value of plan assets	<b>34,25.50</b>	29,23.83
Net Liability included under the head Provisions in Note No. '7'	<b>5,49.26</b>	8,61.73

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	<b>As at March 31, 2016 Gratuity (₹ in Lacs)</b>	<b>As at March 31, 2015 Gratuity (₹ in Lacs)</b>
Opening defined benefit obligation	<b>37,85.56</b>	32,24.42
Interest cost	<b>2,96.11</b>	2,83.75
Current service cost	<b>2,01.94</b>	1,77.84
Benefits paid	<b>(1,74.41)</b>	(2,62.98)
Actuarial (gains)/losses on obligation	<b>(1,34.44)</b>	3,62.53
Closing defined benefit obligation	<b>39,74.76</b>	37,85.56

(d) Changes in the fair value of plan assets are as follows:

	<b>As at March 31, 2016 Gratuity (₹ in Lacs)</b>	<b>As at March 31, 2015 Gratuity (₹ in Lacs)</b>
Opening fair value of plan assets	<b>29,23.83</b>	24,91.40
Expected return	<b>2,56.57</b>	2,24.23
Contributions by employer	<b>4,25.70</b>	4,71.06
Benefits paid	<b>(1,74.41)</b>	(2,62.98)
Actuarial gains/(losses)	<b>(6.19)</b>	0.12
Closing fair value of plan assets	<b>34,25.50</b>	29,23.83

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**27. DETAILS OF EMPLOYEE BENEFITS (Contd.)**

	<b>As at 31st March, 2016 Gratuity (₹ in Lacs)</b>	<b>As at 31st March, 2015 Gratuity (₹ in Lacs)</b>
(e) Expected contribution to defined benefit plan for the next year.	<b>5,00.00</b>	5,00.00
(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	<b>Current Year</b>	<b>Previous Year</b>
Insurer Managed Funds (Life Insurance Corporation of India)	<b>88.30%</b>	87.90%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	<b>11.70%</b>	12.10%
	<b>100%</b>	100%
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.		
	<b>Gratuity Current Year</b>	<b>Gratuity Previous Year</b>
(g) The principal actuarial assumptions at the Balance Sheet date:		
Discount rate	<b>7.75%</b>	7.80%
Expected rate of return on assets	<b>8.00%</b>	8.75%
Expected rate of salary increase	<b>8.50%</b>	8.50%
Mortality table	<b>IALM (2006-08) Ult.</b>	IALM (2006-08) Ult.
	<b>Ultimate</b>	Ultimate
Proportion of employees opting for early retirement	<b>5% to 1%</b>	5% to 1%
Notes:		
1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
2. Amounts for the current and previous four years are as follows: [AS15 Para 120(n)] [1]		

(₹ in Lacs)

	<b>March 31, 2016</b>	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	<b>39,74.76</b>	37,85.56	32,24.42	25,83.68	19,67.88
Plan assets	<b>34,25.50</b>	29,23.83	24,91.40	21,41.39	18,34.92
Surplus/(deficit)	<b>(5,49.26)</b>	(8,61.73)	(7,33.02)	(4,42.29)	(1,32.96)
Experience adjustments on plan liabilities	<b>(1,50.09)</b>	66.98	93.12	88.21	1,16.83
Experience adjustments on plan assets	<b>(6.19)</b>	0.12	9.88	(2.93)	9.52

**(II) Defined contribution Plans:**

- (i) Provident Fund is a defined contribution scheme established under a State Plan.
- (ii) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.
- (iii) Defined Contribution Plan

	<b>Current Year (₹ in Lacs)</b>	<b>Previous Year (₹ in Lacs)</b>
Current service cost included under the head Contribution to provident and other funds in employee benefits expense (Refer Note 21)		
Provident Fund	<b>1,73.59</b>	1,90.50
Family Pension Fund	<b>1,31.11</b>	1,03.53
Superannuation Fund	<b>96.31</b>	95.65

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**28. SEGMENT INFORMATION**
**1. Information About Primary Business Segments:**

Particulars	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
<b>REVENUE:</b>						
External Revenue:	436,79.35	13,56.20	450,35.55	470,62.12	13,02.51	483,64.63
Un-allocated revenue:			60.33			4,90.95
Inter-segment Revenue (At selling price):			—			—
Total Revenue:			450,95.88			488,55.58
<b>RESULT:</b>						
Segment result:	69,74.74	(37.93)	69,36.81	80,47.18	(46.41)	80,00.77
Un-allocated expenditure net of un-allocated income:			20,27.30			15,79.21
Finance Costs			12,54.23			13,97.23
Profit before taxation but after prior period adjustments:			36,55.28			50,29.33
Current:						
Provision for Taxation:						
Current:			9,00.00			12,39.15
In respect of earlier years (net)			—			(6,55.12)
Deferred tax:			2,35.72			3,88.87
Profit/(Loss) after tax:			25,19.56			40,56.43
<b>OTHER INFORMATION:</b>						
Segment Assets:	349,40.57	10,28.75	359,69.32	324,96.67	8,70.72	333,67.39
Un-allocated Assets:			58,02.41			50,67.57
Total Assets:			417,71.73			384,34.96
Segment Liabilities:	(69,79.64)	(2,09.04)	(71,88.68)	(56,51.61)	(1,95.90)	(58,47.51)
Un-allocated Liabilities:			(138,76.75)			(142,37.41)
Total Liabilities:			(210,65.43)			(200,84.92)
Segment Capital expenditure:	26,50.37	1,33.19	27,83.56	49,76.70	22.99	49,99.69
Un-allocated Capital expenditure:			52.67			1,18.81
Segment Depreciation and Amortisation:	13,78.31	51.97	14,30.28	13,11.62	44.56	13,56.18
Un-allocated Depreciation and Amortisation:			1,09.21			1,13.72
Segment Non-cash expenses other than Depreciation and Amortisation:	4,71.17	29.18	5,00.35	8,95.07	41.77	9,36.84
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			58.17			1,42.28

**2. Information About Secondary Business Segments:**

	Within India	Outside India	Total	Within India	Outside India	Total
Revenue:	357,82.87	93,13.01	450,95.88	410,55.85	77,99.73	488,55.58
Carrying amount of Assets:	390,26.94	27,44.79	417,71.73	363,26.72	21,08.24	384,34.96
Capital Expenditure:	28,36.23	—	28,36.23	51,18.50	—	51,18.50

**3. Notes:**

- The Company is organised into two business segments namely:
  - Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides Intermediates.
  - Environment – Comprising of Soil enricher, Bio-pesticides and other Bio-products.
- Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.
- Segment Revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**29. RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS)-18 "RELATED PARTY DISCLOSURES".****(1) Related parties where control exists:***Subsidiaries*

Kamaljyot Investments Limited

Excel Bio Resources Limited

**(2) Related parties with whom transactions have taken place during the year:**

Enterprises owned or significantly influenced by key management personnel or their relatives or through companies/entities which are controlled/ significantly influenced by the KMP and their relatives

Utkarsh Global Holdings Private Limited

Agrocel Industries Private Limited

Anshul Specialty Molecules Private Limited

Divakar Techno Specialities &amp; Chemicals Ltd.

Excel Crop Care Limited

Mobitrash Recycle Ventures Private Limited (w.e.f. 03.12.2015)

Shree Vivekanand Research and Training Institute

Rashtriya Seva Trust

Samarth Gram Vikas Trust

C C Shroff Self Help Centre

Transpek Industry (Europe) Limited

Transpek Industry Limited

TML Industries Limited

*Key Management Personnel*

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Ravi Ashwin Shroff (Executive Director)

*Relatives of KMP*

Shri. Hrishit Ashwin Shroff (Son of Shri. Ashwin C. Shroff and Smt. Usha A. Shroff)

Smt. Anshul A. Bhatia (Daughter of Shri. Ashwin C. Shroff and Smt. Usha A. Shroff)

Smt. Kanaklata A. Saraiya (Sister of Smt. Usha A. Shroff)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### (a) Sale/purchase of goods & services and other transactions

(₹ in Lacs)

	Year ended	Sale of goods	Sale of services	Sale of fixed assets	Interest Received	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Proceeds from conversion of warrants to equity shares	Reimbursement of Expenses to Party (Expenses)	Salary, Bonus & contribution to PF	Retirement Benefits	CSR Expenditure	Charity and donations	Amount owed by related parties	Amount owed to related parties
<b>Subsidiaries</b>																	
Excel Bio Resources Limited	31-Mar-16	—	—	—	—	—	—	5.00	—	—	—	—	—	—	—	—	4.50
	31-Mar-15	—	—	—	—	—	—	5.00	—	—	—	—	—	—	—	—	10.00
Kamalijot Investments Limited	31-Mar-16	—	—	—	0.03	—	—	—	—	—	—	—	—	—	—	11,40.00	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,40.00	—
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>																	
Excel Crop Care Limited	31-Mar-16	4,402.89	20.46	3.60	—	30.72	—	31.01	5.83	—	—	—	—	—	—	9,36.15	8.05
	31-Mar-15	6,285.47	226.00	94.01	—	30.72	—	31.38	9.84	—	—	—	—	—	—	8,95.83	—
Agrocel Industries Private Limited	31-Mar-16	—	—	—	—	—	17.95	—	—	—	—	—	—	—	—	10.00	3.46
	31-Mar-15	3.12	—	—	—	—	12.62	—	—	—	—	—	—	—	—	10.00	12.04
Anshul Specialty Molecules Private Limited	31-Mar-16	1.58	—	—	—	—	—	—	1.10	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	1.86	—	—	—	—	—	—	—	—
Transpek Industry Limited	31-Mar-16	—	—	—	—	—	0.53	—	6.27	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	0.06	—	—	10.57	—	—	—	—	—	—	—	—
Good Rasayan Limited (up to 30.09.2014)	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	35.66	—	—	—	—	—	—	—	—	—
Divakar Techno Specialities & Chemicals Ltd.	31-Mar-16	—	—	—	—	—	—	—	—	—	72.39	—	—	—	—	—	30.83
	31-Mar-15	—	—	—	—	—	—	—	—	—	47.67	—	—	—	—	—	32.32
Transpek Industry (Europe) Limited	31-Mar-16	—	—	—	—	—	—	22.16	—	—	—	—	—	—	—	—	14.16
	31-Mar-15	—	—	—	—	—	—	21.90	—	—	—	—	—	—	—	1.03	—
Utkarsh Global Holdings Private Limited	31-Mar-16	—	—	—	—	—	—	—	1,73.25	5,17.50	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	2,24.86	5,17.50	—	—	—	—	—	—	—
Mobitrash Recycle Ventures Private Limited	31-Mar-16	—	1.75	22.54	—	—	—	—	—	—	—	—	—	—	—	24.54	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TML Industries Limited	31-Mar-16	—	—	—	—	—	—	—	—	—	0.17	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shree Vivekanand Research and Training Institute	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	43.49	20.00	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	7.54	—	—	—
Samarth Gram Vikas Trust	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	2.15	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	1.85	—	—	—
Rashtriya Seva Trust	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—
C C Shroff Self Help Centre	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	0.68	—	—
Mrs. Usha A. Shroff	31-Mar-16	—	—	—	—	—	—	—	0.26	—	—	96.96	—	—	—	—	2.06
	31-Mar-15	—	—	—	—	—	—	—	0.44	—	—	1,07.64	—	—	—	—	—
Mr. R. A. Shroff	31-Mar-16	—	—	—	—	—	—	—	1.91	—	—	65.85	—	—	—	—	3.25
	31-Mar-15	—	—	—	—	—	—	—	3.22	—	—	38.45	—	—	—	—	—
Mr. A. C. Shroff	31-Mar-16	—	—	—	—	—	—	—	3.32	—	—	1,14.62	—	—	—	—	1.44
	31-Mar-15	—	—	—	—	—	—	—	5.61	—	—	1,18.47	—	—	—	—	—
Mr. H. A. Shroff	31-Mar-16	—	—	—	—	—	—	—	1.91	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	3.22	—	—	—	—	—	—	—	—
Mr. S. R. Poldar (up to 02.09.2014)	31-Mar-16	—	—	—	—	—	—	—	—	—	—	40.29	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	31-Mar-16	—	—	—	—	—	—	—	0.89	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	4.68	—	—	—	—	—	—	—	—

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

#### (b) Loans given and repayment thereof

(₹ in Lacs)

Subsidiary	Year ended	Loans given	Repayment	Amount owed by related parties
Kamalijot Investments Ltd. (Refer Note 13 & 45)	31-Mar-16	300.00	—	11,40.00
	31-Mar-15	—	—	8,40.00

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>30. OPERATING LEASES</b>	<b>For the year ended March 31, 2016 ₹ in Lacs</b>	<b>For the year ended March 31, 2015 ₹ in Lacs</b>
Office premises and godowns are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable. In respect of Office premises, the operating lease are renewable for further period of five years, with an escalation clause of 5% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements.		
Lease payments for the year	<b>43.54</b>	43.07
Minimum lease payments under non cancellable operating lease as at 31st March		
(a) Not later than one year	<b>38.74</b>	37.95
(b) Later than one year but not later than five years	<b>63.86</b>	96.42
(c) Later than five years	<b>Nil</b>	Nil
The Company has leased out its office premises on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.		
Future Minimum Lease payments		
(a) Not later than one year	<b>16.80</b>	27.98
(b) Later than one year but not later than five years	<b>6.76</b>	Nil
(c) Later than five years	<b>Nil</b>	Nil
<b>31. RESEARCH AND DEVELOPMENT COSTS</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Research and Development costs, as certified by the Management, debited to the statement of profit and Loss are as under:		
* Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	<b>4,88.48</b>	4,50.56
Depreciation on Research and Development Equipment	<b>72.19</b>	55.09
	<b>5,60.67</b>	5,05.65
*includes ₹ 123.84 lacs, ₹ 91.29 lacs and ₹ 181.09 lacs (Previous Year: ₹ 115.77 lacs, ₹ 65.33 lacs and ₹ 177.11 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.		
Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 4.86 lacs, ₹ 37.56 lacs and ₹ 49.99 lacs (Previous Year: ₹ 45.28 lacs, ₹ 1.08 lacs and ₹ 38.62 lacs in respect of Research and Development Units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology)].	<b>1,96.68</b>	1,64.70

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

32. CONTINGENT LIABILITIES						
			For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs		
	Bills discounted		4,58.00	2,77.85		
	Disputed income-tax liability		7,20.61	7,10.50		
	Disputed excise duty liability		3,84.64	7,60.58		
	Disputed sales tax liability		17.89	16.52		
	Disputed custom duty liability		1,44.88	72.44		
	Disputed service tax liability		2.26	—		
	Claims against the Company not acknowledged as debts		27.37	24.31		
	Liability in respect of claims made by workers and contract labourers		Amount not ascertainable	Amount not ascertainable		
33. CAPITAL COMMITMENTS						
			For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		3,15.47	4,64.96		
	For commitments relating to lease arrangements, please refer notes 30 and 41					
34. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE						
	Currency		For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2016 Foreign Currency Value in Lacs	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2015 Foreign Currency Value in Lacs
(a)	Derivates Outstanding as at the reporting date					
(i)	Hedge of highly probable foreign	USD	8,26.06	12.00	—	—
(b)	Forward contract – Buy for Hedging Purpose					
(i)	Loans/Interest thereon	USD	13,63.43	20.61	5,76.62	9.23
(c)	Un-hedged Foreign Currency Exposure on					
(i)	Import Payables	USD	22,32.72	33.70	7,77.22	12.44
(ii)	Export Receivables	USD	25,20.14	37.95	19,33.78	30.95
		EURO	2,24.65	2.98	1,74.46	2.60
(iii)	Bank Balances	USD	4.75	0.07	1.43	0.02
35. DETAILS OF LOAN GIVEN TO A SUBSIDIARY COMPANY						
			For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs		
	Kamaljiyot Investments Limited (Refer Note 13 & 45)					
	Maximum amount outstanding during the year ₹ 11,40 lacs (Previous Year: ₹ 8,40 lacs)		11,40.00	8,40.00		
	Unsecured loan of ₹ 840 lacs is repayable on or after 1st April, 2018.					
	During the year an unsecured loan of ₹ 300 lacs (Previous Year: ₹ Nil) was granted to Kamaljiyot Investments Limited payable on 28th March, 2017 with an interest charge of 12.50% p.a.					

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006</b>		
The Company has overdue amounts to suppliers under MSMED as at March 31, 2016. The disclosure pursuant to the said Act is as under:		
	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	<b>2,04.74</b>	3,63.18
Interest due on above	<b>0.01</b>	0.16
	<b>2,04.75</b>	3,63.34
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	<b>2.16</b>	18.09
The amount of interest accrued and remaining unpaid at the end of each accounting year.	<b>2.16</b>	18.25
Year ended 31 March 2014 ₹ 27.46 lacs		
Year ended 31 March 2015 ₹ 18.25 lacs		
Year ended 31 March 2016 ₹ 2.16 lacs		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	<b>47.87</b>	45.71
The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Company.		
<b>37. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Raw-materials	<b>126,22.83</b>	135,92.84
Capital goods	<b>93.39</b>	79.40
Purchase of Traded Goods	—	3.63
	<b>127,16.22</b>	136,75.87
<b>38. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Subscription	<b>17.77</b>	13.53
Container Rental Charges	—	32.24
Freight Outwards	<b>1,05.34</b>	1,16.68
Travelling and Conveyance	<b>17.41</b>	5.72
Legal and Professional Fees	<b>1.03</b>	—
Commission on Export Sales	<b>14.28</b>	11.26
Export Product Registration	<b>12.36</b>	8.52
Others	<b>34.12</b>	42.51
	<b>2,02.31</b>	2,30.46

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>39. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES &amp; SPARES CONSUMED</b>	<b>For the year ended March 31, 2016</b> <b>% of total consumption</b> <b>Value ₹ in Lacs</b>	<b>For the year ended March 31, 2015</b> <b>% of total consumption</b> <b>Value ₹ in Lacs</b>
Raw Materials		
Imported	<b>61%</b> <b>127,03.98</b>	55%    130,98.82
Indigenous obtained	<b>39%</b> <b>79,53.51</b>	45%    105,19.13
	<b>100%</b> <b>206,57.49</b>	<b>100%</b> <b>236,17.95</b>
Stores & Spares		
Imported	—    —	—    —
Indigenous obtained	<b>100%</b> <b>43.68</b>	100%    85.30
	<b>100%</b> <b>43.68</b>	<b>100%</b> <b>85.30</b>
<b>40. CAPITALIZATION OF EXPENDITURE</b>	<b>March 31, 2016</b> <b>₹ in Lacs</b>	<b>March 31, 2015</b> <b>₹ in Lacs</b>
During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.		
Year to which it relates		
Interest	—	13.16
Finance Lease charges	—	6.79
	—	<b>19.95</b>
<b>41. FINANCE LEASE : COMPANY AS LESSEE</b>	<b>March 31, 2016</b> <b>Minimum Payments ₹ in Lacs</b> <b>Present Value of MLP ₹ in Lacs</b>	<b>March 31, 2015</b> <b>Minimum Payments ₹ in Lacs</b> <b>Present Value of MLP ₹ in Lacs</b>
The company has finance leases for various items of plant & machinery. These leases involve significant upfront lease payment, having terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:		
Within one year	<b>5,14.31</b> <b>4,68.62</b>	3,98.61    3,63.20
After one year but not more than five years	<b>3,75.88</b> <b>3,12.06</b>	5,28.27    4,38.58
More than five years	—    —	—    —
Total minimum lease payments	<b>8,90.19</b> <b>7,80.68</b>	9,26.88    8,01.78
Less: Amounts representing Finance charges	<b>(1,09.51)</b> —	(1,25.10)    —
Present value of Minimum Lease Payments	<b>7,80.68</b> <b>7,80.68</b>	<b>8,01.78</b> <b>8,01.78</b>
<b>42. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>	<b>Current Year</b> <b>₹ in Lacs</b>	<b>Previous Year</b> <b>₹ in Lacs</b>
Exports of Goods on F.O.B. basis	<b>91,95.46</b>	76,36.99
	<b>91,95.46</b>	<b>76,36.99</b>
<b>43. DETAILS OF DONATION TO A POLITICAL PARTY</b>	<b>Current Year</b> <b>₹ in Lacs</b>	<b>Previous Year</b> <b>₹ in Lacs</b>
Bharatiya Janata Party	—	32.00
	—	<b>32.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**44. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As a responsible corporate citizen, our CSR strategy complements our business philosophy and objectives. During the year, the company had as its social responsibility, partnered with its group NGOs like Shree VRTI, Samarth Gram Vikas Trust etc and other reputed organisations for undertaking various social activities in the field of education, employment through vocational training activities, agricultural development, environment and nature conservation.

During the year the company has incurred an amount of ₹ **69.83 lacs** (Previous Year: ₹ 38.91 lacs) towards the above mentioned activities.

**A. Gross amount required to be spent by the Company during the Year: ₹ 59.02 lacs** (Previous Year: ₹ 38.82 lacs)

**B. Amount spend during the year:**

	₹ in Lacs	Current Year ₹ in Lacs	₹ in Lacs	Previous Year ₹ in Lacs
<b>1. Natural Resources Management</b>				
Directly Expended	1.24		0.07	
Indirectly Expended through other organisations	4.61	5.85	—	0.07
<b>2. Rural Development:</b>				
Directly Expended	3.01		1.06	
Indirectly Expended through other organisations	14.73	17.74	5.54	6.60
<b>3. Environment</b>				
Directly Expended	1.75		2.73	
Indirectly Expended through other organisations	1.19	2.94	5.57	8.30
<b>4. Promotion of Education</b>				
Directly Expended	5.10		2.87	
Indirectly Expended through other organisations	25.53	30.63	14.10	16.97
<b>5. Entrepreneurship Development</b>				
Directly Expended	0.23		—	
Indirectly Expended through other organisations	0.69	0.92	—	—
<b>6. Preventive Health Care</b>				
Directly Expended	0.70		5.27	
Indirectly Expended through other organisations	4.07	4.77	—	5.27
<b>7. Animal Welfare</b>				
Directly Expended	0.41		0.46	
Indirectly Expended through other organisations	2.13	2.54	—	0.46
<b>8. Seminars / Meetings/Infrastructure</b>				
Directly Expended	2.89		0.96	
Indirectly Expended through other organisations	1.55	4.44	—	0.96
<b>9. Capacity Building</b>				
		—	—	0.29
<b>Total</b>		<b>69.83</b>		<b>38.91</b>

**C. Related Party Organisation**

Following are the related party transactions during the year.

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Samarth Gram Vikas Trust	2.15	1.85
Shree Vivekanand Research and Training Institute	43.49	7.54



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 45. DISCLOSURE REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT, 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013 (Refer Note 13, 29 & 35)

₹ in Lacs

Name of the loanee	Opening Balance	Further loan given during the year	Repaid during the year	Closing Balance	Purpose of Loan given
Kamalijot Investments Ltd.	8,40.00	3,00.00	—	11,40.00	For Business purpose

### 46. PREVIOUS YEAR FIGURES

Previous Year figures have been regrouped/reclassified, where necessary to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP  
Firm registration No.: 324982E/E300003  
Chartered Accountants

per Jayesh M. Gandhi  
Partner  
Membership No. 37924

Place : Mumbai  
Date: May 27, 2016

For and on behalf of the Board of Directors of Excel Industries Limited

ASHWIN C. SHROFF  
Chairman and Managing Director  
DIN: 00019952

KAILAS D. DABHOLKAR  
Chief Financial Officer

Place : Mumbai  
Date: May 27, 2016

RAVI A. SHROFF  
Executive Director  
DIN: 00033505

SURENDRA K. SINGHVI  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Excel Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company and joint controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("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 respective Board of Directors of the companies included in the Group, its associate and joint controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 auditor's judgment, 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 circumstance. An audit also includes evaluating the appropriateness of 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. 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 paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, its associate and joint controlled entity as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

- (a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion proper as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of 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 March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, its associate and joint controlled entity incorporated in India, none of the directors of the Group's companies, its associate and joint controlled entity 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 and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, its associate and joint controlled entity incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint controlled entity – Refer Note 29 to the consolidated financial statements;
  - ii. The Group, its associate and joint controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint controlled entity incorporated in India.

#### Other Matter

- (a) The accompanying consolidated financial statements include total assets of ₹ 1,679.44 lacs as at March 31, 2016, and total revenues and net cash outflows of ₹ 89.52 lacs and ₹ 42.76 lacs for the year ended on that date, in respect of one subsidiary, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net loss of ₹ 0.40 lac for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of an associate company, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and an associate company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate company, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No.: 37924

Place : Mumbai

Date : May 27, 2016

**Annexure 1 to the independent auditor's report of even date on the consolidated financial statements of Excel Industries Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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**

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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

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.

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 internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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 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**

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**

In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, maintained 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 Holding 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**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one subsidiary and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, and associate company incorporated in India.

### **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Jayesh M. Gandhi**

Partner

Membership No.: 37924

Place : Mumbai

Date : May 27, 2016

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Notes	As at March 31, 2016 (₹ in Lacs)	As at March 31, 2015 (₹ in Lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	6,45.28	5,95.28
Reserves and surplus	4	204,14.81	178,51.21
Money received against convertible warrants	26	—	1,72.50
		<b>210,60.09</b>	186,18.99
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	10,10.40	18,15.08
Deferred tax liability (net)	6	18,69.49	16,33.77
Long-term provisions	7	10,22.55	12,90.34
		<b>39,02.44</b>	47,39.19
<b>Current Liabilities</b>			
Short-term borrowings	8	67,62.22	60,66.57
Trade payables	9		
– Total outstanding dues of micro enterprises and small enterprises		2,04.74	3,63.18
– Total outstanding dues of creditors other than micro enterprises and small enterprises		69,25.40	50,60.89
Other current liabilities	9	18,97.89	26,12.16
Short-term provisions	7	13,70.42	12,37.29
		<b>171,60.67</b>	153,40.09
<b>TOTAL</b>		<b>421,23.20</b>	386,98.27
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10	162,54.26	155,78.70
Intangible assets	11	1,02.56	1,73.38
Capital work-in-progress		3,11.62	2,55.64
Intangible assets under development		7.65	2.70
Non-current investments	12.1	26,98.68	23,14.95
Loans and advances	13	17,69.40	10,46.89
Other non-current assets	14.2	73.00	10.00
		<b>212,17.17</b>	193,82.26
<b>Current Assets</b>			
Current Investments	12.2	6.56	8.59
Inventories	15	62,89.40	66,52.07
Trade receivables	14.1	126,89.28	105,64.63
Cash and bank balances	16	4,69.32	2,27.02
Loans and advances	13	13,46.44	13,41.21
Other current assets	14.2	1,05.03	5,22.49
		<b>209,06.03</b>	193,16.01
<b>TOTAL</b>		<b>421,23.20</b>	386,98.27
Summary of significant accounting policies	2.2		
The accompanying notes are an integral part of the consolidated financial statements.			
As per our report of even date			
For S R B C & CO LLP	For and on behalf of the Board of Directors of Excel Industries Limited		
Firm registration No.: 324982E/E300003	ASHWIN C. SHROFF	Ravi A. Shroff	
Chartered Accountants	Chairman and Managing Director	Executive Director	
	DIN: 00019952	DIN: 00033505	
per Jayesh M. Gandhi	KAILAS D. DABHOLKAR	SURENDRA K. SINGHVI	
Partner	Chief Financial Officer	Company Secretary	
Membership No. 37924			
Place : Mumbai	Place : Mumbai		
Date: May 27, 2016	Date: May 27, 2016		



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>INCOME</b>			
Revenue from operations (gross)	17	<b>490,25.10</b>	529,55.40
Less: Excise duty		<b>42,11.83</b>	47,99.74
Revenue from operations (net)		<b>448,13.27</b>	481,55.66
Other income	18	<b>3,76.75</b>	7,74.42
<b>Total revenue (I)</b>		<b>451,90.02</b>	489,30.08
<b>EXPENSES</b>			
Cost of raw materials and components consumed	19	<b>217,93.94</b>	247,28.74
Purchase of traded goods	20	<b>9,14.54</b>	9,76.81
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	<b>4,66.55</b>	(9,61.27)
Employee benefits expense	21	<b>58,59.18</b>	61,67.92
Other expenses	22	<b>96,12.65</b>	100,50.73
<b>Total expenses (II)</b>		<b>386,46.86</b>	409,62.93
<b>Earnings before depreciation and amortisation, interest and tax (EBITDA) (I-II)</b>		<b>65,43.16</b>	79,67.15
Depreciation and amortisation expense	23	<b>15,39.49</b>	14,69.90
Finance costs	24	<b>12,54.45</b>	13,97.39
<b>Profit before tax</b>		<b>37,49.22</b>	50,99.86
<b>Tax expenses</b>			
Current tax		<b>9,07.09</b>	12,48.44
Deferred tax		<b>2,35.72</b>	3,88.87
Adjustment relating to earlier periods (net)		<b>1.59</b>	(6,55.40)
<b>Total tax expense</b>		<b>11,44.40</b>	9,81.91
<b>Profit after tax but before profit/loss from Associate</b>		<b>26,04.82</b>	41,17.95
<b>Share of Loss in an Associate Company (restricted to cost of Investment)</b>		<b>0.40</b>	—
<b>Profit for the year</b>		<b>26,04.42</b>	41,17.95
<b>Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]</b>	25		
Basic (in ₹)		<b>20.73</b>	36.77
Diluted (in ₹)		<b>20.73</b>	34.33
Summary of significant accounting policies	2.2		
<p>The accompanying notes are an integral part of the consolidated financial statements.</p> <p>As per our report of even date</p> <p>For S R B C &amp; CO LLP Firm registration No.: 324982E/E300003 Chartered Accountants</p> <p>per Jayesh M. Gandhi Partner Membership No. 37924</p> <p>Place : Mumbai Date: May 27, 2016</p>			
<p>For and on behalf of the Board of Directors of Excel Industries Limited</p> <p>ASHWIN C. SHROFF Chairman and Managing Director DIN: 00019952</p> <p>KAILAS D. DABHOLKAR Chief Financial Officer</p> <p>Place : Mumbai Date: May 27, 2016</p>			
<p>RAVI A. SHROFF Executive Director DIN: 00033505</p> <p>SURENDRA K. SINGHVI Company Secretary</p>			

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 (₹ in Lacs)	For the year ended March 31, 2015 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	37,49.22	50,99.86
Adjustments for :		
Depreciation	14,50.82	13,80.39
Amortisation of Intangible Assets	88.66	89.52
Tangible Assets written off	1,66.08	1,09.74
Provision for Doubtful Receivables (net)	10.99	11.70
Bad Debts/Sundry Debit Balances written off	8.70	4.37
Loss on sale of tangible Assets (net)	1,03.57	31.63
Interest income	(60.65)	(1,54.30)
Interest expenses	10,70.85	11,97.80
Dividend received	(93.92)	(3,28.83)
Exchange Difference Adjustment unrealised gain/(loss)	(23.19)	4.32
Share of loss in partnership firm ** ₹ 21	2.05	** —
Provision for Diminution in Value of Investments/written back	(10.23)	6.55
Profit on sale of long term investments	(2.24)	(63.09)
Loss/(Profit) on sale of short term investments * ₹ 15	* —	(2.41)
	<b>27,11.50</b>	<b>22,87.39</b>
<b>Operating Profit before working capital changes</b>	<b>64,60.72</b>	<b>73,87.25</b>
Movements in Working Capital		
Decrease/(Increase) in Trade Receivables	(21,82.92)	(4,84.07)
Decrease/(Increase) in Inventories	3,62.67	(18,37.99)
Decrease/(Increase) in Other Current Assets	2,79.69	(90.16)
Decrease/(Increase) in Loans & Advances	3,37.50	(83.41)
Increase/(Decrease) in Current Liabilities & Provisions	13,14.85	5,10.78
	<b>1,11.79</b>	<b>(19,84.85)</b>
Cash generated from Operations	<b>65,72.51</b>	<b>54,02.40</b>
Direct taxes paid (net of refunds)	<b>19,73.93</b>	<b>9,93.55</b>
<b>Net cash flow from Operating Activities (A)</b>	<b>45,98.58</b>	<b>44,08.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including CWIP and capital advances	(26,56.61)	(32,87.95)
Purchase of intangible assets	(17.84)	(79.87)
Proceeds from sale of fixed assets	1,73.11	1,89.54
Interest received	62.25	1,52.53
Dividend received	93.92	3,28.83
Purchase of current investments *** ₹ 75	*** —	(39.21)
Purchase of non current investments	(3,79.72)	(1,70.92)
Proceeds from sale of long term investments	8.08	93.96
Proceeds from sale of current investments	2.03	92.38
<b>Net cash flow used in Investing Activities (B)</b>	<b>(27,14.78)</b>	<b>(27,20.71)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 (₹ in Lacs)	For the year ended March 31, 2015 (₹ in Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from conversion of warrants to Equity shares	5,17.50	5,17.50
Proceeds from Long-term borrowings	3,81.66	9,28.04
Proceeds from Short-term borrowings (net)	7,07.29	—
Repayment of Short-term borrowings (net)	—	(8,11.22)
Repayment of Long-term borrowings	(16,28.55)	(8,82.41)
Interim Dividend Paid	—	(3,23.01)
Tax on interim dividend	—	(65.42)
Dividend Paid	(4,69.49)	(4,03.09)
Tax on final dividend	(96.95)	(69.50)
Interest Paid	(11,50.64)	(11,58.25)
<b>Net cash flow used in Financing Activities (C)</b>	<b>(17,39.18)</b>	<b>(22,67.36)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,44.62	(5,79.22)
Cash and cash equivalents at the beginning of the year	2,01.73	7,80.95
Cash and cash equivalents at the end of the year	<u>3,46.35</u>	<u>2,01.73</u>
<b>Break-up:</b>		
Balance with Banks:		
(i) In Unclaimed Dividend Accounts*	37.28	30.54
(ii) In Current Accounts	3,09.07	3.19
(iii) Deposits with original maturity of less than three months	—	1,68.00
Total cash and cash equivalents (note 16)	<u>3,46.35</u>	<u>2,01.73</u>
Note: * Cash and cash equivalents include ₹ 37.28 lacs (Previous Year: ₹ 30.54 lacs) in respect of unclaimed dividend, the balance of which is not available to the Holding Company.		
Summary of significant accounting policies	2.2	

As per our report of even date

For S R B C & CO LLP  
Firm registration No.: 324982E/E300003  
Chartered Accountants

per Jayesh M. Gandhi  
Partner  
Membership No. 37924

Place : Mumbai  
Date: May 27, 2016

For and on behalf of the Board of Directors of Excel Industries Limited

ASHWIN C. SHROFF  
Chairman and Managing Director  
DIN: 00019952

KAILAS D. DABHOLKAR  
Chief Financial Officer

Place : Mumbai  
Date: May 27, 2016

RAVI A. SHROFF  
Executive Director  
DIN: 00033505

SURENDRA K. SINGHVI  
Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**1. CORPORATE INFORMATION**

Excel Industries Limited (The Company or the Holding Company) is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Holding Company is engaged in manufacturing and selling of Chemicals, Pharma intermediates and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio-Pesticides and other Bio-products. The Holding Company caters to both domestic and international markets. The Holding Company is also engaged in manufacturing activity on behalf of third parties. Excel Bio-Resources Limited is a wholly owned subsidiary of the Company and is in the process of exploring business opportunities in the areas of renewable Bio-resources, waste management, renewable energy and biotechnological processes. Kamaliyot Investments Limited, a Non Banking Financial Company, another wholly owned subsidiary of the Company, is primarily engaged in activities of Investment Holding and Financing.

**2. CONSOLIDATION**

- (a) The Consolidated financial statements comprise of the financial statements of Excel Industries Limited ("the Holding Company") and its subsidiary Companies (hereinafter referred to as "the group") and an associate Company. The details of subsidiary Companies considered for consolidation together with proportion of share holding held by the group is as follows:

Name of the Subsidiary Companies	Country of Incorporation	% of Group Holding	
		As at	As at
		March 31, 2016	March 31, 2015
Kamaliyot Investments Limited	India	100%	100%
Excel Bio Resources Limited	India	100%	100%

- (b) Investment in entity in which the Group has significant influence but not a controlling interest are reported accordingly to the equity method i.e. the investment is initially recorded at cost. Difference between the cost of investment in associate and the net assets at the time of aquisition of investment in associate is treated in the Consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment annually. The carrying amount of investment is adjusted thereafter for the post aquisition charge in the Group's share of net assets of the associate. The Consolidated statement of profit and loss includes the Group's Share of the results of the operations of the associate.

Name of the Associate	Country of Incorporation	% of Group Holding	
		As at	As at
		March 31, 2016	March 31, 2015
MobiTrash Recycle Ventures Private Limited*	India	39.98%	—

\* Incorporated on 3rd December 2015

- (c) The group had 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest in the said entity as per the latest available audited Balance Sheet as at March 31, 2016 have been considered for preparation of the consolidated financial statements. The said partnership firm has been dissolved as at March 31, 2016.
- (d) Consolidated financial statements have been prepared in the same format as adopted by the Holding Company, to the extent possible, as required by Accounting Standard (AS) 21 'Consolidated Financial Statements' and Accounting Standard (AS) 27 'Financial Reporting of Interest in Joint Ventures' notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and comprise of the consolidated balance sheet, consolidated statement of profit and loss, and notes, other statements and explanatory material that form an integral part thereof.
- (e) The financial statement of the subsidiaries and associate company drawn up to the same reporting date viz. year ended March 31, 2016 has been used for the purpose of consolidation.
- (f) The Consolidated financial statements of the Holding Company, its Subsidiary Companies and joint venture entity have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2. CONSOLIDATION (Contd.)

after fully eliminating intra-group balances and intra-group transactions resulting in unrealised Profits/Losses. Unrealised losses are eliminated only when the cost cannot be recovered.

- (g) Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited financial statements to make them uniform with the accounting policies followed by the Holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the Group company are stated in Note No. 2.2 below, if material.
- (h) During the year, the group has made investments in MobiTrash Recycle Ventures Private Limited.

### 2.1 BASIS OF PREPARATION

The Consolidated financial statements of the group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The group 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 Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain class of assets for which revaluation was carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. In the case of Kamaljiyot Investments Limited, a Non Banking Financial Company, relevant Reserve Bank of India (RBI) guidelines, circulars and notifications are complied with.

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Use of estimates

The preparation of Consolidated financial statements in conformity with Indian GAAP, requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (b) Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation/amortisation and provision for impairment, if any, except for the following:

- (i) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on September 30, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.
- (ii) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly 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.

#### (c) Depreciation on tangible fixed assets

##### I. Component Accounting

The Holding Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 1, 2015. The Holding Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Holding Company has changed the manner of depreciation for its fixed asset. Now, the Holding Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. However, there is no material impact of the same on first application.

- (i) Leasehold Land (at cost or revalued as the case may be) is amortised over the period of 69 Years and 95 Years for Roha and Lote Parashuram site respectively
- (ii) Other Fixed Assets:
  - (1) In the case of following assets (which have been revalued) at Roha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer. These lives are lower than those indicated in schedule II.

Description of Tangible Assets	*Rates (SL Method) (Range)	Schedule II Rates (SL Method)
Buildings	1.58%-31.67%	1.58%
Road	9.50%-20.58%	9.50%
Plant and Machinery - Metallic	5.28%	4.75%
Plant and Machinery - Non-metallic	11.88%	4.75%
Electrical Installations	9.50%-32.64%	9.50%

\* Depreciation Rates on a Straight line Method for the balance useful life based on technical estimates.

- (2) With effect from April 1, 2014, the Holding Company has prospectively changed its method of providing depreciation in respect of its assets viz. Furniture & Fixtures, Vehicles, Laboratory Equipments and Office Equipments from written down value basis to straight line method basis based on following useful life taken as per technical estimates.

Description of Tangible Assets	Useful life of Assets as estimated by the management of the Holding Company
Furniture & Fixtures	10 Years
Vehicles	8 Years
Laboratory Equipments	10 Years
Office Equipments	8 Years

The Holding Company has also provided 100% depreciation on additions to assets costing ₹ 25,000/- or less.

**(d) Intangible assets and Amortisation**

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Amortisation:
  - (a) Computer software is amortised on a straight line basis proportionately over a period of four years.
  - (b) Trademarks are amortised on a straight line basis proportionately over a period of five years.
  - (c) Product Registration expenses are amortised on a straight line basis over a period of four years.
  - (d) The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.
  - (e) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**
**(e) Research and development costs**

Research costs (other than cost of Fixed Assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**(f) Leases**

*Where the Holding Company is lessee*

Finance leases, which effectively transfer to the Holding Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

*Where the Holding Company is the lessor*

Leases in which the Holding Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases.

Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expenses in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

**(g) Borrowing costs**

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Impairment of tangible and intangible assets**

The Holding Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Holding Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Holding Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Holding Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Holding Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**(i) Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Holding Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Holding Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognised at a nominal value.

Government Capital Grants of the nature of promoters' contribution are credited to Capital Reserve and treated as part of Shareholders' Fund.

**(j) Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**
**Subsidiary Company**
**Kamaljiyot Investments Limited**

If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is fair value of securities issue.

**(k) Inventories**

Raw materials, containers, (packing materials) stores and spares (including fuel) are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, containers and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on absorption costing basis at actuals.

Traded Goods are valued at Lower of cost and net realisable value. Cost includes cost of purchases and other cost incurred in bringing the inventory to their present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(l) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. The Holding Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Holding Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

*Income from services*

Revenues from service contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Holding Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Holding Company. Hence, it is excluded from revenue.

*Interest*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

*Export Benefits*

Duty free imports of raw materials under Advance License for Imports as per the Export and Import Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Scheme is included under the note "Other Operating Revenue" as 'Exports incentives'.

*Dividend*

Dividend income is recognised when the shareholder's right to receive dividend is established by the reporting date.

*Royalty*

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)***Other Income*

Certain items of income such as insurance claims, overdue interest from customers etc. are recognised to the extent there is certainty of its realisation.

**Subsidiary Company****Kamaljiyot Investments Limited**

Gains and losses on sale of securities are recognized on trade date basis. Gains and losses on sale of securities are determined based on the average cost method of accounting.

**(m) Foreign currency translation**

Foreign currency transactions and balances

**(i) Initial recognition**

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

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

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

**(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability.**

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

**(n) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Holding Company has no obligation, other than the contribution payable to the provident fund. The Holding Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The Holding Company recognises contribution payable to the Superannuation Fund as an expenditure, when an employee renders the related service. The contribution is charged to the statement of profit and loss of the year when the contribution accrues. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The scheme is funded with insurance Companies in the form of a qualifying insurance policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are recognised immediately to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Holding Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Holding Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Holding Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

#### (o) Income taxes:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

In the year in which the group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

**(p) Segment reporting***Identification of segments*

The group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the group operate.

*Inter-segment transfers*

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

*Allocation of common costs*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

**(q) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

**(r) Provisions**

A provision is recognised when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

*Warranty provisions*

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

**(s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognise a contingent liability but discloses its existence in the financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### (t) **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.

### (u) **Derivatives Instruments and hedge accounting**

The Holding Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions.

The Holding Company designates these forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement.

For the purpose of hedge accounting, the hedge is classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

#### **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The Holding Company uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized immediately in the statement of profit and loss.

Amounts recognized in the hedging reserve are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in the hedging reserve remains in the hedging reserve until the forecast transaction or firm commitment affects profit or loss.

#### **Option Derivatives**

##### **Subsidiary Company**

##### **Kamaljiyot Investments Limited**

All derivatives, are measured using the mark-to-market principle with the resulting losses thereon being recorded in the statement of profit and loss. For derivatives which are outstanding as on the reporting date, the Subsidiary Company adopts a conservative approach and ignores the anticipated profit on such transactions and no credit is taken in the statement of profit and loss.

The investments made in LiquidBeEs are pledged as Margin for trading in Futures and Option Segment of NSE Nifty index and have been disclosed as restricted investment.

On the final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squared up price and contract price and disclosed in the statement of profit and loss under the head profit/loss on securities.

"Nifty Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

### (v) **Measurement of EBITDA**

The group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit from continuing operations. In its measurement, the group does not include depreciation and amortisation expense, finance costs and tax expense.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**3. SHARE CAPITAL**

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Authorised shares</b>		
<b>3,80,00,000</b> (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	<b>19,00.00</b>	19,00.00
<b>8,50,000</b> (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	<b>85.00</b>	85.00
<b>3,00,000</b> (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	<b>15.00</b>	15.00
	<b><u>20,00.00</u></b>	<u>20,00.00</u>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>1,29,05,630</b> (Previous Year: 1,19,05,630) Equity Shares of ₹ 5/- each (Refer Note 3 (d) below))	<b>6,45.28</b>	5,95.28
	<b><u>6,45.28</u></b>	<u>5,95.28</u>

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

	March 31, 2016		March 31, 2015	
Equity Shares	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	<b>11,905,630</b>	<b>5,95.28</b>	10,905,630	5,45.28
Issued during the period – Convertible warrants (Refer Note 26.)	<b>1,000,000</b>	<b>50.00</b>	1,000,000	50.00
<b>Outstanding at the end of the period</b>	<b><u>12,905,630</u></b>	<b><u>6,45.28</u></b>	<u>11,905,630</u>	<u>5,95.28</u>

**(b) Terms/rights attached to equity shares**

The Holding Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ **4.50/-** (Previous year: ₹ 7/- including Interim dividend ₹ 3/-)

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

**(c) Details of shareholders holding more than 5% shares in the Holding Company (as per the register of members of the Holding Company are as under):**

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class
Equity shares of ₹ 5/- each fully paid				
Life Insurance Corporation of India	<b>1,012,799</b>	<b>7.85%</b>	1,012,799	8.51%
Utkarsh Global Holdings Private Limited	<b>5,331,182</b>	<b>41.31%</b>	4,331,182	36.38%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 3. SHARE CAPITAL (Contd.)

#### (d) Proposed Buyback of Equity Shares of Holding Company

The Board of Directors of the Holding Company, pursuant to the provisions of the Article 22 of the Articles of Association of the Holding Company and the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and applicable rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, at their meeting held on March 28, 2016, approved the Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from its shareholders/beneficial owners, other than those who are promoters, promoter group, the persons acting in concert and persons who are in control of the Holding Company, from the open market through stock exchanges i.e. using the electronic trading facilities of BSE Limited and The National Stock Exchange of India Limited, where the Equity Shares of the Holding Company are listed, for a maximum of 11,50,000 Equity Shares ("Maximum Offer Shares") for a total consideration not exceeding ₹ 18.00 lacs (the "Maximum Buyback Size"), subject to a minimum Buyback of Equity Shares for a minimum amount of ₹ 9.00 lacs being 50% of the Maximum Buyback Size ("Minimum Buyback Size") and at a price not exceeding ₹ 275 per Equity Share (the "Maximum Buyback Price"), payable in cash.

### 4. RESERVES AND SURPLUS

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Capital reserve</b>		
(a) Profit on purchase of debentures	0.01	0.01
(b) Government grants/subsidies	70.00	70.00
	<u>70.01</u>	<u>70.01</u>
<b>Securities premium account</b>		
Balance as per the last financial statements	8,21.08	1,81.08
Add: Premium on issue of equity shares on conversion of convertible warrants (Refer Note 26)	6,40.00	6,40.00
<b>Closing balance</b>	<u>14,61.08</u>	<u>8,21.08</u>
<b>Hedging Reserve:</b>		
Cash Flow Hedge Reserve	0.04	—
<b>Capital Redemption Reserve</b>	0.02	0.02
<b>Statutory Reserve Fund</b>		
Statutory Reserve Fund (as per Sec 451C (1) of RBI Act, 1934)	11.07	—
Add: Appropriations for Statutory Reserve Fund	16.58	11.07
	<u>27.65</u>	<u>11.07</u>
<b>General Reserve:</b>		
Balance as per the last financial statements	146,04.07	126,04.07
Add: Amount transferred from surplus balance in the statement of profit and loss	20,00.00	20,00.00
<b>Closing balance</b>	<u>166,04.07</u>	<u>146,04.07</u>
<b>Surplus in the statement of profit and loss:</b>		
Balance as per last financial statements	23,44.96	14,71.70
Add: Profit for the year	26,04.42	41,17.95
Less: Appropriations for Statutory Reserve Fund	(16.58)	(11.07)
Adjustment to depreciation ₹ Nil (Previous Year: Net of tax ₹ 1,37.93 lacs)	—	(2,67.85)
(Refer Note below)		
Interim dividend on equity shares for the year [Amount per share ₹ Nil (Previous Year: ₹ 3/-)]	—	(3,27.17)
Tax on interim equity dividend	—	(65.42)
Proposed dividend on equity shares for the year [Amount per share ₹ 4.50/- (Previous Year: ₹ 4/-)]	(5,65.68)	(4,76.23)
Tax on proposed equity dividend	(1,15.16)	(96.95)
Transfer to general reserve	(20,00.00)	(20,00.00)
Total appropriations	<u>(26,97.42)</u>	<u>(32,44.69)</u>
<b>Net surplus in the statement of profit and loss</b>	<u>22,51.96</u>	<u>23,44.96</u>
<b>Total reserves and surplus</b>	<u>204,14.81</u>	<u>178,51.21</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**4. RESERVES AND SURPLUS (Contd.)****Note:**

During the previous year, the Holding Company had revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or as re-assessed by the Holding Company. Accordingly, an amount of ₹ 2,67.85 lacs (net of deferred tax ₹ 1,37.93 lacs) has been adjusted against the opening balance of surplus in the Statement of Profit and Loss, in the previous year being the carrying amount after retaining residual value of assets as on April 1, 2014, in cases where the assets have no remaining useful lives as on the said date.

**5. LONG-TERM BORROWINGS**

	Non-current portion		Current maturities	
	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Term Loans (secured)</b>				
Indian rupee loan from banks	6,64.34	10,86.56	4,22.22	4,22.22
<b>From other (secured)</b>				
Under vehicle finance scheme	34.00	45.53	15.99	13.69
Finance lease obligation	3,12.06	4,38.58	4,68.62	3,63.20
<b>Deposits (unsecured)</b>				
From shareholders	—	22.98	22.98	1,41.63
From public	—	2,21.43	2,16.18	6,62.11
	<b>10,10.40</b>	<b>18,15.08</b>	<b>11,45.99</b>	<b>16,02.85</b>
<b>The above amount includes</b>				
Secured borrowings	10,10.40	15,70.67	9,06.83	7,99.11
Unsecured borrowings	—	2,44.41	2,39.16	8,03.74
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	(11,45.99)	(16,02.85)
<b>Net amount</b>	<b>10,10.40</b>	<b>18,15.08</b>	<b>—</b>	<b>—</b>

- (a) Loan from Bank of India amounting to ₹ 5,31.00 lacs (Previous Year: ₹ 7,31.00 lacs) is for a period of five years repayable in quarterly installments of ₹ 50 lacs and carrying interest rate of 12.25% to 13.50% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further to be secured by registered mortgage of land and buildings of the factory located at Roha.
- (b) Loan from HDFC Bank Ltd. amounting to ₹ 5,55.56 lacs (Previous Year: ₹ 7,77.78 lacs) is for a period of five years repayable in quarterly installments of ₹ 55.56 lacs and carrying rate of interest @11.90% to 12.50% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further to be secured by registered mortgage of immovable assets at Lote Parashuram.
- (c) Term loan under vehicle finance from a financial institution amounting to ₹ 49.99 lacs (Previous Year: ₹ 59.22 lacs) carrying interest rate ranging from 12% to 14% p.a. repayable in equated monthly installments and secured by hypothecation of the vehicles acquired by utilising the said loans.
- (d) Finance lease obligation is secured by hypothecation of equipment's taken on lease. It will be discharged by monthly lease rental payments on various dates mentioned in asset lease agreement. Finance lease obligation to Siemens Financial Services Pvt. Ltd. amounting to ₹ 7,80.68 lacs (Previous Year: ₹ 8,01.78 lacs) is for a period of three years and carry the interest @ 11.50% p.a. to 12.50% p.a.
- (e) Deposits from shareholders and public repayable after two years from the respective dates of deposits and carry the interest @ 10% p.a.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>6. DEFERRED TAX LIABILITY (Net)</b>	<b>As at March 31, 2016 ₹ in Lacs</b>		<b>As at March 31, 2015 ₹ in Lacs</b>	
<b>Deferred tax liability</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	<b>20,81.13</b>		20,46.06	
Other allowances	<b>2,54.99</b>		86.86	
<b>(A)</b>	<b>23,36.12</b>		21,32.92	
<b>Deferred tax assets</b>				
Impact of expenditure charged to the statement of profit and loss in the current / earlier years but allowed for tax purpose on payment basis	<b>4,24.63</b>		4,56.94	
Provision for doubtful receivables and advances	<b>30.71</b>		28.63	
Other disallowances	<b>11.29</b>		13.58	
<b>Gross deferred tax assets</b>	<b>(B) 4,66.63</b>		4,99.15	
<b>Net deferred tax liability</b>	<b>(A – B) 18,69.49</b>		16,33.77	

<b>7. PROVISIONS</b>	<b>Long-term</b> <b>As at March 31, 2016 ₹ in Lacs</b>		<b>Short-term</b> <b>As at March 31, 2016 ₹ in Lacs</b>	
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 27)	<b>49.26</b>		3,61.73	
Provision for leave benefits	<b>9,73.29</b>		9,28.61	
<b>Other provisions</b>				
Provision for taxation [net of advance tax of ₹ Nil (Previous Year: ₹ 8.71 lacs)]	—		2.35	
Proposed equity dividend	—		<b>5,65.68</b>	
Provision for tax on proposed equity dividend	—		<b>1,15.16</b>	
Contingent Provision for Standard Assets	—		0.30	
<b>Total</b>	<b>10,22.55</b>		<b>13,70.42</b>	

<b>8. SHORT-TERM BORROWINGS</b>	<b>As at March 31, 2016 ₹ in Lacs</b>		<b>As at March 31, 2015 ₹ in Lacs</b>	
<b>From banks</b>				
Cash credit and packing credit (secured)	<b>33,08.32</b>		31,63.18	
Working capital demand loan (secured)	—		9,87.88	
Foreign currency buyer's credit (unsecured)	<b>3,72.07</b>		5,76.00	
Short term foreign currency loan (unsecured)	<b>9,91.36</b>		—	
Short Term Loan from Banks (unsecured)	<b>20,90.47</b>		10,89.51	
	<b>67,62.22</b>		58,16.57	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

8. SHORT-TERM BORROWINGS (Contd.)	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>From others</b>		
Inter corporate deposits (unsecured)	—	2,50.00
<b>Total</b>	<b>67,62.22</b>	<b>60,66.57</b>
<b>The above amount includes</b>		
Secured Borrowing	<b>33,08.32</b>	41,51.06
Unsecured Borrowing	<b>34,53.90</b>	19,15.51
Cash credit and packing credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Roha and Lote Parashuram. The cash credit and packing credit loan is repayable on demand and carries interest rates @ 11.70% to 13.20% p.a.		
Outstanding foreign currency buyers's credit are unsecured and carry an interest rate of libor plus 46 bps		
Short term foreign currency loan is unsecured and carry an interest rate of libor plus 90 bps.		
Short term unsecured loans from Banks are payable within period of 3 to 12 months and carries interest rate of 9.50% p.a. to 12.25% p.a.		
<b>9. OTHER CURRENT LIABILITIES</b>	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38 for details of dues to micro and small enterprises)	<b>2,04.74</b>	3,63.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>69,25.40</b>	50,60.89
<b>(A)</b>	<b>71,30.14</b>	54,24.07
<b>Other liabilities</b>		
Overdrawn bank balance	—	3.10
Current maturities of long-term borrowings (Refer Note 5)	<b>11,45.99</b>	16,02.85
[Includes current maturity of finance lease obligation ₹ 4,68.62 lacs (Previous Year: ₹ 3,63.20 lacs)]		
Interest accrued but not due on borrowings	<b>37.28</b>	1,19.29
Interest accrued and due on borrowings	<b>2.89</b>	0.67
Investor education and protection fund will be credited by following amounts (as and when due:)		
Unclaimed dividend	<b>37.28</b>	30.54
Unclaimed matured deposits	<b>22.22</b>	7.56
Advances from customers	<b>31.32</b>	70.81
Creditors for capital goods	<b>1,98.69</b>	4,28.16
Statutory liabilities	<b>2,87.09</b>	2,72.26
Sundry deposits	<b>14.72</b>	24.57
Others	<b>1,20.41</b>	52.35
<b>(B)</b>	<b>18,97.89</b>	26,12.16
<b>Total (A + B)</b>	<b>90,28.03</b>	<b>80,36.23</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**10. TANGIBLE ASSETS**

(₹ in Lacs)

	Land free hold	Land lease hold	Leasehold improvements	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
<b>Cost or Valuation</b>												
At April 1, 2014	1,71.85	2,84.71	23.43	37,93.68	187,82.96	8,36.08	7,37.50	2,75.38	6,77.56	3,01.28	9.48	258,93.91
Additions	—	—	—	1,40.56	46,47.36	41.87	28.38	46.92	57.37	76.17	—	50,38.63
Disposals/adjustment	—	—	—	2,10.04	38,51.55	2,06.81	1,83.34	1,47.75	1,25.89	88.84	0.33	48,14.55
<b>At March 31, 2015</b>	<b>1,71.85</b>	<b>2,84.71</b>	<b>23.43</b>	<b>37,24.20</b>	<b>195,78.77</b>	<b>6,71.14</b>	<b>5,82.54</b>	<b>1,74.55</b>	<b>6,09.04</b>	<b>2,88.61</b>	<b>9.15</b>	<b>261,17.99</b>
Additions	—	—	—	4,34.20	16,93.89	64.36	1,30.90	1,03.46	1,15.89	51.76	1.20	25,95.66
Disposals/adjustments	—	2.00 **	—	22.42	12,82.91	35.90	(16.13)	(0.46)	21.34	99.09	0.58	14,47.65
<b>At March 31, 2016</b>	<b>1,71.85</b>	<b>2,82.71</b>	<b>23.43</b>	<b>41,35.98</b>	<b>199,89.75</b>	<b>6,99.60</b>	<b>7,29.57</b>	<b>2,78.47</b>	<b>7,03.59</b>	<b>2,41.28</b>	<b>9.77</b>	<b>272,66.00</b>
<b>Depreciation</b>												
At April 1, 2014	—	59.31	23.43	10,32.76	100,28.06	7,01.45	4,21.14	2,23.57	5,28.04	2,11.74	7.26	132,36.76
Charge for the year	—	3.24 *	—	1,01.78	10,72.21	40.96	48.37	16.45	63.94	32.85	0.59	13,80.39
Adj. Against Reserves	—	—	—	43.96	2,44.73	40.15	41.28	—	33.57	0.92	1.17	4,05.78
Disposals/adjustments	—	—	—	1,96.51	35,55.03	2,04.62	1,77.41	1,47.15	1,24.76	77.83	0.33	44,83.64
<b>At March 31, 2015</b>	<b>—</b>	<b>62.55</b>	<b>23.43</b>	<b>9,81.99</b>	<b>77,89.97</b>	<b>5,77.94</b>	<b>3,33.38</b>	<b>92.87</b>	<b>5,00.79</b>	<b>1,67.68</b>	<b>8.69</b>	<b>105,39.29</b>
Charge for the year	—	3.69 *	—	97.25	11,72.23	34.48	44.82	19.40	49.55	28.93	0.47	14,50.83
Adj. Against Reserves	—	—	—	—	—	—	—	—	—	—	—	—
Disposals/adjustments	—	—	—	20.52	8,41.87	33.94	(14.64)	(0.31)	19.96	76.41	0.62	9,78.37
<b>At March 31, 2016</b>	<b>—</b>	<b>66.24</b>	<b>23.43</b>	<b>10,58.72</b>	<b>81,20.33</b>	<b>5,78.48</b>	<b>3,92.84</b>	<b>1,12.58</b>	<b>5,30.38</b>	<b>1,20.20</b>	<b>8.54</b>	<b>110,11.74</b>
<b>Net Block</b>												
<b>At March 31, 2015</b>	<b>1,71.85</b>	<b>2,22.16</b>	<b>—</b>	<b>27,42.21</b>	<b>117,88.80</b>	<b>93.20</b>	<b>2,49.16</b>	<b>81.68</b>	<b>1,08.25</b>	<b>1,20.93</b>	<b>0.46</b>	<b>155,78.70</b>
<b>At March 31, 2016</b>	<b>1,71.85</b>	<b>2,16.47</b>	<b>—</b>	<b>30,77.26</b>	<b>118,69.42</b>	<b>1,21.12</b>	<b>3,36.73</b>	<b>1,65.89</b>	<b>1,73.21</b>	<b>1,21.08</b>	<b>1.23</b>	<b>162,54.26</b>

Notes: a. \* Amount amortized in respect of leasehold land.  
b. Buildings include cost of shares in co-operative housing societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).  
c. Buildings include buildings given on operating lease:  
Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs).  
Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 3.25 lacs).  
Accumulated depreciation ₹ 91.66 lacs (Previous Year: ₹ 88.41 lacs).  
Net block ₹ 1,04.79 lacs (Previous Year: ₹ 1,08.04 lacs).  
d. The borrowing cost capitalised during the year is ₹ Nil (Previous Year: ₹ 19.95 lacs). (Refer Note 39).  
e. Plant and Machinery includes plant taken on finance lease:  
Gross block ₹ 13,38.47 lacs (Previous Year: ₹ 9,95.06 lacs).  
Depreciation charge for the year ₹ 1,04.68 lacs (Previous Year: ₹ 36.26 lacs).  
Accumulated depreciation ₹ 36.26 lacs (Previous Year: ₹ Nil).  
Net book value ₹ 11,97.53 lacs (Previous Year: ₹ 9,58.80 lacs).  
f. \*\* Adjusted on account of dissolution of partnership firm M/s Multichem Industries on 31.03.2016.

**11. INTANGIBLE ASSETS (ACQUIRED)**

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Goodwill	Total
<b>Cost (Gross block)</b>					
At April 1, 2014	7.00	4,33.08	67.70	0.75*	5,08.53
Additions/purchase	—	79.87	—	—	79.87
Disposals	—	1,86.34	—	—	1,86.34
<b>At March 31, 2015</b>	<b>7.00</b>	<b>3,26.61</b>	<b>67.70</b>	<b>0.75</b>	<b>4,02.06</b>
Additions/purchase	—	17.84	—	—	17.84
Disposals	—	—	—	—	—
<b>At March 31, 2016</b>	<b>7.00</b>	<b>3,44.45</b>	<b>67.70</b>	<b>0.75</b>	<b>4,19.90</b>
<b>Amortisation</b>					
At April 1, 2014	7.00	2,68.82	49.68	—	3,25.50
Charge for the year	—	76.31	13.21	—	89.52
Disposals	—	1,86.34	—	—	1,86.34
<b>At March 31, 2015</b>	<b>7.00</b>	<b>1,58.79</b>	<b>62.89</b>	<b>—</b>	<b>2,28.68</b>
Charge for the year	—	83.85	4.81	—	88.66
Disposals	—	—	—	—	—
<b>At March 31, 2016</b>	<b>7.00</b>	<b>2,42.64</b>	<b>67.70</b>	<b>—</b>	<b>3,17.34</b>
<b>Net Block</b>					
<b>At March 31, 2015</b>	<b>—</b>	<b>1,67.82</b>	<b>4.81</b>	<b>0.75</b>	<b>1,73.38</b>
<b>At March 31, 2016</b>	<b>—</b>	<b>1,01.81</b>	<b>—</b>	<b>0.75</b>	<b>1,02.56</b>

Note: \* Goodwill on account of acquiring a company

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2016			As at March 31, 2015		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Trade Investments (valued at cost unless otherwise stated)</b>						
Quoted equity instruments						
<b>4,64,270</b> (Previous Year: 4,64,270) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	<b>8,27.15</b>	—	<b>8,27.15</b>	8,27.15	—	8,27.15
<b>702,703</b> (Previous Year: 615,433) Equity Shares of ₹ 10/- each fully paid-up in Transpek Industry Limited	<b>8,56.40</b>	—	<b>8,56.40</b>	5,30.01	—	5,30.01
<b>5,84,977</b> (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	<b>3,09.00</b>	—	<b>3,09.00</b>	3,09.00	—	3,09.00
<b>A</b>	<b>19,92.55</b>	—	<b>19,92.55</b>	16,66.16	—	16,66.16
Unquoted equity instruments						
Investment in joint venture						
<b>4,68,000</b> (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong (Refer Note 36)	<b>27.26</b>	<b>27.26</b>	—	27.26	27.26	—
<b>B</b>	<b>27.26</b>	<b>27.26</b>	—	27.26	27.26	—
Investment in Associate						
<b>3,998</b> (Previous Year: NIL) Equity Shares of ₹ 10/- each fully paid-up in Mobitrash Recycle Ventures Private Limited (refer Note 2 below)	<b>0.40</b>	—	<b>0.40</b>	—	—	—
Less: Share of loss in Associate	<b>0.40</b>	—	<b>0.40</b>	—	—	—
<b>C</b>	—	—	—	—	—	—
Others (unquoted)						
<b>9,20,500</b> (Previous Year: 9,20,500) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	<b>1,87.50</b>	—	<b>1,87.50</b>	1,87.50	—	1,87.50
<b>10,67,450</b> (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Private Limited	<b>2,86.08</b>	—	<b>2,86.08</b>	2,86.08	—	2,86.08
<b>D</b>	<b>4,73.58</b>	—	<b>4,73.58</b>	4,73.58	—	4,73.58
<b>Total Trade Investment (E = A+B+C+D)</b>	<b>24,93.79</b>	<b>27.26</b>	<b>24,66.13</b>	21,67.00	27.26	21,39.74

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12.1 <b>NON-CURRENT INVESTMENTS</b> (Contd.) (Long Term Investments)	As at March 31, 2016			As at March 31, 2015		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Non-Trade Investments (valued at cost unless otherwise stated)</b>						
Investments in equity instruments (quoted)						
<b>4,285</b> (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	<b>1.54</b>	—	<b>1.54</b>	1.54	—	1.54
<b>13,400</b> (Previous Year: 13,400) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	<b>6.03</b>	—	<b>6.03</b>	6.03	—	6.03
<b>6,198</b> (Previous Year: 10,075) Equity Shares of ₹ 10/- each fully paid-up in Aimco Pesticides Limited	<b>0.63</b>	—	<b>0.63</b>	1.02	—	1.02
<b>8</b> (Previous Year: 8) Equity Shares of ₹ 10/- each fully paid-up in Bayer Cropscience Limited	<b>0.01</b>	—	<b>0.01</b>	0.01	0.01	—
<b>3,500</b> (Previous Year: 3,500) Equity Shares of ₹ 1/- each fully paid-up in Elgi Rubber International Limited	<b>1.96</b>	<b>1.07</b>	<b>0.89</b>	1.96	0.99	0.97
<b>4,700</b> (Previous Year: 4,700) Equity Shares of ₹ 10/- each fully paid-up in Gujarat State Financial Corporation	<b>0.94</b>	<b>0.80</b>	<b>0.14</b>	0.94	0.81	0.13
<b>1,000</b> (Previous Year: 1,000) Equity Shares of ₹ 1/- each fully paid-up in Hindalco Industries Limited	<b>1.84</b>	<b>0.96</b>	<b>0.88</b>	1.84	0.54	1.30
<b>100</b> (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Indokem Limited	<b>0.02</b>	<b>0.02</b>	—	0.02	0.02	—
<b>10</b> (Previous Year: 10) Equity Shares of ₹ 10/- each fully paid-up in Monsanto India Limited	<b>0.03</b>	—	<b>0.03</b>	0.03	—	0.03
<b>21,000</b> (Previous Year: 21,000) Equity Shares of ₹ 10/- each fully paid-up in Navin Fluorine International Limited	<b>1,26.68</b>	—	<b>1,26.68</b>	1,26.68	—	1,26.68
<b>309,826</b> (Previous Year: 182,308) Equity Shares of ₹ 10/- each fully paid-up in Tanfac Industries Ltd.	<b>90.07</b>	—	<b>90.07</b>	37.81	11.01	26.80
<b>NIL</b> (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Shah Foods Limited	—	—	—	0.10	—	0.10
<b>NIL</b> (Previous Year: 1,000) Equity Shares of ₹ 1/- each fully paid-up in Sona Koyo Steering Systems Limited	—	—	—	0.34	—	0.34
<b>100</b> (Previous Year: 100) Equity Shares of ₹ 2/- each fully paid-up in Uniphos Enterprises Limited	<b>0.01</b>	—	<b>0.01</b>	0.01	0.01	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12.1 NON-CURRENT INVESTMENTS (Contd.) (Long Term Investments)	As at March 31, 2016			As at March 31, 2015		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>40</b> (Previous Year: 40) Equity Shares of ₹ 1/- each fully paid-up in Birla Precision Technologies Ltd	—	—	—	—	—	—
<b>100</b> (Previous Year: NIL) Equity Shares of ₹ 10/- each fully paid-up in Vinati Organics Limited	<b>0.67</b>	<b>0.28</b>	<b>0.39</b>	—	—	—
<b>F</b>	<b>2,30.43</b>	<b>3.13</b>	<b>2,27.30</b>	1,78.33	13.39	1,64.94
<b>Non-trade Investment (valued at cost unless stated otherwise)</b> Investments in equity instruments (unquoted)						
<b>2,500</b> (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	<b>0.25</b>	—	<b>0.25</b>	0.25	—	0.25
<b>50,000</b> (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	<b>5.00</b>	—	<b>5.00</b>	5.00	—	5.00
<b>1,000</b> (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Alpica Finance Limited	<b>1.00</b>	<b>1.00</b>	—	1.00	1.00	—
<b>4,900</b> (Previous Year: 4,900) Equity Shares of ₹ 10/- each fully paid-up in Ashok Organic Industries Limited	<b>7.84</b>	<b>7.84</b>	—	7.84	7.84	—
<b>420</b> (Previous Year: 420) Equity Shares of ₹ 10/- each fully paid-up in Lloyds Finance Limited	<b>0.17</b>	<b>0.17</b>	—	0.17	0.16	0.01
<b>5</b> (Previous Year: 5) Equity Shares of ₹ 5/- each fully paid-up in Syngenta India Limited	<b>0.01</b>	<b>0.01</b>	—	0.01	—	0.01
<b>G</b>	<b>14.27</b>	<b>9.02</b>	<b>5.25</b>	14.27	9.00	5.27
Debentures (Unquoted)						
<b>NIL</b> (Previous Year : 5) Debentures of ₹ 1,00,000/- each fully paid-up in Anand Rath Global Finance Ltd.	—	—	—	5.00	—	5.00
<b>H</b>	—	—	—	5.00	—	5.00
<b>Total Non-Trade Investment (I = F+G+H)</b>	<b>2,44.70</b>	<b>12.15</b>	<b>2,32.55</b>	1,97.61	22.39	1,75.22
<b>Total Non-Current Investments (E+I)</b>	<b>27,38.09</b>	<b>39.41</b>	<b>26,98.68</b>	23,64.60	49.65	23,14.95

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
Notes:			
1.	(a) Aggregate of Quoted Investments:		
	Long Term Investments:		
	Cost (Net of provision for diminution)	22,19.85	18,31.10
	Market Value	95,74.27	66,75.30
	(b) Aggregate of Unquoted Investments:		
	Cost (Net of provision for diminution)	4,78.83	4,83.85
	(c) Aggregate provision for diminution in value of investments	39.41	49.65
2.	Share of losses has been restricted to the extent of carrying value of investment.		
12.2 CURRENT INVESTMENTS			
		As at March 31, 2016	As at March 31, 2015
		Cost      Diminution      Carrying Amount	Cost      Diminution      Carrying Amount
		₹ in Lacs      ₹ in Lacs      ₹ in Lacs	₹ in Lacs      ₹ in Lacs      ₹ in Lacs
Other Investments (at cost or fair value whichever is lower):			
Goldman Sachs Mutual Fund Liquid Benchmark (ETS – LiquidBeEs) (Quoted)			
a)	155.738 (Previous Year: 404.668) LiquidBeEs	1.56      —      1.56	4.03      —      4.03
	A	1.56      —      1.56	4.03      —      4.03
Aggregate amount of quoted investments [Market value ₹ 1.56 lacs (Previous Year: ₹ 4.03 lacs)]			
Preference Shares (Unquoted)			
	NIL (Previous Year: 4,564) 8.75% Cumulative Preference Shares of ₹ 100/- each fully paid-up in L & T Finance Holdings Ltd	—      —      —	4.56      —      4.56
Investment in Debentures (Unquoted)			
	5 (Previous Year: NIL) Debentures of ₹ 1,00,000/- each fully paid-up in Anand Rathi Global Finance Ltd	5.00      —      5.00	—      —      —
	B	5.00      —      5.00	4.56      —      4.56
Total Current Investments (A + B)		6.56      —      6.56	8.59      —      8.59

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

13. LOANS AND ADVANCES		Non-current		Current	
		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Capital advances</b>					
Unsecured, considered good	(A)	2,29.03	1,19.36	—	—
<b>Security deposits</b>					
Unsecured, considered good	(B)	4,27.39	3,93.30	—	—
<b>Loans to related parties (Note 29)</b>					
Unsecured, considered good	(C)	—	—	1,00.00	1,50.00
<b>Advances recoverable in cash or kind</b>					
Unsecured, considered good		—	—	6,42.81	6,29.65
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	6,77.81	6,64.65
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(D)	—	—	6,42.81	6,29.65
<b>Other loans and advances, Unsecured, considered good</b>					
Advance income-tax [net of provision for taxation]		10,65.24	5,01.11	—	—
MAT Credit Entitlement		—	—	5.51	6.93
Prepaid expenses		26.42	10.51	2,19.85	2,14.15
Loans to employees		21.32	22.61	25.85	25.11
Balances with statutory/government authorities		—	—	3,52.42	3,15.37
	(E)	11,12.98	5,34.23	6,03.63	5,61.56
<b>Total</b>	<b>(A+B+C+D+E)</b>	<b>17,69.40</b>	<b>10,46.89</b>	<b>13,46.44</b>	<b>13,41.21</b>
<b>14. TRADE RECEIVABLES AND OTHER ASSETS</b>					
<b>14.1 Trade receivables</b>					
		Non-current As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	Current As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>					
Unsecured, considered good		—	—	4,65.56	63.32
Doubtful		—	—	58.71	47.72
		—	—	5,24.27	1,11.04
Less: Provision for doubtful receivables		—	—	(58.71)	(47.72)
		—	—	4,65.56	63.32
<b>Other receivables</b>					
Unsecured, considered good		—	—	122,23.72	105,01.31
<b>Total</b>		<b>—</b>	<b>—</b>	<b>126,89.28</b>	<b>105,64.63</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>14.2 Other assets</b>		<b>Non-current</b>		<b>Current</b>	
	<b>As at</b>	<b>As at</b>		<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Unsecured, considered good unless stated otherwise</b>					
Non-current bank balance (Refer Note 16)	(A)	73.00	10.00	—	—
<b>Others</b>					
Interest receivable		—	—	17.57	19.18
Export benefit receivable		—	—	14.19	50.20
Interest Accrued on Loans & Advances		—	—	3.09	4.42
Interest accrued on fixed deposit		—	—	0.90	—
Interest accrued on Inter Corporate Deposit		—	—	0.90	—
Income tax refund receivable		—	—	4.56	4,20.71
Fixed asset held for Sale (valued at lower of cost and net realisable value)		—	—	24.51	—
Miscellaneous receivables		—	—	39.31	27.98
	(B)	—	—	1,05.03	5,22.49
<b>Total</b>	<b>(A+B)</b>	<b>73.00</b>	<b>10.00</b>	<b>1,05.03</b>	<b>5,22.49</b>
<b>15. INVENTORIES (Valued at lower of cost or net realisable value)</b>					
		<b>As at</b>		<b>As at</b>	
		<b>March 31, 2016</b>		<b>March 31, 2015</b>	
		<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	
Raw materials [including stock-in-transit ₹ 5,32.68 lacs (Previous Year: ₹ 6,53.48 lacs)] (Refer Note 19)		21,18.46		19,14.36	
Packing materials (Refer Note 19)		1,07.76		1,41.33	
Finished goods [including stock-in-transit ₹ 80.29 lacs (Previous Year: ₹ 1,94.80 lacs)] (Refer Note 20)		19,06.38		21,10.38	
Work-in-progress (Refer Note 20)		14,78.72		17,05.81	
Traded goods (Refer Note 20)		1,91.12		2,26.58	
Stores and spares [including stock-in-transit ₹ 1,45.87 lacs (Previous Year: ₹ 1,32.13 lacs)] [including fuel and coal]		4,86.96		5,53.61	
<b>Total</b>		<b>62,89.40</b>		<b>66,52.07</b>	
<b>16. CASH AND BANK BALANCES</b>					
	<b>Non-current</b>	<b>As at</b>		<b>Current</b>	<b>As at</b>
	<b>As at</b>	<b>As at</b>		<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Cash and cash equivalents</b>					
Cash on Hand	—	—		—	0.07
<b>Balances with banks</b>					
On current accounts	—	—		3,09.07	3.19
On unclaimed dividend accounts	—	—		37.28	30.54
Deposits with original maturity of less than three months	—	—		—	1,68.00
	—	—		3,46.35	2,01.73
<b>Other bank balances</b>					
Deposits with original maturity for more than 12 months	73.00	10.00		1,16.18	—
Deposits with original maturity for more than 3 months but less than 12 months	—	—		—	10.30
Margin money deposits	—	—		6.79	14.99
	73.00	10.00		1,22.97	25.29
Amount disclosed under non-current assets (Refer Note 14.2)	(73.00)	(10.00)		—	—
<b>Total</b>	—	—		<b>4,69.32</b>	<b>2,27.02</b>
<b>Margin money deposits given as security</b>					
Margin money deposits with a carrying amount of ₹ 6.79 lacs (Previous Year: ₹ 14.99 lacs) have been given against opening of Letter of Credit Account and Bank guarantee.					



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

17. REVENUE FROM OPERATIONS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	470,17.73	510,56.59
Traded goods	15,03.15	13,69.56
<b>Sale of services</b>		
Processing charges	2,21.45	1,91.82
Royalty/Technical fees/Commissioning Charges	20.47	55.16
<b>Other operating revenue</b>		
Export incentives	1,02.27	1,12.76
Scrap sales	1,60.03	1,69.51
<b>Revenue from operations (gross)</b>	490,25.10	529,55.40
Less: Excise duty (Refer note below)	42,11.83	47,99.74
<b>Revenue from operations (net)</b>	448,13.27	481,55.66
Note: Excise duty on sales amounting to ₹ 42,11.83 lacs (Previous Year: ₹ 47,99.74 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ (19.87) lacs (Previous Year: ₹ 93.75 lacs) has been considered as (income)/ expenses in Note 22 of financial statements.		
<b>DETAIL OF PRODUCTS SOLD</b>		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Finished goods sold</b>		
Phosphorous and its compounds	322,67.20	379,84.43
Chemicals	125,51.28	108,22.84
Organic manure/culture	3,78.49	4,58.23
Others	18,20.76	17,91.09
	470,17.73	510,56.59
<b>Traded goods sold</b>		
Chemicals	5,53.15	5,65.84
Others	9,50.00	8,03.72
	15,03.15	13,69.56
	485,20.88	524,26.15
18. OTHER INCOME		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Interest income on</b>		
Bank deposits	36.21	37.27
Income tax refund	3.28	95.12
Others	21.16	21.92
A	60.65	1,54.30

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

18. OTHER INCOME (Contd.)		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>Dividend income</b>			
From current Investments		0.49	3.29
From long term investments		93.43	3,25.54
	<b>B</b>	<b>93.92</b>	<b>3,28.83</b>
<b>Income on Technology Transfer</b>			
	<b>C</b>	—	1,50.00
<b>Profit on securities (net)</b>			
Sale of Long Term Investments		2.24	63.09
Sale of Current Investments		—	0.35
Trading in Future and Option Contracts in NIFTY INDEX		—	2.06
	<b>D</b>	<b>2.24</b>	<b>65.50</b>
<b>Others</b>			
Rent		29.14	35.95
Exchange gain (net)		90.39	—
Others		1,00.41	39.84
	<b>E</b>	<b>2,19.94</b>	<b>75.79</b>
<b>Total</b>	<b>(A+B+C+D+E)</b>	<b>3,76.75</b>	<b>7,74.42</b>
19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
<b>(a) Raw materials</b>			
Inventory at the beginning of the year		19,14.36	11,61.69
Add: Purchases		208,61.59	243,70.62
		227,75.95	255,32.31
Less: Inventory at the end of the year		21,18.46	19,14.36
	<b>(A)</b>	<b>206,57.49</b>	<b>236,17.95</b>
<b>(b) Packing materials</b>			
Inventory at the beginning of the year		1,41.33	1,42.02
Add: Purchases		11,02.88	11,10.10
		12,44.21	12,52.12
Less: Inventory at the end of the year		1,07.76	1,41.33
	<b>(B)</b>	<b>11,36.45</b>	<b>11,10.79</b>
<b>Total</b>	<b>(A+B)</b>	<b>217,93.94</b>	<b>247,28.74</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>20. (INCREASE)/DECREASE IN INVENTORIES</b>			
	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>	<b>(Increase)/Decrease ₹ in Lacs</b>
<b>Inventories at the end of the year</b>			<b>March 31, 2016</b>
Finished goods	<b>19,06.38</b>	21,10.38	<b>2,04.00</b>
Work-in-progress	<b>14,78.72</b>	17,05.81	<b>2,27.09</b>
Traded goods	<b>1,91.12</b>	2,26.58	<b>35.46</b>
	<b>35,76.22</b>	40,42.77	<b>4,66.55</b>
<b>Inventories at the beginning of the year</b>			<b>March 31, 2015</b>
Finished goods	<b>21,10.38</b>	16,03.45	(5,06.93)
Work-in-progress	<b>17,05.81</b>	13,12.42	(3,93.39)
Traded goods	<b>2,26.58</b>	1,65.63	(60.95)
	<b>40,42.77</b>	30,81.50	(9,61.27)
	<b>4,66.55</b>	(9,61.27)	
<b>Details of Purchase of traded goods</b>		<b>For the year ended March 31, 2016 ₹ in Lacs</b>	<b>For the year ended March 31, 2015 ₹ in Lacs</b>
Phosphorous and its compounds		—	53.60
Chemicals		<b>3,75.17</b>	4,29.03
Others		<b>5,39.37</b>	4,94.18
		<b>9,14.54</b>	9,76.81
<b>Details of inventory</b>		<b>For the year ended March 31, 2016 ₹ in Lacs</b>	<b>For the year ended March 31, 2015 ₹ in Lacs</b>
<b>Finished goods</b>			
Phosphorous and its compounds		<b>7,30.58</b>	10,10.90
Chemicals		<b>10,54.70</b>	9,54.65
Organic manure		<b>72.70</b>	60.51
Others		<b>48.40</b>	84.32
		<b>19,06.38</b>	21,10.38
<b>Work-in-progress</b>			
Phosphorous and its compounds		<b>8,15.42</b>	2,17.33
Chemicals		<b>6,20.42</b>	4,25.71
Others		<b>42.88</b>	10,62.77
		<b>14,78.72</b>	17,05.81
<b>Traded goods</b>			
Chemicals		<b>10.70</b>	40.90
Others		<b>1,80.42</b>	1,85.68
		<b>1,91.12</b>	2,26.58

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>21. EMPLOYEE BENEFITS EXPENSE</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Salaries, wages and bonus	<b>47,53.94</b>	44,95.57
Contribution to provident and other funds	<b>4,11.75</b>	3,98.60
Provision/payment of gratuity (Refer Note 27)	<b>1,13.23</b>	5,99.78
Provision for other retirement benefits	<b>1,79.13</b>	3,17.58
Workmen and staff welfare expenses	<b>4,01.13</b>	3,56.39
	<b>58,59.18</b>	61,67.92
<b>22. OTHER EXPENSES</b>	<b>Current Year ₹ in Lacs</b>	<b>Previous Year ₹ in Lacs</b>
Consumption of stores and spares	<b>43.68</b>	85.30
Processing charges	<b>72.95</b>	85.70
(Increase)/decrease of excise duty on inventory (Refer Note 17)	<b>(19.87)</b>	93.75
Power and fuel	<b>28,03.25</b>	30,74.74
Effluent expenses	<b>5,26.68</b>	7,46.25
Rent (Refer Note 30)	<b>49.57</b>	48.68
Rates and taxes	<b>1,20.48</b>	1,04.83
Insurance	<b>70.27</b>	64.67
Repairs and maintenance		
— Plant and machinery	<b>15,72.50</b>	15,01.36
— Buildings	<b>1,70.89</b>	1,93.92
— Others	<b>1,51.14</b>	1,52.26
CSR expenditure (Refer Note 42)	<b>69.83</b>	38.91
Sales commission and discounts	<b>2,05.38</b>	1,89.95
Travelling and conveyance	<b>2,59.59</b>	2,18.94
Legal and professional fees	<b>3,54.90</b>	3,62.46
Directors' sitting fees	<b>19.10</b>	14.90
Payment to auditor	<b>45.72</b>	32.38
Exchange differences (net)	—	66.63
Bad debts/sundry debit balances written off	<b>8.70</b>	4.37
Share of loss in partnership firm (* ₹ 21)	<b>2.05</b>	* —
Freight outward and forwarding expenses	<b>12,20.60</b>	11,36.73
Charity and donations (refer Note 41)	<b>64.65</b>	89.30
Provision for doubtful receivables (net)	<b>10.99</b>	11.70
Tangible assets written off	<b>1,66.08</b>	1,09.74
Loss on Sale of Short Term Investments ** ₹ 15	<b>** —</b>	—
Loss on sale of tangible assets (net)	<b>1,03.57</b>	31.63
Provision for diminution in value of long term investments	—	6.55
Miscellaneous expenses	<b>15,19.95</b>	15,85.08
<b>Total</b>	<b>96,12.65</b>	100,50.73

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

<b>23. DEPRECIATION AND AMORTISATION EXPENSES</b>		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Depreciation on tangible assets	<b>14,50.83</b>	13,80.38
Amortisation of intangible assets	<b>88.66</b>	89.52
	<b>15,39.49</b>	14,69.90
<b>24. FINANCE COSTS</b>		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Interest	<b>10,70.85</b>	11,97.80
Bank and financial charges	<b>1,55.39</b>	1,43.35
Exchange difference and loss on borrowings	<b>28.21</b>	56.24
<b>Total</b>	<b>12,54.45</b>	13,97.39
<b>25. EARNINGS PER SHARE (EPS)</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Profit after tax as per statement of profit and loss	<b>26,04.42</b>	41,17.95
Add/Less: Reconciliation items	—	—
<b>Net profit for calculation of basic/diluted EPS</b>	<b>26,04.42</b>	41,17.95
	<b>Nos.</b>	Nos.
Weighted average number of equity shares in calculating basic EPS	<b>12,564,510</b>	11,198,781
Effect of dilution	—	797,767
Convertible warrants	—	797,767
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>12,564,510</b>	11,996,548
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]		
Basic (in ₹)	<b>20.73</b>	36.77
Diluted (in ₹)	<b>20.73</b>	34.33
<b>26. MONEY RECEIVED AGAINST CONVERTIBLE WARRANTS ISSUED</b>		
The Holding Company had issued and allotted 20,00,000 fully convertible warrants on a preferential basis aggregating to ₹ 13,80 lacs to Utkarsh Global Holdings Private Limited, a promoter group Company, pursuant to a special resolution passed in the Extraordinary General Meeting held on 15 March, 2014. The said issue was pursuant to Section 81 (1A) of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009.		
Each such warrant is convertible at the option of the holder of the warrants into one equity share of face value of ₹ 5/- each of the Company at a premium of ₹ 64/- per equity share.		
In the previous year 2014-15, 1,000,000 fully convertible warrants had been converted to 1,000,000 equity shares of ₹ 5 each to Utkarsh Global Holdings Private Limited.		
During the year 2015-16, the Holding Company has issued and allotted 10,00,000 fully paid equity shares by conversion of the balance 10,00,000 convertible warrants and received a sum of ₹ 5,17.50 lacs being 75% of the issue price (25% of the issue price had been received at the time of issue of the warrants)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**27. DETAILS OF EMPLOYEE BENEFITS**
**(I) Defined Benefit Plan Gratuity**

The Holding Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service then instead of 15 days, he/she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with insurance Companies in the form of qualifying insurance policies.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of Profit and Loss are as follows:

**Defined Benefit Plan**

	<b>Current Year Gratuity (₹ in Lacs)</b>	<b>Previous Year Gratuity (₹ in Lacs)</b>
Current service cost	<b>2,01.94</b>	1,77.84
Interest cost on benefit obligation	<b>2,96.11</b>	2,83.75
Expected return on plan assets	<b>(2,56.57)</b>	(2,24.23)
Net actuarial (gain)/loss recognised in the year	<b>(1,28.25)</b>	3,62.42
Amount included under the head employee benefit expenses (Refer Note 21)	<b>1,13.23</b>	5,99.78

(b) The amounts recognised in the Balance Sheet are as follows:

	<b>As at March 31, 2016 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)</b>	<b>As at March 31, 2015 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)</b>
Present value of funded obligation	<b>39,74.76</b>	37,85.56
Less: Fair value of plan assets	<b>34,25.50</b>	29,23.83
Net Liability included under the head Provisions in Note no '7'	<b>5,49.26</b>	8,61.73

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	<b>As at March 31, 2016 Gratuity (₹ in Lacs)</b>	<b>As at March 31, 2015 Gratuity (₹ in Lacs)</b>
Opening defined benefit obligation	<b>37,85.56</b>	32,24.42
Interest cost	<b>2,96.11</b>	2,83.75
Current service cost	<b>2,01.94</b>	1,77.84
Benefits paid	<b>(1,74.41)</b>	(2,62.98)
Actuarial (gains)/losses on obligation	<b>(1,34.44)</b>	3,62.53
Closing defined benefit obligation	<b>39,74.76</b>	37,85.56

(d) Changes in the fair value of plan assets are as follows:

	<b>As at March 31, 2016 Gratuity (₹ in Lacs)</b>	<b>As at March 31, 2015 Gratuity (₹ in Lacs)</b>
Opening fair value of plan assets	<b>29,23.83</b>	24,91.40
Expected return	<b>2,56.57</b>	2,24.23
Contributions by employer	<b>4,25.70</b>	4,71.06
Benefits paid	<b>(1,74.41)</b>	(2,62.98)
Actuarial gains/(losses)	<b>(6.19)</b>	0.12
Closing fair value of plan assets	<b>34,25.50</b>	29,23.83

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**27. DETAILS OF EMPLOYEE BENEFITS (Contd.)**

	<b>As at March 31, 2016 Gratuity (₹ in Lacs)</b>	As at March 31, 2015 Gratuity (₹ in Lacs)
(e) Expected contribution to defined benefit plan for the next year.	<b>5,00.00</b>	5,00.00
(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	<b>Current Year</b>	Previous Year
Insurer Managed Funds (Life Insurance Corporation of India)	<b>88.30%</b>	87.90%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	<b>11.70%</b>	12.10%
	<b>100%</b>	100%
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario		
	<b>Gratuity Current Year</b>	Gratuity Previous Year
(g) The principal actuarial assumptions at the Balance Sheet date:		
Discount rate	<b>7.75%</b>	7.80%
Expected rate of return on assets	<b>8.00%</b>	8.75%
Expected rate of salary increase	<b>8.50%</b>	8.50%
Mortality table	<b>IALM (2006-08) Ult.</b>	IALM(2006-08) Ult.
	<b>Ultimate</b>	Ultimate
Proportion of employees opting for early retirement	<b>5% to 1%</b>	5% to 1%

Notes :

- The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Amounts for the current and previous four years are as follows:  
[AS15 Para 120(n)] [1]

(₹ in Lacs)

	<b>March 31, 2016</b>	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	<b>39,74.76</b>	37,85.56	32,24.42	25,83.68	19,67.88
Plan assets	<b>34,25.50</b>	29,23.83	24,91.40	21,41.39	18,34.92
Surplus/(deficit)	<b>(5,49.26)</b>	(8,61.73)	(7,33.02)	(4,42.29)	(1,32.96)
Experience adjustments on plan liabilities	<b>(1,50.09)</b>	66.98	93.12	88.21	1,16.83
Experience adjustments on plan assets	<b>(6.19)</b>	0.12	9.88	(2.93)	9.52

**(II) Defined Contribution Plans:**

- Provident Fund is a defined contribution scheme established under a State Plan.
- Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.
- Defined Contribution Plan.

	<b>Current Year (₹ in Lacs)</b>	Previous Year (₹ in Lacs)
Current service cost included under the head Contribution to provident and other funds in "Employee Benefits Expense" (Refer Note 21)		
Provident Fund	<b>1,73.59</b>	1,90.50
Family Pension Fund	<b>1,31.11</b>	1,03.53
Superannuation Fund	<b>96.31</b>	95.65



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**28. SEGMENT INFORMATION**
**1. Information About Primary Business Segments:**

Particulars	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
<b>REVENUE:</b>						
External Revenue:	436,79.35	13,56.20	450,35.55	470,62.12	13,02.51	483,64.63
Un-allocated Revenue:			1,54.47			5,65.45
Total Revenue:			451,90.02			489,30.08
<b>RESULT:</b>						
Segment result:	69,74.74	(37.93)	69,36.81	80,47.18	(46.41)	80,00.77
Un-allocated expenditure net of un-allocated income:			19,33.14			15,03.52
Finance Cost			12,54.45			13,97.39
Profit before tax			37,49.22			50,99.86
Current:						
Provision for Taxation:						
Current:			9,07.09			12,48.44
In respect of earlier years : (net)			1.59			(6,55.40)
Minimum Alternative Tax (Entitlement)			—			—
Deferred tax:			2,35.72			3,88.87
Profit/(Loss) after tax but before loss from associate :			26,04.82			41,17.95
Loss from Associate			0.40			—
Profit for the year attributable to Equity Shareholders for the Holding Company			26,04.42			41,17.95
<b>OTHER INFORMATION:</b>						
Segment Assets:	349,40.57	10,28.75	359,69.32	324,96.67	8,70.72	333,67.39
Un-allocated Assets:			61,53.88			53,30.88
Total Assets:			421,23.20			386,98.27
Segment Liabilities:	(69,79.64)	(2,09.04)	(71,88.69)	(56,51.61)	(1,95.90)	(58,47.51)
Un-allocated Liabilities:			(138,74.42)			(142,31.77)
Total Liabilities:			(210,63.11)			(200,79.28)
Segment Capital expenditure:	26,50.37	1,33.19	27,83.56	49,76.70	22.99	49,99.69
Un-allocated Capital expenditure:			52.67			1,18.81
Segment Depreciation and Amortisation:	13,78.31	51.97	14,30.28	13,11.62	44.56	13,56.18
Un-allocated Depreciation and Amortisation:			1,09.21			1,13.72
Segment Non-cash expenses other than Depreciation and Amortisation:	4,71.17	29.18	5,00.35	8,95.07	41.77	9,36.84
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			58.16			1,42.28

**2. Information About Secondary Business Segments:**

	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:						
Carrying amount of Assets:	358,77.01	93,13.01	451,90.02	411,30.35	77,99.73	489,30.08
Capital Expenditure:	393,78.41	27,44.79	421,23.20	365,90.03	21,08.24	386,98.27
	28,36.23	—	28,36.23	51,18.50	—	51,18.50

**3. Notes:**

- The business of the Group is organised into two business segments namely :
  - Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides Intermediates.
  - Environment – Comprising of Soil enricher, Bio - pesticides and other Bio products.
- Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations
- Segment Revenue in the geographical segments considered for disclosure are as follows :
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**29. RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS)-18 "RELATED PARTY DISCLOSURES".**

**1. Related parties where control exists:**

**Joint Venture of a wholly owned subsidiary**

Multichem Industries (a partnership firm) – upto 31.03.2016

**2. Related parties with whom transactions have taken place during the year:**

**Enterprises owned or significantly influenced by key management personnel or their relatives or through companies/entities which are controlled/significantly influenced by the KMP and their relatives**

Utkarsh Global Holdings Private Limited

Agrocel Industries Private Limited

Anshul Specialty Molecules Private Limited

Divakar Techno Specialities & Chemicals Ltd.

Excel Crop Care Limited

TML Industries Limited

Mobitrash Recycle Ventures Private Limited (w.e.f. 03.12.2015)

Shree Vivekanand Research and Training Institute

Rashtriya Seva Trust

Samarth Gram Vikas Trust

C C Shroff Self Help Centre

Transpek Industry (Europe) Limited

Transpek Industry Limited

TML Industries Limited

**Key Management Personnel**

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Ravi Ashwin Shroff (Executive Director)

**Relatives of KMP**

Shri Hrishit Ashwin Shroff (Son of Shri Ashwin C. Shroff and Smt. Usha A. Shroff )

Smt. Anshul A. Bhatia (Daughter of Shri Ashwin C. Shroff and Smt. Usha A. Shroff)

Smt. Kanaklata A. Saraiya (Sister of Smt. Usha A. Shroff)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### (a) Sale/purchase of goods & services and other transactions

(₹ in Lacs)

	Year ended	Sale of goods	Sale of services	Sale of fixed assets	Interest Received	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Proceeds from conversion of warrants to equity shares	Reimbursement of Expenses to Party (Expenses)	Salary, Bonus & contribution to PF	Retirement Benefits	CSR Expenditure	Charity and donations	Loan owed by related parties	Amount owed by related parties	Amount owed to related parties
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>																		
Excel Crop Care Limited	31-Mar-16	44,02.89	20.46	3.60	—	30.72	—	31.01	5.83	—	—	—	—	—	—	—	9,36.15	8.05
	31-Mar-15	62,85.47	2,26.00	94.01	—	30.72	—	31.38	9.84	—	—	—	—	—	—	—	8,95.83	—
Agrocel Industries Private Limited	31-Mar-16	—	—	—	—	—	17.95	—	—	—	—	—	—	—	—	—	10.00	3.46
	31-Mar-15	3.12	—	—	—	—	12.62	—	—	—	—	—	—	—	—	—	10.00	12.04
Anshul Specialty Molecules Private Limited	31-Mar-16	1.58	—	—	—	—	—	—	1.10	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	1.86	—	—	—	—	—	—	—	—	—
Transpek Industry Limited	31-Mar-16	—	—	—	5.84	—	0.53	—	6.27	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	6.00	0.06	—	—	10.57	—	—	—	—	—	—	50.00	—	—
Good Rasayan Limited (upto 30.09.2014)	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	35.66	—	—	—	—	—	—	—	—	—	—
Divakar Techno Specialities & Chemicals Ltd.	31-Mar-16	—	—	—	—	—	—	—	—	—	72.39	—	—	—	—	—	—	30.83
	31-Mar-15	—	—	—	—	—	—	—	—	—	47.67	—	—	—	—	—	—	32.32
Transpek Industry (Europe) Limited	31-Mar-16	—	—	—	—	—	—	22.16	—	—	—	—	—	—	—	—	—	14.16
	31-Mar-15	—	—	—	—	—	—	21.90	—	—	—	—	—	—	—	—	1.03	—
Utkarsh Global Holdings Private Limited	31-Mar-16	—	—	—	—	—	—	—	1,73.25	5,17.50	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	2,24.86	5,17.50	—	—	—	—	—	—	—	—
Mobiltrash Recycle Ventures Private Limited	31-Mar-16	—	1.75	22.54	—	—	—	—	—	—	—	—	—	—	—	—	24.54	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TML Industries Limited	31-Mar-16	—	—	—	12.34	—	—	—	—	—	0.17	—	—	—	—	1,00.00	—	—
	31-Mar-15	—	—	—	12.20	—	—	—	—	—	—	—	—	—	—	1,00.00	—	—
Shree Vivekanand Research and Training Institute	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	43.49	20.00	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	7.54	—	—	—	—
Samarth Gram Vikas Trust	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	2.15	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	1.85	—	—	—	—
Rashtriya Seva Trust	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—	—
C C Shroff Self Help Centre	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	—	—	—	0.68	—	—	—
Mrs. Usha A. Shroff	31-Mar-16	—	—	—	—	—	—	—	0.26	—	—	96.96	—	—	—	—	—	2.06
	31-Mar-15	—	—	—	—	—	—	—	0.44	—	—	1,07.64	—	—	—	—	—	—
Mr. R. A. Shroff	31-Mar-16	—	—	—	—	—	—	—	1.91	—	—	65.85	—	—	—	—	—	3.25
	31-Mar-15	—	—	—	—	—	—	—	3.22	—	—	38.45	—	—	—	—	—	—
Mr. A. C. Shroff	31-Mar-16	—	—	—	—	—	—	—	3.32	—	—	1,14.62	—	—	—	—	—	1.44
	31-Mar-15	—	—	—	—	—	—	—	5.61	—	—	1,18.47	—	—	—	—	—	—
Mr. H. A. Shroff	31-Mar-16	—	—	—	—	—	—	—	1.91	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	3.22	—	—	—	—	—	—	—	—	—
Mr. S. R. Potdar (upto 02.09.2014)	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	—	—	—	40.29	—	—	—	—	—	—
Others	31-Mar-16	—	—	—	—	—	—	—	0.89	—	—	—	—	—	—	—	—	—
	31-Mar-15	—	—	—	—	—	—	—	4.68	—	—	—	—	—	—	—	—	—

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

#### b. Loans given and repayment thereof

(₹ in Lacs)

	Year ended	Loans given	Repayment	Amount owed by related parties
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>				
Transpek Industry Limited	31-Mar-16	—	50.00	—
	31-Mar-15	—	—	50.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**30. OPERATING LEASES**

Office premises and godowns are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable. In respect of Office premises, the operating leases are renewable for further period of five years, with an escalation clause of 5% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements.

	<b>For the year ended March 31, 2016 ₹ in Lacs</b>	For the year ended March 31, 2015 ₹ in Lacs
Lease payments for the year	<b>43.54</b>	43.07
Minimum lease payments under non cancellable operating lease as at 31st March		
(a) Not later than one year	<b>38.74</b>	37.95
(b) Later than one year but not later than five years	<b>63.86</b>	96.42
(c) Later than five years	<b>Nil</b>	Nil

The Company has leased out its office premises on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

Future Minimum Lease rentals receivable are as follows:

(a) Not later than one year	<b>16.80</b>	27.98
(b) Later than one year but not later than five years	<b>6.76</b>	Nil
(c) Later than five years	<b>Nil</b>	Nil

**31. RESEARCH AND DEVELOPMENT COSTS**

	<b>Current Year ₹ in Lacs</b>	Previous Year ₹ in Lacs
Research and Development costs, as certified by the Management of the Holding Company, debited to the statement of profit and Loss are as under:		
* Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	<b>4,88.48</b>	4,50.56
Depreciation on Research and Development Equipment	<b>72.19</b>	55.09
	<b>5,60.67</b>	5,05.65

\* includes ₹ 1,23.84 lacs, ₹ 91.29 lacs and ₹ 1,81.09 lacs (Previous Year: ₹ 1,15.77 lacs, ₹ 65.33 lacs and ₹ 1,77.11 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 4.86 lacs, ₹ 37.56 lacs and ₹ 49.99 lacs (Previous Year: ₹ 45.28 lacs, ₹ 1.08 lacs and ₹ 38.62 lacs in respect of Research and Development Units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology)].	<b>1,96.68</b>	1,64.70
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**32. CONTINGENT LIABILITIES**

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Bills discounted	4,58.00	2,77.85
Disputed income-tax liability	7,20.61	7,10.50
Disputed excise duty liability	3,84.64	7,60.58
Disputed sales tax liability	17.89	16.52
Disputed custom duty liability	1,44.88	72.44
Disputed service tax liability	2.26	—
Claims against the Holding Company not acknowledged as debts	27.37	24.31
Liability in respect of claims made by workers and contract labourers	Amount not ascertainable	Amount not ascertainable
Share in the disputed lease rent payable to the Collector of Bhavnagar by M/s Multichem Industries, a partnership firm	#	52.06

# As per Deed of Dissolution entered between the Company and Excel Crop Care Limited, any liability or demand raised or found in respect of leasehold land of the partnership firm in regard to the above demand shall be borne and paid exclusively by Excel Crop Care Limited. Hence, no contingent liability remains on the Company as on 31-March-2016.

**33. CAPITAL AND OTHER COMMITMENTS**

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,15.47	4,64.96
For commitments relating to lease arrangements, please refer notes 30 and 40		

**34. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE**

	Currency	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2016 Foreign Currency Value in Lacs	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2015 Foreign Currency Value in Lacs
(a) Derivates Outstanding as at the reporting date					
(i) Hedge of highly probable foreign currency sales	USD	8,26.06	12.00	—	—
(b) Forward contract – Buy for Hedging Purpose					
(i) Loans/Interest thereon	USD	13,63.43	20.61	5,76.62	9.23
(c) Un-hedged Foreign Currency Exposure on					
(i) Import Payables	USD	22,32.72	33.70	7,77.22	12.44
(ii) Export Receivables	USD	25,20.14	37.95	19,33.78	30.95
	EURO	2,24.65	2.98	1,74.46	2.60
(iii) Bank Balances	USD	4.75	0.07	1.43	0.02

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**35. PARTNERSHIP FIRM**

The group had 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest of the group in the said entity as per latest available audited Balance Sheet as at March 31, 2016, is as under:

	<b>Excel Bio Resources Limited</b>	
	<b>As at March 31, 2016 ₹ in Lacs</b>	<b>As at March 31, 2015 ₹ in Lacs</b>
Assets	—	2.27
Liabilities	—	—
Income	—	—
Share of loss in partnership firm (* ₹ 21)	<b>2.05</b>	* —

Details of investment in M/s. Multichem Industries, a partnership firm:

Name of the Partners	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Capital ₹ in Lacs</b>	<b>Share of Profit or Loss %</b>	<b>Capital ₹ in Lacs</b>	<b>Share of Profit or Loss %</b>
(a) Excel Crop Care Limited	—	—	2.00	50
(b) Excel Bio Resources Limited	—	—	2.00	50
	<u>—</u>	<u>—</u>	<u>4.00</u>	<u>100.00</u>

M/s Multichem Industries, jointly controlled Partnership firm was dissolved with effect from 31-March-2016. As per the terms of dissolution any liability or demand raised in respect of the said firm shall be borne and paid by the other partner i.e. Excel Crop Care Limited ("ECCCL").

**36. JOINT VENTURE COMPANY**

The group has 33.33% interest in jointly controlled entity Wexsam Limited-Hong Kong. Since there were no activities in the said jointly controlled entity for the past eight years, the financials are not available. Accordingly, the proportionate interest of the group in the said jointly controlled entity has not been considered in the Consolidated Financial Statements. Further, the group does not have any liability or contingent liability, which needs to be accounted with respect to the said jointly controlled entity.

**37. ADDITIONAL INFORMATION AS REQUIRED AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.**

	Name of the entity	Net Assets				Share in Profit/(Loss)			
		As at March 31, 2016		As at March 31, 2015		For the year ended March 31, 2016		For the year ended March 31, 2015	
		As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
	<b>Parent</b>								
A	Excel Industries Limited (Standalone)	98.32	20,706.30	98.56	18,350.04	96.74	2,519.56	98.51	4,056.43
	<b>Indian Subsidiaries</b>								
B	Kamaljiyot Investments Limited	2.55	538.08	2.44	455.16	3.18	82.92	1.34	55.37
C	Excel Bio Resources Limited (Including its Joint Venture Multichem Industries (as per proportionate consolidation method)).	0.32	66.44	0.36	66.10	0.09	2.34	0.15	6.15
	<b>Indian Associate (Investment as per equity method)</b>								
D	Mobitrash Recycle Ventures Private Limited	—	—	—	—	(0.01)	(0.40)	—	—
<b>E</b>	<b>Total = (A + B + C + D)</b>	<b>101.19</b>	<b>21,310.82</b>	<b>101.36</b>	<b>18,871.30</b>	<b>100.00</b>	<b>2,604.42</b>	<b>100.00</b>	<b>4,117.95</b>
F	Intercompany Eliminations	(1.19)	(250.73)	(1.36)	(252.31)	—	—	—	—
<b>G</b>	<b>Total = (E - F)</b>	<b>100.00</b>	<b>21,060.09</b>	<b>100.00</b>	<b>18,618.99</b>	<b>100.00</b>	<b>2,604.42</b>	<b>100.00</b>	<b>4,117.95</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**38. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**

The Holding Company has overdue amounts to suppliers under MSMED as at March 31, 2016. The disclosure pursuant to the said Act is as under:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2,04.74	3,63.18
Interest due on above	0.01	0.16
	<u>2,04.75</u>	<u>3,63.34</u>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	2.16	18.09
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.16	18.25
Year ended 31 March 2014 ₹ 27.46 lacs		
Year ended 31 March 2015 ₹ 18.25 lacs		
Year ended 31 March 2016 ₹ 2.16 lacs		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	47.87	45.71

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Holding Company.

**39. CAPITALIZATION OF EXPENDITURE**

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
During the year, the Holding Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.		
Year to which it relates		
Interest	—	13.16
Finance Lease charges	—	6.79
	<u>—</u>	<u>19.95</u>

**40. FINANCE LEASE: COMPANY AS LESSEE**

The Holding Company has finance leases for various items of plant & machinery. These leases involve significant upfront lease payment, having terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	March 31, 2016		March 31, 2015	
	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs
Within one year	5,14.31	4,68.62	3,98.61	3,63.20
After one year but not more than five years	3,75.88	3,12.06	5,28.27	4,38.58
More than five years	—	—	—	—
Total minimum lease payments	<u>8,90.19</u>	<u>7,80.68</u>	<u>9,26.88</u>	<u>8,01.78</u>
Less : Amounts representing Finance charges	<u>(1,09.51)</u>	<u>—</u>	<u>(1,25.10)</u>	<u>—</u>
Present value of Minimum Lease Payments	<u>7,80.68</u>	<u>7,80.68</u>	<u>8,01.78</u>	<u>8,01.78</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**41. DETAILS OF DONATION TO A POLITICAL PARTY**

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Bharatiya Janata Party	—	32.00
	—	32.00

**42. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As a responsible corporate citizen, our CSR strategy complements our business philosophy and objectives. During the year, the Holding Company had as its social responsibility, partnered with its group NGOs like Shree VRTI, Samarth Gram Vikas Trust etc and other reputed organisations for undertaking various social activities in the field of education, employment through vocational training activities, agricultural development, environment and nature conservation.

During the year the Holding Company has incurred an amount of ₹ **69.83 lacs** (Previous Year: ₹ 38.91 lacs) towards the above mentioned activities.

A. Gross amount required to be spent by the Holding Company during the Year: ₹ **59.02 lacs** (Previous Year: ₹ 38.82 lacs).

B. Amount spend during the year:

Sr. No.	Project	₹ in Lacs	Current Year ₹ in Lacs	₹ in Lacs	Previous year ₹ in Lacs
1.	<b>Natural Resources Management</b>				
	Directly Expended	1.24		0.07	
	Indirectly Expended through other organisations	4.61	5.85	—	0.07
2.	<b>Rural Development</b>				
	Directly Expended	3.01		1.06	
	Indirectly Expended through other organisations	14.73	17.74	5.54	6.60
3.	<b>Environment</b>				
	Directly Expended	1.75		2.73	
	Indirectly Expended through other organisations	1.19	2.94	5.57	8.30
4.	<b>Promotion of Education</b>				
	Directly Expended	5.10		2.87	
	Indirectly Expended through other organisations	25.53	30.63	14.10	16.97
5.	<b>Entrepreneurship Development</b>				
	Directly Expended	0.23		—	
	Indirectly Expended through other organisations	0.69	0.92	—	—
6.	<b>Preventive Health Care</b>				
	Directly Expended	0.70		5.27	
	Indirectly Expended through other organisations	4.07	4.77	—	5.27
7.	<b>Animal Welfare</b>				
	Directly Expended	0.41		0.46	
	Indirectly Expended through other organisations	2.13	2.54	—	0.46
8.	<b>Seminars/Meetings/Infrastructure</b>				
	Directly Expended	2.89		0.96	
	Indirectly Expended through other organisations	1.55	4.44	—	0.96
9.	<b>Capacity Building</b>				
	<b>Total</b>		<b>69.83</b>		<b>38.91</b>

C. Related Party Organisation

Following are the related party transactions during the year.

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Samarth Gram Vikas Trust	2.15	1.85
Shree Vivekanand Research and Training Institute	43.49	7.54

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 43. DISCLOSURE REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013 (Refer Note 13, 29 & 35).

₹ in Lacs

Name of the loanee	Opening Balance	Further loan given during the year	Repaid during the year	Closing Balance	Purpose of Loan given
TML Industries Limited	1,00.00	—	—	1,00.00	For Business purpose
Transpek Industry Limited	50.00	—	50.00	—	For Business purpose

### 44. PREVIOUS YEAR FIGURES

Previous Year figures have been regrouped/reclassified, where necessary to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP  
Firm registration No.: 324982E/E300003  
Chartered Accountants

per Jayesh M. Gandhi  
Partner  
Membership No. 37924

Place : Mumbai  
Date: May 27, 2016

For and on behalf of the Board of Directors of Excel Industries Limited

ASHWIN C. SHROFF  
Chairman and Managing Director  
DIN: 00019952

KAILAS D. DABHOLKAR  
Chief Financial Officer

Place : Mumbai  
Date: May 27, 2016

RAVI A. SHROFF  
Executive Director  
DIN: 00033505

SURENDRA K. SINGHVI  
Company Secretary

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***A REQUEST***

***We are sure that you have read with interest the Annual Report for the year 2015-16. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.***



**Excel Industries Limited**

**CIN: L24200MH1960PLC011807**

**Registered Office :**

184-87, S. V. Road, Jogeshwari (West), Mumbai 400 102, India  
Tel: 022 66464200 • Fax: 91-22-2678 3657

Email: [excel.mumbai@excelind.com](mailto:excel.mumbai@excelind.com) • Website: [www.excelind.co.in](http://www.excelind.co.in)