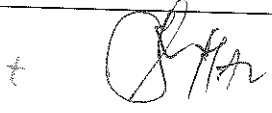
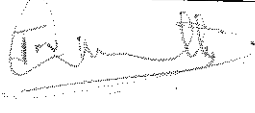


FORM A**Annual Audit Report****(Under Clause 31 of Listing Agreement)**

1. Name of the Company	Excel Industries Limited
2. Annual Standalone Financial Statement for the year ended	31 st March, 2014
3. Type of Audit observation	Unqualified
4. Frequency of observation	Not applicable
5. Signed by:	
Ashwin C. Shroff, Chairman & Managing Director	
Kailas D. Dabholkar, Chief Financial Officer	
Jayesh M. Gandhi, S. R. Batliboi & Co. LLP, Auditors of the Company	
Harish Motiwalla , Chairman of Audit Committee	

Place: Mumbai

Date: 23rd May, 2014



Excel Industries Limited



Annual Report : 2013-2014

When quality is a state of mind, growth becomes a natural process. And with it, Leadership.

Excel delivers on its promise of quality and delivers beyond customer expectations.

Powered by world class R&D and Manufacturing strength, Differentiating through dynamism in products and business strategies, Innovation, Expertise and Faster market introductions, all these make us the preferred partner for our clients around the world.

By providing quality solutions that are critical for market leadership; We share a vision to be the world's most trusted Chemicals Company.

We provide:

* Chemicals for Agriculture Industry * Biocides * Polymer Additives * Speciality Chemicals

* Pharmaceutical & Veterinary APIs

* Solutions in Environment Management

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

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53rd Annual General Meeting

*on Friday, 26th September, 2014 at 3.00 p.m.
at Rama Watumull Auditorium,
Kishinchand Chellaram College,
Dinshaw Wacha Road,
Churchgate, Mumbai-400 020.*

A REQUEST

We are sure you will read with interest the Annual Report for the year 2013-14. 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

CHAIRMAN EMERITUS

K. C. SHROFF

G. NARAYANA

BOARD OF DIRECTORS

A. C. SHROFF, *Chairman & Managing Director*

U. A. SHROFF, *Executive Vice Chairperson*

S. R. POTDAR, *Executive Director (upto 02/09/2014)*

R. A. SHROFF, *Executive Director (w.e.f. 03/09/2014)*

A. G. SHROFF

D. K. SHROFF

N. B. SATHE

R. N. BHOGALE

H. N. MOTIWALLA

P. S. JHAVERI

M. B. PAREKH

S. S. VAIDYA, *Additional Director (w.e.f. 08/08/2014)*

R. M. PANDIA, *Additional Director (w.e.f. 08/08/2014)*

CHIEF FINANCIAL OFFICER

KAILAS DABHOLKAR

COMPANY SECRETARY

S. K. SINGHVI

AUDITORS

S. R. BATLIBOI & 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

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

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.

AWARDS AND ACHIEVEMENTS...

It gives us immense pleasure in informing all our stakeholders that the year 2013-14 has been one of great achievements and of success stories which we feel proud to share with you here. This has further strengthened our belief in our journey to Sustainable Development. In fact these are quite symbolic of our approach to "Inclusive Growth".

Shri Ashwinbhai Shroff, Chairman and Managing Director, Excel Industries Ltd was conferred with "ICC Lifetime Achievement Award" for his contribution to "Safeguarding the Interest of Stakeholders, the society and the environment; pioneering work in community development near Roha and in Kutchh; to growth and competitiveness of Indian Chemical Industries, by closely working with Government Agencies as President of ICC, Chairman of Roha Industries Association and as Co-chairman of CII's Agri-Biotech committee.

The Company got permission from ICC to use "Responsible Care" logo after a rigorous Audit by the ICC audit team. This permission to use the RC logo illustrates the Company's successful adoption of RC and adhering to the guiding principles to ensure Safety, Health & Environmental Standards.

Company's CSR work is appreciated by Indian Chemical Council conferring "ICC Award for Social Responsibility" for the year 2012 on 26th September 2013.

PROUD MOMENT FOR EXCEL FAMILY :



Shri Ashwin Shroff, CMD, Excel Ind. Ltd., Along with Mrs. Usha Shroff, receiving the ICC Lifetime Achievement Award.

ICC LIFETIME ACHIEVEMENT AWARD

CITATION

Conferred on
ASHWIN C. SHROFF
 Chairman & Mg. Director, Excel Ind. Ltd



MR. ASHWIN C. SHROFF, Chairman & Managing Director of Excel Industries Limited, joined the company in 1965 and has steered it to its current position of eminence and strength. He is also the Chairman of other group companies, such as Excel Crop Care Limited, Transpek Industry Limited and Transpek-Saha Industry Limited.

Mr. Shroff has continued and built heavily upon the family tradition of focusing on safeguarding the interests of stakeholders, the society and the environment. The Excel group has been practicing these principles even before the concept of Triple Bottom Line gained popularity.

Mr. Shroff believes firmly in empowering local

communities and weaker sections of the Society. The pioneering work done by him through various organisations in Kutchh and near Roha has been seen as a model for community development.

As President of Indian Chemical Council, Chairman of Roha Industries Association and Chairman of CII's Agri-Biotech Committee, he has worked closely with the Government for enhancing the growth and competitiveness of the Indian chemical industry. As a member of the Research Councils of CSIR laboratories, Mr. Shroff has also helped in giving a direction to innovation, a subject to which the Excel group has made substantial contribution. Under his guidance, Excel Industries Limited has introduced products which deal with management and gradual utilization of municipal wastes. These processing solutions have gained wide acceptance.

Mr. Shroff's humane approach to various issues, his humility and social consciousness have contributed greatly to the esteem in which he is held.

In recognition of his outstanding contributions, **INDIAN CHEMICAL COUNCIL** is pleased to confer the **ICC LIFETIME ACHIEVEMENT AWARD** for the year 2012 on **MR. ASHWIN C. SHROFF**, Chairman & Managing Director, Excel Industries Ltd, Mumbai.

AWARDS AND ACHIEVEMENTS...



CSR AWARD : CITATION



THE ICC AWARD FOR SOCIAL RESPONSIBILITY IS BEING PRESENTED TO THE EXCEL TEAM.

CORPORATE SOCIAL RESPONSIBILITY...



Afforestation : by supplying saplings and conducting plantation programs

Career guidance : More than 500 students were encouraged to undertake suitable education for better future career.

Promoting Vaccination Drive of Animal Husbandry Department : More than 3000 cattle from about 30 villages were vaccinated.

Rain Water Harvesting / Water Shed Development : The project includes repairing of check dams, silt removal etc.

Women Empowerment : Self Help Group, Learn & Earn concept like tile fixing, artificial garland and incense sticks making.

RESPONSIBLE CARE...

Responsible care is the Chemical Industry's unique global initiative that drives continuous improvement in Health, Safety and Environment (HSE) performance together with open and transparent communication with stakeholders. Responsible care embraces the development and application of sustainable chemistry.

It was launched in Canada in 1985 by Canadian Chemical Producers Association. Subsequently it was adopted by the Chemical Industry world over. Indian Chemical Manufacturing Association (ICMA, today's Indian Chemical Council - ICC) adopted it in 1992 and appealed it's members to adopt same 'Voluntarily'

Excel Industries Ltd. was the first to become a signatory to this voluntary initiative. EHS had been of paramount importance to the Company. It has strived since it's inception to develop safe working culture among the employees at entire cross section from Manager, Engineer, Supervisor and Operator.

The Chemical Industry has grown and developed to an extent that it has reached to every household through numerous products. However, hazardous nature of chemicals and the processes and some accidents causing large adverse impact on the society, maligned the image of Chemical Industry. It created a 'Fear' in the minds of people at large.

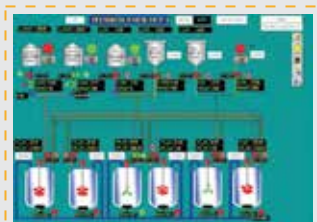
ICC then appealed to the member industries to adopt this system and made it mandatory to it's members. The guiding principles of Responsible Care are:

- To recognize and respond to community concerns about chemicals and our operations.
- To develop and produce chemicals that can be manufactured, transported, used and disposed off safely.
- To make health, safety and environmental considerations a priority in our planning for all existing and new products and processes.
- To report promptly to officials, employee, customers and the public, information on chemical related health hazards and to recommended protective measures.
- To counsel customers on the safe use, transportation and disposal of chemical products.
- To operate our plants and facilities in a manner that protects the environment and the health and safety of our employees and public.
- To extend knowledge by conducting or supporting research on the health, safety and environmental effects of our products processes and waste materials.
- To work with others to resolve problems created by past handling and disposal of hazardous substances.
- To participate with government and others in creating responsible laws, regulations and standards to safeguard the community workplace and environment.
- To promote the principles and practices of Responsible Care by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose off chemicals.

In the year 2003-2004, ICC instituted Aditya Birla Award for Best Responsible Care Committed Company, which includes plaque, citation and a cash award of Rs. 1.00 lakh.

RESPONSIBLE CARE...

PROCESS SAFETY CODE



EMERGENCY RESPONSE CODE



EMERGENCY PREPARATION: INDUSTRIAL CIVIL DEFENCE UNITS



DISTRIBUTION CODE: SAFE TRANSPORTATION OF HAZARDOUS GOODS



RESPONSIBLE CARE...

COMMUNITY AWARENESS



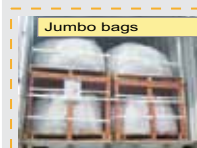
POLLUTION PREVENTION CODE



EMPLOYEE'S SAFETY & HEALTH



PRODUCT STEWARDSHIP CODE



EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTICE

NOTICE is hereby given that the 53rd ANNUAL GENERAL MEETING of the members of EXCEL INDUSTRIES LIMITED will be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on **Friday, the 26th September, 2014 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2014, together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares of the Company for the year ended 31st March, 2014.
3. To appoint a Director in place of **Mr Dipesh K Shroff** (DIN 00030792), who retires by rotation and being eligible, offers himself for re-appointment.
4. To **appoint Auditors** of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee of Directors, M/s SRBC & CO. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 324982E), be and they are hereby appointed as Auditors of the Company for a period of three consecutive years commencing from the conclusion of the 53rd annual general meeting of the Company up to the conclusion of the 56th annual general meeting of the Company (subject to ratification of such appointment by the members at every annual general meeting held after the 53rd annual general meeting), at a remuneration as may be fixed for each financial year by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS:

5. To re-appoint **Mr A C Shroff as Chairman and Managing Director** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the re-appointment of Mr A C Shroff (DIN: 00019952) as Chairman and Managing Director of the Company for period of 5 (Five) years with effect from 1st February, 2015 on the terms and conditions including remuneration as set out in the Agreement to be entered into between the Company and Mr A C Shroff, a draft of which, duly initialled by the Executive Director of the Company for the purpose of identification, is placed before this meeting and which Agreement is hereby specifically sanctioned, with liberty to the Board to alter and vary the terms and conditions of the appointment, but so as not to exceed the aggregate remuneration set out in the said draft Agreement;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps, as it may, in its absolute discretion deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard.”

6. To appoint **Mr Ravi A Shroff as a Director** liable to retire by rotation and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Articles of Association of the Company, Mr Ravi A Shroff (DIN: 00033505), who was appointed as an additional director by the Board with effect from 3rd September, 2014 to hold office until the date of this annual general meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under section 160 of

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

7. To appoint **Mr Ravi A Shroff as a Whole-time Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr Ravi A Shroff (DIN: 00033505) as a Whole-time Director designated as Executive Director of the Company for a period of 5 (Five) years with effect from 3rd September, 2014 on the terms and conditions including remuneration as set out in the Agreement to be entered into between the Company and Mr Ravi A Shroff, a draft of which, duly initialled by the Executive Director of the Company for the purpose of identification, is placed before this meeting and which Agreement is hereby specifically sanctioned, with liberty to the Board to alter and vary the terms and conditions of the appointment, but so as not to exceed the aggregate remuneration set out in the said draft Agreement;
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps, as it may, in its absolute discretion deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard.”
8. To appoint **Mr R N Bhogale as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr R N Bhogale (DIN: 00292417), Director whose office was liable to retirement by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as independent director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”
9. To appoint **Mr H N Motiwalla as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr H N Motiwalla (DIN: 00029835), Director whose office was liable to retirement by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as independent director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”
10. To appoint **Mr P S Jhaveri as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr P S Jhaveri (DIN: 00045038), Director whose office was liable to retirement by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as independent director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

11. To appoint **Mr M B Parekh as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr M B Parekh (DIN: 00180955), Director whose office was liable to retirement by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”
12. To appoint **Mr Shailesh S Vaidya as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr Shailesh S Vaidya (DIN 00002273), who was appointed as an additional director by the Board with effect from 8th August, 2014 and who holds office until the date of this annual general meeting in term of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as independent director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”
13. To appoint **Mr Rajeev M Pandia as an Independent Director** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Clause 49 of the Listing Agreement, Mr Rajeev M Pandia (DIN: 00021730), who was appointed as an additional director by the Board with effect from 8th August, 2014 and who holds office until the date of this annual general meeting in term of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as independent director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company to be held in the calendar year 2019.”
14. To accord approval for **remuneration to Non-Executive Directors** and to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
“RESOLVED THAT in supersession of the special resolution previously passed by the members in this regard and pursuant to the provisions of the Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive Directors of the Company (i.e. Directors other than the Managing Director and/or the Whole-time Directors) be paid remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in the aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013;
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

15. To accord **consent to the Board for borrowing** and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
- “RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members in this regard and pursuant to the provisions of the Section 180(1)(c) and all 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), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not, at any time, exceed the sum of ₹ 100 crores (Rupees one hundred crores) over and above the aggregate of the paid-up share capital of the Company and its free reserves.”
16. To **alter Articles 11(a) and 11(j)** of the Articles of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
- “RESOLVED THAT pursuant to the provisions of Section 14 and all 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), the Articles of Association of the Company be and are hereby altered as follows:
- (A) by substituting the word “twelve” appearing in existing clause (a) of Article 11 by the word “fifteen” and the amended clause (a) of Article 11 shall read as follows:
- “11(a) The number of Directors of the Company shall not be less than three or more than fifteen.”
- (B) by deleting existing clause (j) of Article 11 and substituting in its place and stead new clause (j) as follows:
- “11(j) Subject to the provisions of the Companies Act, 2013 and these Articles, the Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned for the purpose of determining the Directors retiring by rotation and the Board shall have the power to fix the number of Directors liable to retire by rotation.”
17. To **insert a new Article 13 A** to enable the Chairperson to concurrently hold position of MD or CEO and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 14, 203(1) and all 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), the Articles of Association of the Company be and are hereby altered by inserting the following as new Article 13A after existing Article 13:
- “13A. The Chairperson of the Company may also be appointed as the managing director or the chief executive officer of the Company at the same time.”
18. To ratify the remuneration of the **Cost Auditor** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and 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 2014-15 fixed at ₹ 2,20,000/- plus service tax and out-of-pocket expenses, by the Board of Directors at its meeting held on 23rd May, 2014 be and is hereby approved and ratified.”

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, societies, etc., must be supported by appropriate resolutions/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

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

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 Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors appointed/re-appointed is 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 **Wednesday, the 17th September, 2014 to Friday, the 26th September, 2014** (both days inclusive).
5. Payment of dividend as recommended by the Directors, if declared at the meeting, will be made on or after 30th September, 2014 as follows: (a) to the Members holding share in physical form and whose names appear in the Register of Members on the close of the day on Friday the 26th September, 2014; and (b) to the Members holding shares in dematerialised 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 Tuesday, the 16th September, 2014.
6. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centers 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 covered under the RBI Centers who have not furnished requisite information 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 addresses to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to the Company in respect of their holding in physical shares, quoting Folio No.
9. Electronic copy of annual report for 2013-14 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 2013-14 are being sent.
10. To support the green initiatives of the Government, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, 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 addresses 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 are to be transferred to the Investor Education and Protection Fund.

The details of dividend declared/paid for the financial year 2007-08 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
04.09.2008	2007-08	1.00	10.10.2015
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

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Members who have not encashed the dividend warrants for the year 2007-2008 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. Voting through electronic means:

(A) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35 B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

(B) Instructions for e-voting:

For members receiving an e-mail or a physical copy of this notice of Annual General Meeting:

- (a) Log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (d) Now Enter your User ID
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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 first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 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	OR 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 number of shares held by you as on the cut off date in the Dividend Bank details field.	

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to

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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 e-voting on the resolutions contained in this Notice.
- (k) Click on the Electronic Voting Sequence Number (EVSN) for the company EXCEL INDUSTRIES LIMITED.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same 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 changed 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) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The voting period begins on **Saturday, the 20th September, 2014 at 10.00 a.m. and ends on Tuesday, the 23rd September, 2014 at 9.30 a.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **16.09.2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Mr Prashant Diwan, Practising Company Secretary, (Membership No. FCS 1403) has been appointed as the Scrutinizer to scrutinize the e-voting process to be conducted at 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 **Tuesday, 16th September, 2014**.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 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, forthwith to the Chairman of the Company.

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The results shall be declared as per the proceedings at the annual general meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.excelind.co.in and on the website of CDSL www.evoting.cdsi.com within two days of the passing of the resolutions at the annual general meeting of the Company and 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 Agents, 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

A C SHROFF
Chairman & Managing Director

Registered Office:

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

Mumbai, 8th August, 2014

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The current auditors of the Company M/s S R Batliboi & CO. LLP have expressed their unwillingness to be reappointed as auditors at this annual general meeting of the Company.

M/s SRBC & CO. LLP, Chartered Accountants, who have given a letter to the Company according consent to their proposed appointment as auditors and have given a certificate stating that their proposed appointment shall be in accordance with the provisions of section 139 (1) and 141 of the Companies Act, 2013, are proposed to be appointed as auditors of the Company, in place of M/s S R Batliboi & CO. LLP, for a period of three consecutive years commencing from the conclusion of this 53rd annual general meeting of the Company up to the conclusion of the 56th annual general meeting of the Company, subject to ratification of such appointment by the members at every annual general meeting, at a remuneration as may be fixed for each financial year by the Board of Directors in consultation with the Auditors.

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. 5

Mr A C Shroff was appointed as Chairman & Managing Director of the Company for a period of five years with effect from 1st February, 2010 and his current term as Chairman & Managing Director would end on 31st January, 2015.

Mr A C Shroff, who will attain the age of 70 years on 22nd January, 2015, has vast experience and expertise in the field of chemical and biotech industries. After graduating in chemistry from University of Mumbai in 1965, he joined the Company and moving through various operational and functional departments in the Company, he was elevated as its Chairman and Managing Director.

He is currently a Co-chairman of CII – Agri Biotech Committee and member of FICCI – Environment Committee and FICCI – Chemical Committee. He is also a member of Research Council of National Institute for Interdisciplinary Science and Technology (NIIST), Thiruvananthapuram. He was recently conferred with the Life Time Achievement Award for the year 2012 by Indian Chemical Council (ICC), Mumbai.

He has been an active spokesman for the Indian chemical industry and has also interacted with the various government bodies and shared his experience in shaping the industry specific policies. He was President of Indian Chemical Council (formerly Indian Chemical Manufacturers Association) and a Chairman of Roha Industries Association for several years.

Mr A C Shroff is committed in making purposeful contributions in socio-ecological development and has acquired pioneering status for the Company by providing municipal solid waste treatment and processing solutions for urban local bodies and community at large.

Based on the recommendation of the Nomination and Remuneration Committee the Board has, subject to the members' approval by special resolution, re-appointed him as the Chairman & Managing Director of the Company for a further period of five years with effect from 1st February, 2015.

Broad particulars of the terms of appointment of and remuneration payable to Mr A C Shroff are as under:

I. SALARY

₹ 3,00,000/- per month in the scale of ₹ 3,00,000/- – ₹ 6,00,000/-.

The annual increments will be effective from 1st February each year and will be decided by the Board.

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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 himself and his family, club fees, medical insurance and such other perquisites as may be agreed to by the Board of Directors and Mr A C Shroff, shall be paid in accordance with the rules of the Company and value of such perquisites shall not exceed, for each financial year, his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, 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 said ceilings.

- (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 his tenure as per the rules of the Company applicable to senior executives and these shall not be included in the computation of the ceiling on the perquisites 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 his salary, 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 his 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.
- (b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- (c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (d) In the event of any dispute or difference arising at any time between Mr A C Shroff and the Company in respect of the terms of his 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 details of the terms and conditions of the appointment including the remuneration are set out in the draft Agreement referred to in the resolution under Item No. 5 of the Notice. The Agreement will remain open 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 and Sundays up to the date of the annual general meeting.

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

Mrs U A 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.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 6

Pursuant to Section 161(1) of the Companies Act, 2013 read with Article 11(f) of the Articles of Association of the Company, the Board of Director of the Company appointed Mr Ravi A Shroff as an additional director of the Company with effect from 3rd September, 2014.

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In terms of Section 161 of the Companies Act, 2013, Mr Ravi A Shroff will hold office up to the date of this annual general meeting.

Mr Ravi A Shroff, Senior Vice President (Business Development) has been working with the Company since 26th March, 2010. He is an engineering graduate (BE-Chemical) from University of Mumbai and a post graduate in chemistry from Boston University, USA. Before joining the Company he had 7 years experience in the field of marketing, sales, administration and product development with Anshul Specialty Molecules Limited where his last held position was that of executive director. As Senior Vice President (Business Development) of the Company he has been heading and steering strategic new business development to enter pharmaceutical and veterinary Active Pharmaceutical Ingredient (API) business and also guiding and helping in development of polymer additive business. The Company has successfully developed and initiated launching several new pharmaceutical molecules / products under his stewardship.

Mr Ravi A Shroff holds Directorship in following public limited companies:

Transpek Industry Limited
Anshul Specialty Molecules Limited
Kamaljiyot Investments Limited
Transpek Industry (Europe) Limited

Mr Ravi A Shroff, has furnished a declaration that he is not disqualified to become a director under the Companies Act, 2013 and he has also consented to act as the Director.

A brief resume of Mr Ravi A Shroff, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board of Committees, as stipulated under Clause 49 of Listing Agreement with Stock Exchanges, is provided in the Corporate Governance Report forming part of this Annual Report.

The Company has also received a notice, along with deposit of ₹ 1,00,000/-, in writing from a member of the Company under Section 160 of the Companies Act, 2013, proposing Mr Ravi A Shroff as a candidate for the office of the Director of the Company.

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

Mr A C Shroff and Mrs U 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 7

Mr Ravi A Shroff has been appointed as additional director with effect from 3rd September, 2014. Considering his professional qualification, knowledge, experience and expertise in the field of marketing and business management, it has been decided to appoint him as Executive Director in place of Mr S R Potdar, who has expressed his desire to retire from the office of Executive Director on expiry of his term on 2nd September, 2014.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee the Board has, subject to the members' approval, appointed Mr Ravi A Shroff as Whole-time Director designated as Executive Director for a period of 5 years with effect from 3rd September, 2014.

Profile of Mr Ravi A Shroff is given in the foregoing Item No. 6 of this Statement.

Broad particulars of the terms of appointment of and remuneration payable to Mr Ravi A Shroff are as under:

I. SALARY

₹ 1,50,000/- per month in the scale of ₹ 1,50,000/- – ₹ 3,00,000/-.

The annual increments will be effective from 3rd September each year and will be decided by the Board.

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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 himself and his family, club fees, medical insurance and such other perquisites as may be agreed to by the Board of Directors and Mr Ravi A Shroff, shall be paid in accordance with the rules of the Company and value of such perquisites shall not exceed, for each financial year, his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, 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 said ceilings.

- (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 his tenure as per the rules of the Company applicable to senior executives and these shall not be included in the computation of the ceiling on the perquisites 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 his salary, 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 his 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.
- (b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- (c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (d) In the event of any dispute or difference arising at any time between Mr Ravi A Shroff and the Company in respect of the terms of his 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 details of the terms and conditions of the appointment including the remuneration are described in the draft Agreement referred to in the resolution under Item No. 7 of the Notice. The Agreement will remain open 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 and Sundays up to the date of the annual general meeting.

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

Mr A C Shroff and Mrs U 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

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Item No. 8

Mr R N Bhogale is a Non-Executive Independent Director of the Company. He joined the Board of Directors in the year 2001. He 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 appropriate skills, experience and knowledge in the field of management and administration. He is Chairman of Maharashtra Chamber of Commerce, Industry & Agriculture.

Mr R N Bhogale is member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

A brief resume of Mr R N Bhogale including names of companies in which he holds directorships in the Board or Membership in the Committees, as stipulated under Clause 49 of Listing Agreement is provided in the Corporate Governance Report forming part of this Annual Report.

Mr R N Bhogale was liable to retire by rotation under the erstwhile Companies Act, 1956. However, under the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation and it is, therefore, proposed to appoint him as an Independent Director, not liable to retire by rotation, for a term of five years in accordance with the Companies Act, 2013.

A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr R N Bhogale for the office of Director of the Company.

Mr R N Bhogale does not hold any shares in the Company.

The Company has received from Mr R N Bhogale:

- (i) Consent to act as Director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr R N Bhogale fulfils the conditions of appointment as an Independent Director and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his expertise as an Independent Director.

Accordingly, the Board commends the resolution for approval of the members.

Except Mr R N Bhogale, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 9

Mr H N Motiwalla is a Non-Executive Independent Director of the Company. He joined the Board of Directors on 24th May, 2002.

Mr H N Motiwalla is a Chartered Accountant and he is an expert in the fields of accounts, audit, finance, taxation and company law.

Mr H N Motiwalla is member of the Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

A brief resume of Mr H N Motiwalla including names of companies in which he holds directorships or membership in the Committees, as stipulated under Clause 49 of Listing Agreement is provided in the Corporate Governance Report forming part of this Annual Report.

Mr H N Motiwalla was liable to retire by rotation under the erstwhile Companies Act, 1956. However, under the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation and it is, therefore, proposed to appoint him as an Independent Director, not liable to retire by rotation, for a term of five years in accordance with the Companies Act, 2013.

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A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act 2013, proposing candidature of Mr H N Motiwalla for the office of Director of the Company.

Mr H N Motiwalla does not hold any shares in the Company.

The Company has received from Mr H N Motiwalla:

- (i) Consent to act as Director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr H N Motiwalla fulfils the conditions of appointment as an Independent Director and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his expertise as an independent director.

Accordingly, the Board commends the resolution for approval of the members.

Except Mr H N Motiwalla, 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 10

Mr P S Jhaveri is a Non-Executive Independent Director of the Company. He joined the Board of Directors on 20th October, 2002.

Mr P S Jhaveri is a commerce graduate and he is an industrialist with wide experience in chemical and textile auxiliary industries.

Mr P S Jhaveri is member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

A brief resume of Mr P S Jhaveri including names of companies in which he holds directorships or membership in the Committees, as stipulated under Clause 49 of Listing Agreement is provided in the Corporate Governance Report forming part of this Annual Report.

Mr P S Jhaveri was liable to retire by rotation under the erstwhile Companies Act, 1956. However, under the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation and it is, therefore, proposed to appoint him as an Independent Director, not liable to retire by rotation, for a term of five years in accordance with the Companies Act, 2013.

A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act 2013, proposing candidature of Mr P S Jhaveri for the office of Director of the Company.

Mr P S Jhaveri does not hold any shares in the Company.

The Company has received from Mr P S Jhaveri:

- (i) Consent to act as Director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr P S Jhaveri fulfils the conditions of appointment as an Independent Director and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his expertise as an Independent Director.

Accordingly, the Board commends the resolution for approval of the members.

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Except Mr P S Jhaveri, 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 11

Mr M B Parekh is a Non-Executive Independent Director of the Company. He joined the Board of Directors on 25th March, 2005.

Mr M B Parekh holds a post graduate degree in chemical engineering, from University of Wisconsin, USA and he is an industrialist with wide experience in chemical industry and consumer products.

Mr M B Parekh is member of the Corporate Social Responsibility Committee of the Board of Directors of the Company.

A brief resume of Mr M B Parekh including names of companies in which he holds directorships or membership in the Committees, as stipulated under Clause 49 of Listing Agreement are provided in the Corporate Governance Report forming part of this Annual Report.

Mr M B Parekh was liable to retire by rotation under the erstwhile Companies Act, 1956. However, under the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation and it is, therefore, proposed to appoint him as an independent director, not liable to retire by rotation, for a term of five years in accordance with the Companies Act, 2013.

A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act, 2013, proposing candidature of Mr M B Parekh for the office of Director of the Company.

Mr M B Parekh does not hold any shares in the Company.

The Company has received from Mr M B Parekh:

- (i) Consent to act as Director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr M B Parekh fulfils the conditions of appointment as an independent director and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his expertise as an Independent Director.

Accordingly, the Board commends the resolution for approval of the members.

Except Mr M B Parekh, 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 12

The Board of Directors of the Company has appointed Mr Shailesh S Vaidya as additional Director of the Company with effect from 8th August, 2014 pursuant to Section 161(1) of the Companies Act, 2013 read with Article 11(f) of the Articles of Association of the Company.

In terms of Section 161 of the Companies Act, 2013, Mr Shailesh S Vaidya will hold office up to the date of this annual general meeting.

Mr Shailesh S Vaidya is law graduate and has 31 years of experience in legal practice. He is a partner in M/s Kanga & Co., a reputed firm of Advocates & Solicitors.

Mr Shailesh S Vaidya possesses knowledge and expertise in field of law.

A brief resume of Mr Shailesh S Vaidya including names of companies in which he holds directorships or membership in the Committees, as stipulated under Clause 49 of Listing Agreement is provided in the Corporate Governance Report forming part of this Annual Report.

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A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act 2013, proposing candidature of Mr Shailesh S Vaidya for the office of Director of the Company.

Mr Shailesh S Vaidya does not hold any shares in the Company.

The Company has received from Mr Shailesh S Vaidya

- (i) Consent to act as Director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr Shailesh S Vaidya fulfils the conditions of appointment as an Independent Director and he is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his expertise as an Independent Director.

The Board commends the resolution for approval of the members.

Except Mr Shailesh S Vaidya, 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 13

The Board of Directors of the Company has appointed Mr Rajeev M Pandia as additional director of the Company with effect from 8th August, 2014 pursuant to Section 161(1) of the Companies Act, 2013 read with Article 11(f) of the Articles of Association of the Company.

In terms of Section 161 of the Companies Act, 2013, Mr Rajeev M Pandia will hold office up to the date of this annual general meeting.

Mr Rajeev Pandia 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.

Mr Rajeev M Pandia, headed SI Group-India for a long time as Vice Chairman and Managing Director and thereafter, he became Group Adviser and Director – Global Markets of SI Group, USA.

He has vast experience and expertise in the field of strategic planning, project evaluation, international marketing and general management.

A brief resume of Mr Rajeev M Pandia including names of companies in which he holds directorships or membership in the Committees, as stipulated under Clause 49 of Listing Agreement is provided in the Corporate Governance Report forming part of this Annual Report.

A notice along with the requisite deposit has been received from a member pursuant to Section 160 of the Companies Act, 2013, proposing candidature of Mr Rajeev Pandia for the office of Director of the Company.

Mr Rajeev M Pandia does not hold any shares in the Company.

The Company has received from Mr Rajeev M Pandia:

- (i) Consent to act as director
- (ii) Declaration that he is not disqualified for appointment as Director
- (iii) Declaration of independence

In the opinion of the Board, Mr Rajeev M Pandia fulfils the conditions of appointment as an independent director and he is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his expertise as an Independent Director.

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The Board commends the resolution for approval of the members.

Except Mr Rajeev M Pandia, 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 14

The Company had earlier passed a special resolution authorizing payment of commission to non-executive directors under the erstwhile Companies Act, 1956.

Section 197 of the Companies Act, 2013 ("the Act") provides for payment of remuneration to Directors other than Managing Directors and Whole-time Directors as under:

- i. one percent of the net profits of the Company, if there is a Managing Director or Whole-time Directors or Manager;
- ii. three percent of the net profits in any other case.

Clause 49 of the Listing Agreements with Stock Exchanges provides that payment of compensation to Non-Executive Directors shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting.

The Board of Directors of the Company have, subject to the approval of members of the Company, proposed to remunerate the Non-Executive Directors by payment of remuneration not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to Non-Executive Directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

The Board commends the resolution for approval of the members.

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

Item No. 15

The members of the Company had, by an ordinary resolution passed at the general meeting held on 23rd July, 1997, authorized the Board to borrow from time to time any sum or sums of monies which shall not exceed the sum of ₹ 100 crores (Rupees one hundred crores) over and above the aggregate of the paid-up capital and the free reserves of the Company.

The new Companies Act, 2013 requires the members' approval by a special resolution for similar borrowing powers. Therefore, a fresh resolution is required to be passed, in supersession of the earlier resolution, under the provisions of the Section 180(1)(c) of the Companies Act, 2013.

The Board commends the resolution for approval of the members.

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.

Item 16

(A) Section 149(1) of the Companies Act, 2013 provides that a company can have maximum 15 Directors on its Board whereas the Articles of Association of the Company allow for a maximum of 12 Directors. In order to enhance the ceiling in line with the provisions of the Companies Act, 2013, it is proposed to amend the articles of association of the Company by substituting the word "twelve" appearing in Article 11(a) by the word "fifteen".

(B) Section 152 (6) of the Companies Act, 2013 provides that two third of the Directors, excluding independent directors, shall be rotational, therefore, in order to comply the said requirement, the Company proposes to amend its Article 11(j) to state that the Managing Director is not liable to retire by rotation and the Board may determine the Directors liable to retire by rotation.

The Resolution at Item No. 16 of the Notice is set out as a Special Resolution for approval by the members in term of Section 14 of the Companies Act, 2013.

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The Board commends the resolution for approval of the members of the Company.

A copy of Memorandum and Articles of Association of the Company together with the proposed alterations would be 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 and Sundays up to the date of the annual general meeting.

Mr A C Shroff, Mrs U A Shroff and Mr Ravi A Shroff may be deemed to be interested in this resolution to the extent of the alteration at (B) of this Item.

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.

Item No. 17

Section 203 of the Companies Act, 2013, provides that no individual shall be appointed as the chairperson of the company as well as managing director or chief executive officer of the company unless the articles of the company provides otherwise.

To enable the Chairperson to hold concurrently the position of managing director or chief executive officer of the Company, it is proposed to amend the Articles of Association of the Company.

The resolution at Item No. 17 of Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be 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 and Sundays up to the date of the annual general meeting.

Mr A C Shroff, Mrs U A Shroff, and Mr Ravi A Shroff may be deemed to be 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.

Item No. 18

The Board of Directors at its meeting held on 23rd May, 2014 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 ₹ 2,20,000/- as remuneration payable for the financial year 2014-15.

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.

The Board commends the resolution for approval of the members.

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.

For and on behalf of the Board of Directors

A C SHROFF
Chairman & Managing Director

Registered Office:

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

Mumbai, 8th August, 2014

EXCEL INDUSTRIES LIMITED

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DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 53rd Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

			(₹ in Lacs)
	2013-14		2012-13
Gross Profit for the year was	3156.48		3183.56
Less: Depreciation/Amortization	1103.06		1013.21
Leaving a net profit before Tax	2053.42	2053.42	2170.35
Provision for Taxation:			
Current Tax	(581.00)		(703.00)
Adjustment of tax related to earlier year	186.06		80.48
Deferred Tax	89.67	(305.27)	(66.27)
Profit After Tax	1748.15		1481.56
Add thereto			
Balance brought forward from the previous year	1244.60		1145.81
Leaving a balance available for Appropriation	2992.75		2627.37
Appropriations:			
Proposed Dividend	408.96		327.17
Tax on Dividend	69.50		55.60
Transfer to General Reserve	1200.00		1000.00
	1678.46		1382.77
Carried forward to next year	1314.29		1244.60

2. DIVIDEND

Your Directors have recommended a dividend of 75% amounting to ₹ 3.75 per equity share of ₹ 5/- each compared to a dividend of 60% (₹ 3/- per share) in the previous year.

3. OPERATIONS

During the year under review, the net sales increased from ₹ 378.96 crores to ₹ 409.79 crores, registering a growth of 8% but the exports decreased from ₹ 75.01 crores to ₹ 67.40 crores registering a decrease of 10%. Further, the Company made a profit of ₹ 20.53 crores before taxation compared to ₹ 21.70 crores in the previous year. Net profit after tax amounted to ₹ 17.48 crores as compared to ₹ 14.82 crores in the previous year.

4. NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The Company has developed new products in both Pharma and Polymer fields and is aggressively pursuing opportunities. The revenue from these new areas is expected to exceed 10% of the total revenue in the current year. This growth in Polymer inputs is being generated out of the existing production facilities whereas the new Pharma plant built last year is expected to produce to its capacity this year. Various product approvals from large Pharma customers are being actively pursued.

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5. OUTLOOK

Phosphorus based intermediates are experiencing continued growth due to increased production of agro-chemicals for both domestic consumption and export. The depreciation of the Rupee has made the Company's Phosphonates quite competitive and volume growth will be maintained. New product introductions in polymer and pharma sectors will add good portions to the sales revenue.

The Company has received local FDA approval for the Pharma manufacturing Plant at Lote Parshuram and Veterinary Pharma manufacturing Plant at Roha, and the commercial production of Active Pharmaceutical Ingredients (APIs) and intermediates of the APIs have commenced during the year. The Company has plans to launch new APIs and intermediates in the coming months.

Newer models of Organic Waste Converter (OWC) have been launched and Celrich sales from Ahmedabad Plant to large fertilizer companies have also began.

The Company hopes to maintain growth in sales and hopes to improve the profit.

6. ENVIRONMENT, HEALTH AND SAFETY

The Company continues to accord utmost priority to Environment, Health and Safety systems and strives to improve the performance through safety audits, training programmes and safety management systems.

The Chemical Industry demonstrates its commitment to safe and sustainable operations through the "Responsible Care" initiative administered globally by the International Council of Chemical Associations. The Company is proud user of the prestigious "Responsible Care" Logo.

7. QUALITY

The products of the Company are quality driven. 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.

8. 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.

9. SUBSIDIARY COMPANIES

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other statements of the subsidiary companies are not being attached with the Annual Report of the Company. 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. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and are also being posted on the Company's website: <http://www.excelind.co.in>. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

10. FIXED DEPOSITS

The amount of fixed deposits from the public and loans from the shareholders at the end of the year under review aggregated to ₹ 1311.82 lacs.

44 Depositors 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 31st March, 2014, was ₹ 13.41 lacs. It has come down to ₹ 9.86 lacs as on the date of this Report.

The Company has stopped accepting and renewing the fixed deposits with effect from 1st April, 2014, and it will refund all the fixed deposits as per their maturity dates.

11. PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS

The Company has issued and allotted 20,00,000 fully convertible warrants of the face value of ₹ 69/- each on preferential basis aggregating to ₹ 1380 lacs (Previous Year ₹ Nil) to Utkarsh Global Holdings Private Limited, a promoter group company pursuant to special resolution passed in the Extraordinary General Meeting held on 15 March 2014. The said issue and allotment was pursuant to Section 81 (1A) of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009.

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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. The Company has received ₹ 345 lacs being 25% of consideration of the warrant.

The warrants will, at the option of the holder, be converted into equity share in one or more tranches, but not later than 18 months from the date of their allotment.

12. DIRECTORS

Mr. Dipesh K. Shroff, Director, will retire by rotation at this annual general meeting of the Company and, being eligible, offers himself for re-appointment.

The office of Mr. A. C. Shroff, Chairman and Managing Director, will expire on 31st January, 2015. The Board has approved his re-appointment for 5 years with effect from 1st February, 2015.

Mr. H. N. Motiwala, Mr. P. S. Jhaveri, Mr. R. N. Bhogale and Mr. M. B. Parekh, Independent Directors, liable to retire by rotation under the erstwhile Companies Act, 1956 are proposed to be appointed as Independent Directors for 5 years in compliance with the Companies Act, 2013.

Mr. Ravi A. Shroff, Mr. Shailesh S. Vaidya and Mr. Rajeev M. Pandia have been appointed as Additional Directors and they will hold office up to this annual general meeting. The Company has received notices from a member of the Company proposing their candidature for the office of Directors.

Mr. S. R. Potdar, Executive Director whose term of office will expire on 2nd September, 2014 has expressed his desire to retire from the office. To fill the vacancy, the Board of Directors has appointed Mr. Ravi A. Shroff as Whole-time Director designated as Executive Director with effect from 3rd September, 2014. Your Directors wish to place on record their appreciation for the long and distinguished services rendered and valuable contribution made by Mr. S. R. Potdar in the growth of the Company.

The particulars of the Directors seeking appointment/re-appointment at this annual general meeting have been furnished in the Corporate Governance Report.

13. CORPORATE SOCIAL RESPONSIBILITY

Social welfare and care is ingrained in the culture of the Company. The Company is engaged in improving the life of the rural communities around its plants at Roha and Lote. The Trusts promoted and supported by the Company have been working on community projects like water harvesting, general health, eye testing and blood donation camps, soil testing and agricultural practices improvement, Aanganwadi, vocational training for women etc.

The Company also supports, through Vivekananda Research and Training Institute, Shroff Foundation Trust and Shrujan, several large scale activities like water shed management, agriculture, tribal welfare, arts and crafts promotion and a large number of self help programs. These Trusts have won several national and international awards for their contribution to the society.

The Company has constituted a CSR Committee and the Board has adopted the CSR policy of the Company in accordance with the Companies Act, 2013.

14. DIRECTORS' RESPONSIBILITY

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) they have 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 of the Company for the year under review;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (d) they have prepared the annual accounts on a going concern basis.

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15. CORPORATE GOVERNANCE

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 Clause 49 of the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis and Corporate Governance Report together with Auditors' Certificate thereon form part of this Report.

16. HUMAN RESOURCES

Your Company believes that the most important asset of an Organization is its people. They build the organization and determine its growth. In order to create a healthy working environment, the Company provides equal opportunity, people development through training and commensurate recognition to its employees for their achievements.

In our efforts to ensure that the Company remains competitive and performance driven, the organization performance is aligned with the departmental goals. Individual performance is measured through Key Result Areas which provide an opportunity for employees to stretch themselves and contribute to the overall success of organization.

Human Resource Policies and Practices are regularly reviewed and revised to suit the employees and organization needs.

Employee relations continue to be cordial and harmonious.

Your Directors wish to place on record their appreciation for the sincere and devoted efforts of the employees at all levels.

17. OTHER INFORMATION

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, regarding employees, is furnished in the Annexure to this Report and forms part of this Report.

18. AUDITORS

S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai the current auditors of the Company have expressed their unwillingness for re-appointment at this annual general meeting of the Company.

The Company proposes to appoint M/s. S R B C & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of three consecutive years. M/s. S R B C & Co. LLP has, vide their letter dated 20th May, 2014, consented to act, if appointed, as the Auditors of the Company for a consecutive period of three years commencing from the conclusion of this 53rd annual general meeting of the Company.

19. COST AUDITORS

The Company appointed M/s Kishore Bhatia & Associates (Firm Registration No. 00294), practicing cost accountants, as Cost Auditor of the Company for the year 2013-14 in compliance with the provisions of Section 233B of the Companies Act, 1956, for Organic & Inorganic chemicals and other applicable products of the Company. The Cost Report for the previous year ended 31.03.2013 was filed with MCA within stipulated time.

20. 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

A. C. SHROFF

Chairman & Managing Director

Mumbai, 8th August, 2014.

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ANNEXURE TO DIRECTORS' REPORT

(UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956)

Disclosures

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures implemented in recent past:

- After comprehensive energy audit with respect to steam distribution, the header sizing supplying steam to various plants was modified which resulted in substantial energy saving.
- High vacuum reciprocating pump was installed in Polymer inputs plant and it has resulted in saving energy and improved recovery of solvent.
- Furnace oil fired standby boiler is converted into Coal fired Boiler to reduce fuel cost which has resulted in complete elimination of Furnace Oil in generation of steam.
- Started Electrical power purchase through Open Access from private supplier to reduce overall energy cost.

(b) Additional Investment and proposals, if any, being implemented for reduction in consumption of energy:

- New filter press in effluent treatment plant for better energy efficiency & lower moisture content in the final sludge.

(c) Impact of Measures at (a) and (b):

- Cost of steam produced from stand by boiler is reduced from ₹ 3.7/Kg to around ₹ 1.0/kg.
- Solvent consumption is reduced by 40 kg/MT of product.

(d) Total energy consumption and energy consumption per unit of production as per prescribed Form A:

	Current Year (2013-14)	Previous Year (2012-13)
I. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (000 KWH)	21,294	21,650
Total Amount (₹ in lacs)	15,88.92	16,66.69
Rate/Unit (₹)	7.46	7.70
(b) Own Generation		
(i) Through Diesel		
Generated Unit ('000 KWH)	149	157
Units per Ltr. of Diesel Oil	3.54	3.54
Cost/Unit (₹)	16.33	13.55
(ii) Through SteamTurbine/Generator Units	Nil	Nil

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	Current Year (2013-14)	Previous Year (2012-13)
2. Coal		
Qty. (MT)	13,740	14,043
Total Amount (₹ in lacs)	7,86.66	8,40.45
Avg. Rate (₹/Kg.)	5.73	5.98
3. Fuel		
Qty. (MT)	189	474
Total Amount (₹ in lacs)	92.48	1,99.01
Avg. Rate (₹/Kg.)	48.97	41.96

II. Consumption per ton of production

	Current Year (2013-14)				Previous Year (2012-13)			
	Coal		Electricity		Coal		Electricity	
	Kg.	₹	kwh	₹	Kg.	₹	kwh	₹
1. Phosphorous compounds	252	2349	362	2715	273	2589	391	3027
2. Chemicals	644	6424	696	5259	898	9518	730	5663
3. Organic Manure	Nil	Nil	48	383	Nil	Nil	40	294

(B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D is carried out by the Company:

- Process development and analytical method development were successfully accomplished for two products in Polymer inputs segment. Validation process is in progress. Commercial production to be taken in the 3rd quarter.
- Process and analytical method development completed for two veterinary products.
- Commercial production of a clarifying agent for polymer has been started.

2. Benefits derived as a result of above efforts:

- Successful entry into Pharma and Polymer input segment.

3. Future plan of action:

- To develop more commercially viable processes of multifaceted molecules to cater to the Pharmaceutical segment.
- To develop more commercially viable processes for identified Polymer input/specialty products.

4. Expenditure on R&D for the year 2013-2014:

	(₹ in Lacs)
(a) Capital	85.53
(b) Recurring	362.24
(c) Total	447.77
(d) Total R&D expenditure as a percentage of total turnover	1.07%

EXCEL INDUSTRIES LIMITED

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(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) *Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:*

- The Company continues to see strong demand for its agro-chemical intermediates and, therefore, continues to invest in back-end logistical infrastructure (purchase and lease of ISO tanks, refurbishment of existing fleet etc) in order to cater to this demand.
- Efforts to expand the customer base for the Polycarbonate additives produced by the Company have yielded good results and going forward, we expect to see good volumes from these newly added customers.
- As part of its growth plans, the Company has given focussed attention for developing new lines of businesses (i.e. Polymer Inputs and Pharmaceutical Intermediates & APIs) in the past few years.
- In the Polymer Inputs business, we have developed a range of property modifiers and flame retardants. The process of approval of these products is underway with potential overseas clients in USA, Europe and Japan. The progress till date is satisfactory and we expect to complete the approval process and commence commercial business in this financial year.
- The water treatment range of products continues to face severe price pressures due to the commoditised nature of these products, and therefore for such products the company continues to follow a strategy of catering to selected segments/customers where the realisations are better.

(b) *Total foreign exchange earned and used:*

	(₹ in Crores)	
	Current Year	Previous Year
Used	127.31	97.01
Earned	67.40	75.13

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai, 8th August, 2014.

EXCEL INDUSTRIES LIMITED

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ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 2014.

Name of the Employee	Designation/ Nature of duties	Remune- ration ₹	Qualifications	Experience Years	Date of Commencement of Employment	Age Years	Particulars of last employment Employer, last post and period for which post held
A. C. Shroff	Chairman & Managing Director	77,71,173	B.Sc.	48	01.09.1965	69	—
Usha A. Shroff	Executive Vice Chairperson	72,60,792	M.Com	46	01.11.1968	67	—
S. R. Potdar	Executive Director	79,90,374	B.Tech (Chem), PG.D.I.E	39	12.10.1974	61	—

- 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. Usha A. Shroff and Mr. S. R. Potdar is contractual. The period of employment in respect of Mr. A. C. Shroff and Mrs. Usha A. Shroff is five years and is three years in respect of Mr. S. R. Potdar.
3. None of the employees is related to each other except Mr. A. C. Shroff and Mrs. Usha A. Shroff.

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 8th August, 2014.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

1.1 Business Segment – Chemicals Business Segment

(a) Industry structure and development:

Major portion of the Company's revenue comes from Specialty Chemicals and Intermediates developed and produced for various industry segments like Agricultural Chemicals, Lubricant Oil Additives, Mineral Beneficiation additives, Dyes and Intermediates, Polymer manufacturing and processing and Pharmaceuticals. The Company also delivers performance enhancing chemicals and intermediates to industry sectors like water and its treatment, textiles auxiliaries, Soaps and detergents, preservation of industrial products, and management of Industrial hygiene. The end user industries consuming these intermediates have been growing steadily. While the Company faced severe and wide spread competition from China till a few years ago, there is a distinct shift towards sourcing from domestic producers as of now. Imports from the western world have also been coming down and even the western end product producers have been looking to source intermediates from India in preference to supplies from China.

Besides the local subsidiaries of large global chemical companies, the Intermediates industry is constituted by a large number of indigenous medium scale units most of them have been experiencing good growth rate, higher than the general industry or economy growth. The market for these companies is both domestic and export. While the growth in the domestic market is driven by growing consumption of existing end products, the export market is driven by the need for process development and production of newer intermediates for use in high end performance delivering chemical formulations that large global corporations worldwide continue to develop. Intermediates producer group is certainly coming of age today whereas the yester year chemicals industry was dominated by bulk chemical producers.

(b) Opportunities and threats:

The generic producers of crop protection chemicals offer the largest market for the Company and the Company enjoys a lead position in the Organophosphorous field. Last year again saw robust growth in the production of Chlorpyrifos, an OP pesticide and revival and growth of a few other OP products and the Company sold record volumes of DETC and P2S5 to these ends. The Company responded proactively and has taken steps to consolidate and enhance its production facilities to meet the sustained demand expected in the short and medium term. The Company has also widened its customer base for its products by roping in customers who were otherwise resorting to imports. Ceasing of product availability from a European plant also helped and the Company could gather a higher share of the domestic consumption.

At the same time, several of the Organophosphorous end products for agriculture are being subjected to environmental scrutiny and continued dependence of the Company on this sector is a matter of concern. Suitable steps are being taken to diversify Company's technology, raw material base, customer base and product application base and these other businesses are sure to grow in the event of a decline in the agrochemicals market.

The wide fluctuation in the Foreign Exchange rate during the year impacted the performance of the Company. The rupee price of the main raw material Yellow Phosphorous being imported from China and Vietnam increased sharply along with that of domestically produced Ethanol and Liquid Chlorine. Other imported raw materials also became expensive riding on a costlier US Dollar. Despite sincere efforts, the Company was unable to transfer all its cost increases to the customer and had to absorb sizable portion resulting in reduced margins. The larger volume of sales rescued partly to restore the reduced contribution.

The Company has developed new products in both Pharma and Polymer fields and is aggressively pursuing opportunities. The revenue from these new areas is expected to exceed 10% of the total in the current year. This growth in Polymer inputs is being generated out of the existing production facilities whereas the new Pharma plant built last year will produce to its capacity this year. The FDA license for the Pharma plant has now been received and this will enable the

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Company to enter into the wide open area of Active Pharmaceutical Ingredients. Various product approvals from large Pharma customers are being actively pursued.

(c) **Segment wise performance and outlook:**

The agrochemicals intermediates group performed better in terms of volume growth but had to compromise on margins. The main competition in the Phosphonates market was from China and this year, the reduced availability from China and the rupee depreciation helped the Company to recover a good portion of the market lost earlier. We also increased the share in the Pharma intermediates through higher production and also by developing new customers. The biocides demand saw a good jump thanks to the Company's efforts in developing a new application in the preservation of wood and MDF.

All the efforts are slated to sustain and grow so that the Company can attain higher than ever capacity utilization in the coming year. The relative slowdown in the Chinese Economic growth and the increasing controls on Industrial Pollution there offers a vast opportunity for growth in India. The Company has taken steps to produce highest ever tonnages of several products and will succeed in checking the imports. The FDA approval received in early 2014-15 will boost the output and value realization from the Pharma plant.

(d) **Risks and Concerns:**

The price of the basic input Yellow Phosphorous as operated by China and Vietnam and the rupee value against the US Dollar are the matters of serious concern to the Company. Price of Ethanol based on the domestic production and the petrol blending policy makes a big impact on our margins. International prices of commodity chemicals like Acetic Acid and Phenol have to be watched carefully. We also aim to supply our Pharma intermediates to Indian Pharma exports companies for their targeted and regulated markets and hence patent related disputes and Approval related issues which dictate their performance are also monitored. Finally, Environment, Health and Safety in operating our plants receives high priority.

1.2 Business Segment – Environment and Biotech Division

(a) **Industry Structure and development:**

The Municipal Solid Waste (MSW) Management industry in India has developed interesting trends. Broadly, the industry can be bucketed into the following sets of players:

1. Concession Owners – A bunch of medium to large infrastructure players with or without prior experience in waste management continue to bid for MSW treatment contracts with large and small municipal corporations. While the philosophy of the ULB's in India continue to be one in which they expect the waste to be treated free of cost, these companies are not shying away from making investments in these projects. They acquire and integrate various technologies for segregation, converting inorganic waste to RDF and complete combustion of waste to energy.
2. Technology developers for Waste to Energy – Several entrepreneur driven medium and small companies are actively developing technologies for converting waste to energy. These technologies include but are not limited to conversion of plastics to fuel, conversion of agricultural waste to solid fuel briquettes and anaerobic digestion for converting organic waste to biogas and subsequently to energy.
3. Technology developers for de-centralized waste management – While the above two call for large investments, regulatory push and change, India is experiencing the largest wave of de-centralized waste management and adaptation of technologies for the same. Excel continues to be the front runner in advocating this philosophy. Many large and small companies have seen this as a potentially large opportunity and are jumping the bandwagon. Technologies include Organic Waste Converter and In-vessel Composting, small biogas plants and de-centralized plants for converting waste to energy.

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(b) **Opportunities and Threats:**

With less than 5% of 70 million tons of waste generated in India per annum being scientifically treated, the opportunity for MSW Management is immense.

For the de-centralized Waste Management business, the Environ-Biotech division is sitting on a huge opportunity with bulk waste generators actively seeking solutions to help them treat waste at source. Sustainability and Corporate Social Responsibility which hitherto were buzz words restricted to a few large and socially sensitive organizations are now finding ground with a large number of corporate companies. Proactive state pollution control boards continue to push the concept of de-centralized waste management and ensure its implementation. Progressive large and small Urban Local Bodies have also realized the important need for de-centralized Waste Management and Composting in their larger scheme of Sanitation.

Like India, several other countries in Asia and Africa are at a similar stage of development. There is a good demand emerging from these countries which will soon be tapped by the division.

Besides providing composting solutions purely for food waste, an interesting opportunity is being tapped, i.e. at-source treatment of organic process waste of pharmaceutical and food processing industries.

Collaboration with supplementary technology providers will provide a good opportunity for growth in the de-centralized waste management business.

At Company's Celrich Plant in Pirana, Ahmedabad, there is a good opportunity to touch newer levels of Compost sale with some of the other plants either partially or completely non functional. Fertilizer companies are slowly but surely seeing a demand opening up for City Compost with farmers in the country.

Sanitreat and Bioculum are two of division's signature sanitation products. The former has found good acceptance with Urban Local Bodies for odour control from landfill sites as well as users of Excel's Organic Waste Converter systems. The division has commissioned pilot tests with Sanitreat in different packaging sizes and if the results are encouraging, the opportunity of manufacturing and selling a basket of sanitation products is real.

Seeing the opportunity that Excel has created in the business of de-centralized waste management in India, several small entrepreneur-driven outfits have entered the market with similar solution and are offering these at much reduced price to penetrate the market. While the quality conscious customers continue to ask for Excel's products and services, some other customers who are not very committed to the cause of environment are choosing to go for competitors' low value offerings.

(c) **Segment wise performance and outlook:**

While the division clocked the highest number of machine sales in a year, the margins remained under pressure due to increasing competition in the de-centralized waste management business.

Through aggressive and innovative advertising, the division continued to spread awareness and create more inquiries for OWC machines across the country and internationally. Some of the marketing initiative included direct marketing, in-flight magazine advertisements, participation in exhibitions and conferences, online advertising and use of mobile van for demonstrations in schools, housing societies and companies. The division will continue to reach out to more target audience in innovative and impactful ways in the years to come.

The division launched its brand new in-vessel composting machine named 'Bioneer'. After extensive research, development and trials Bioneer was launched the last quarter of the year and also won two prestigious orders from large companies in India.

The division received and responded to inquiries for OWC and Bioneer from many countries in the Indian Sub continent, Asia and Africa.

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Likewise, the sale of Sanitreat reached its highest ever level thanks to the increasing awareness of the product with Urban Local Bodies for odour control. The division received positive written communication endorsing the quality and effectiveness of Sanitreat.

Though the sale of City Compost from the plant at Pirana were not as desired, the outlook is positive.

With continuous R&D and engineering innovations in de-centralized composting solutions, the outlook for this business is very positive.

With continuous marketing efforts in India and internationally through smart advertising, induction of fresh talent and like-minded partners, the outlook is very positive.

With the increasing awareness and demand of good quality organic manure by farmers and thus the fertilizer marketing companies coupled with the closure of competing plants in Ahmedabad, the outlook is positive.

In all, substantial growth is projected for both arms of the division in the coming year.

(d) **Risks and Concerns:**

Status quo and policy paralysis at central, state and local levels are matters of huge concern for the state of solid waste and thus the organizations offering solutions for the same. MSW Rules were first formulated in the year 2000. In the past fourteen years, the population of India has increased by 25% and the waste generation has increased seven-fold. The percentage of waste treated in the country is still frightfully low.

While there have been a few occasions of large investments in bringing foreign technology for converting waste to energy, the ULB's have learnt the hard way that what works in USA or Europe does not necessarily work in India where the characteristics of incoming waste is considerably different.

At a macro level, the above are a matter of concern as well as an opportunity in disguise. With the new central government likely to emerge soon at the center, there is a hope that things will change for better and soon.

On an execution level, there is a risk of technology stagnation and hence a need to upgrade technological offerings to clients. The division is very well poised to be able to offer solutions for waste treatment of various levels which are bio-mechanical in nature. Meaningful research, speed of introduction of solutions, marketing and execution will be keys to growth for the division in the coming year and the next five years to come.

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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 Corporate Governance Code has also been incorporated in Clause No. 49 of the Listing Agreement of the Stock Exchanges.

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 2013-14, the Board of Directors comprised of three Whole-time Directors and seven 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 2013-14	ATTENDANCE AT LAST AGM	NO. OF DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES INCORPORATED IN INDIA	NO. OF MEMBERSHIP(S)/ CHAIRMANSHIP(S) OF BOARD COMMITTEES IN OTHER COMPANIES
Mr. A. C. Shroff Chairman & Managing Director	Promoter – Executive	6	YES	4	2
Mrs. Usha A. Shroff Executive Vice Chairperson	Promoter – Executive	6	YES	7	3
Mr. S. R. Potdar Executive Director	Executive	5	NO	3	Nil
Mr. Atul G. Shroff	Promoter – Non-Executive	4	NO	3	4
Mr. Dipesh K. Shroff	Promoter – Non-Executive	6	YES	14	1
Mr. R. N. Bhogale	Independent – Non-Executive	6	YES	1	Nil
Mr. H. N. Motiwalla	Independent – Non-Executive	5	YES	6	5
Mr. P. S. Jhaveri	Independent – Non-Executive	4	NO	4	4
Mr. M. B. Parekh	Independent – Non-Executive	3	YES	4	2
Mr. N. B. Sathe	Nominee Director	5	YES	1	Nil

Date of Board meetings of the Company held during the year 2013-14.

24.05.2013
13.02.2014

26.07.2013
28.03.2014

20.09.2013

29.10.2013

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3. Particulars of the Directors to be appointed or re-appointed.

Name of the Director	MR. ASHWIN C. SHROFF
Date of Birth	22.01.1945
Date of Appointment	15/07/1975
Experience and Expertise	Industrialist with vast experience in Chemical and Bio-tech Industries and has expertise in the field of business management.
Academic Qualifications	B.Sc.
Other Public Companies in which Directorship is held	Excel Crop Care Limited Transpek Industry Limited Kamaljiyot Investment Limited Transpek-Silox Industry Limited Waxsam Limited, Hong Kong
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	Chairman - Shareholders'/Investors' Grievance Committee of Excel Crop Care Limited
No. of Shares held in the Company	83070
DIN	00019952

Name of the Director	MR. RAVI A. SHROFF
Date of Birth	05-02-1978
Date of Appointment	03-09-2014
Experience and Expertise	Industrialist with experience in the field of Chemicals and Pharma Industries and has expertise in the field of marketing, administration and business development.
Academic Qualifications	Chemical Engineer from Mumbai University and a Post Graduate in Chemistry from Boston University, USA
Other Public Companies in which Directorship is held	Anshul Specialty Molecules Limited Kamaljiyot Investments Limited Transpek Industry Limited Transpek Industry (Europe) Limited
Other Public Companies in which membership of Committees of Directors held	NIL
No. of Shares held in the Company	47670
DIN	00033505

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Name of the Director	MR. DIPESH K. SHROFF
Date of Birth	03-02-1960
Date of Appointment	03-09-2003
Experience and Expertise	Industrialist with vast experience in Chemical and Agrochemical Industries and has expertise in the field of business management.
Academic Qualifications	Diploma in Civil Engineering. Owners'/Presidents' Management program at Harvard Business School, Boston, USA
Other Public Companies in which Directorship is held	Agrocel Industries Limited Excel Crop Care Limited Excel Industries Limited (Australia) Pty. Ltd. Excel Industries Euro N.V. Excel Bio Resources Ltd. Hyderabad Chemical Limited Hyderabad Chemicals Product Limited Kutch Crop Services Limited Neo Seeds India Ltd. Oasis Agritech Limited Shroff Engineering Limited Transpek Industry Limited TML Industries Ltd. Vibrant Greentech Limited Nectar Crop Sciences Limited Excel Crop Care (Africa) Limited
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	Member of Audit Committee of Transpek Industries Ltd.
No. of Shares held in the Company	8619
DIN	00030792

Name of the Director	MR. R. N. BHOGALE
Date of Birth	08-02-1955
Date of Appointment	06-12-2001
Experience and Expertise	Industrialist with immense experience in auto components and kitchenware industries and has expertise in the field of business management and Mechanical engineering.
Academic Qualifications	B.E (Mech)
Other Public Companies in which Directorship is held	Nirlep Appliances Ltd.
Other Public Companies in which membership of Committees of Directors held	Nil
No. of Shares held in the Company	Nil
DIN	00292417

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Name of the Director	MR. H. N. MOTIWALLA
Date of Birth	24-03-1945
Date of Appointment	24-05-2002
Experience and Expertise	Vast experience and expertise in the field of Accounting, Audit, Finance, Taxation and Company Law.
Academic Qualifications	M. Com., Chartered Accountant (FCA), Diploma in information Security Audit (DISA)
Other Public Companies in which Directorship is held	Hi-tech Plast Ltd. Bal Krishna Synthetics Ltd. Gujarat Organics Ltd. Ashapura Minechem Ltd. Multibase India Ltd. Siyaram Silk Mills Ltd.
Other Public Companies in which membership of Committees of Directors held	Chairman – Audit Committee of Multibase India Ltd. – Remuneration Committee of Multibase India Ltd. Member – Audit Committee of Ashapura Minechem Ltd. – Audit Committee of Hi-tech Plast Ltd.
No. of Shares held in the Company	Nil
DIN	00029835

Name of the Director	MR. P. S. JHAVERI
Date of Birth	09-03-1955
Date of Appointment	28-10-2002
Experience and Expertise	Industrialist with vast experience in Chemical and Textile Auxiliary Industries and has expertise in the field of business management
Academic Qualifications	B.Com. from Bombay University and Diploma in Business Management
Other Public Companies in which Directorship is held	Indian Extractions Limited Life Style Networks Limited Phthalo Colours & Chemicals (India) Limited Sadhana Nitro Chem Limited
Other Public Companies in which membership of Committees of Directors held	Chairman – Audit Committee of Phthalo Colours & Chemicals (India) Limited Member – Share Transfer Committee of Indian Extractions Limited – Remuneration Committee of Sadhana Nitro Chem Limited – Audit Committee of Sadhana Nitro Chem Limited
No. of Shares held in the Company	Nil
DIN	00045038

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Name of the Director	MR. M. B. PAREKH
Date of Birth	26.08.1946
Date of Appointment	25.03.2005
Experience and Expertise	Industrialist with vast experience in Chemicals Industry and Consumer Products and has expertise in the field of administration and business management.
Academic Qualifications	Chem. Engg from UDCT M.S. Chem. Engg from University of Wisconsin, USA
Other Public Companies in which Directorship is held	Fevicol Company Limited Kalva Marketing and Services Limited Pidilite Industries Limited Vinyl Chemicals (India) Limited
Other Public Companies in which membership of Committees of Directors held	Audit Committee of Pidilite Industries Limited and Vinyl Chemicals (India) Limited
No. of Shares held in the Company	Nil
DIN	00180955

Name of the Director	MR. SHAILESH S. VAIDYA
Date of Birth	03.11.1957
Date of Appointment	08.08.2014
Academic Qualifications	B.Com., LLB
Experience and Expertise	Advocate and Solicitor for 31 years. Partner of M/s. Kanga & Company, a reputed Advocates and Solicitors' Firm.
Board of public companies in which directorship is held	Apcotex Industries Limited Siyaram Silk Mills Limited Premier Limited Avighna India Limited Prabhukripa Overseas Limited
Committees of Directors of public companies in which membership / chairmanship is held	Member of CSR Committee of Apcotex Industries Limited
No. of Shares held in the Company	Nil
DIN	00002273

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Name of the Director	MR. RAJEEV M. PANDIA
Date of Birth	17.12.1949
Date of Appointment	08.08.2014
Academic Qualifications	Chemical Engineering from Indian Institute of Technology (IIT), Mumbai and Master's degree in the same field from Stanford University, California.
Experience and Expertise	He has vast experience and expertise in the field of strategic planning, project evaluation, international marketing and general management.
Board of public companies in which directorship is held	GRP Limited
Committees of Directors of public companies in which membership / chairmanship is held	Member of Audit Committee and Nomination and Remuneration Committee of GRP Limited
No. of Shares held in the Company	Nil
DIN	00021730

4. **No. of Shares held by Non-Executive Directors as on 31st March, 2014**

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 31st March, 2014.

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 Agreement and other legal requirements concerning financial statements and related party transactions. The Committee also reviews the Company's risk management policies 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 Clause 49(II) (A) of the Listing Agreement as regards 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 31st March, 2014:

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

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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.

24.05.2013	26.07.2013	20.09.2013	29.10.2013
13.02.2014			

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	5	4
Mrs. Usha A. Shroff	5	5
Mr. P. S. Jhaveri	5	4
Mr. R. N. Bhogale	5	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 Board of Directors of the Company in its meeting held on 23rd May, 2014 redesignated the Remuneration Committee as Nomination and Remuneration Committee.

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 retirement benefits payable to its Whole-time Directors.

The Nomination and Remuneration Committee comprised of the following three Members as on March 31, 2014:

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

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

24.05.2013	26.07.2013	13.02.2014
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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

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7. Stakeholders Relationship Committee:

The Board of Directors of the Company in its meeting held on 23rd May, 2014 redesignated the Shareholders'/Investors' Grievance Committee as 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 four Members as on 31st March, 2014:

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

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

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

24.05.2013

26.07.2013

29.10.2013

13.02.2014

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	4	4
Mrs. Usha A. Shroff	4	4
Mr. S. R. Potdar	4	3
Mr. H. N. Motiwalla	4	3

During the year, 8 complaints were received from the investors, all of which were resolved. There are no shares pending for transfer as on 31st March, 2014.

8. Remuneration of Directors:

The Non Executive Directors are paid sitting fees for meetings of the Board and Committees of Directors and commission, if any, as approved by the Shareholders.

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 the Companies Act, 1956.

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Given below are the details of remuneration paid to the Directors during the financial year 2013-14:

DIRECTORS	SITTING FEES FOR BOARD/COMMITTEE MEETINGS (₹)	SALARIES AND OTHER PERQUISITES (₹)	COMMISSION (₹)	TOTAL (₹)
Mr. A. C. Shroff	N.A.	64,71,173	13,00,000	77,71,173
Mrs. Usha A. Shroff	N.A.	59,60,792	13,00,000	72,60,792
Mr. S. R. Potdar	N.A.	54,90,374	25,00,000	79,90,374
Mr. Atul G. Shroff	20,000	N.A.	2,50,000	2,70,000
Mr. R. N. Bhogale	70,000	N.A.	3,25,000	3,95,000
Mr. H. N. Motiwalla	75,000	N.A.	4,50,000	5,25,000
Mr. P. S. Jhaveri	55,000	N.A.	3,25,000	3,80,000
Mr. Dipesh K. Shroff	50,000	N.A.	2,50,000	3,00,000
Mr. M. B. Parekh	15,000	N.A.	2,00,000	2,15,000
Mr. N. B. Sathe	25,000	N.A.	2,00,000	2,25,000

The employment of the Chairman & Managing Director, Executive Vice Chairperson and Executive Director is contractual. The employment is for a period of five years in respect of the Chairman & Managing Director and Executive Vice Chairperson and is for a period of three years in respect of the Executive Director 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 Section 318 of the Companies Act, 1956. 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 2012-13, has been paid in the year 2013-14.

9. General Meetings

Location and time of the last three Annual General Meetings

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2010-11	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 22 nd July, 2011	3.00 p.m.	1
2011-12	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 20 th July, 2012	3.00 p.m.	1
2012-13	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 26 th July, 2013	3.00 p.m.	1

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Location and time of Extraordinary General Meeting

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2013-14	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Saturday, 15 th March, 2014	3.00 p.m.	1

No special resolution was passed through Postal Ballot during 2013-14. None of the business proposed to be transacted at the ensuing 53rd Annual General Meeting require passing through Postal Ballot.

10. Disclosures

• **Related Party Transactions:**

Related Party Transactions under Clause 49 of the Listing Agreement are defined as the transactions of the Company of a material nature, with its promoters, directors, management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Related party transactions include the contracts or arrangements made by the Company from time to time with companies in which the Directors are interested. All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the register is placed before the Board from time to time. There were no material transactions with related parties during the year 2013-14 that are prejudicial to the interest of the Company.

• **Whistle Blower Policy:**

The Board of Directors of the Company has approved and adopted a Whistle Blower Policy of the Company as required under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

• **Particulars of Cost Auditor:**

Name of the Cost Auditor	M/s. Kishore Bhatia & Associates
Firm Registration No.	00294
Date of Appointment for the year 2013-14:	24.05.2013
Filing of Cost Audit Report for FY 2012-13:	
Due Date	27.09.2013
Actual Date	30.09.2013

• **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 of Clause 49 of the Listing Agreements.

11. Means of Communication:

- The quarterly and half-yearly results of the Company are generally published in the dailies viz. DNA (English) and Daily Sagar (Marathi) which have wide readership in Mumbai.
- The financial results are also displayed on the Company's Website: <http://www.excelind.co.in>

12. Management Discussion and Analysis forms part of the Annual Report.

EXCEL INDUSTRIES LIMITED

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13. General Shareholder Information

- Annual General Meeting**

Date and Time : Friday, the 26th September, 2014 at 3.00 p.m.

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

- Financial Year** : Year ended March 31, 2014

- Dates of Book Closure** : Wednesday, the 17th September, 2014 to Friday,
the 26th September, 2014 (both days inclusive).

- Listing on Stock Exchanges** : The Company's shares are listed on The Bombay Stock
Exchange Ltd., (BSE) and The National Stock Exchange of
India Ltd. (NSE)

- Dividend payment date** : On or after 30th September, 2014

- 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:**

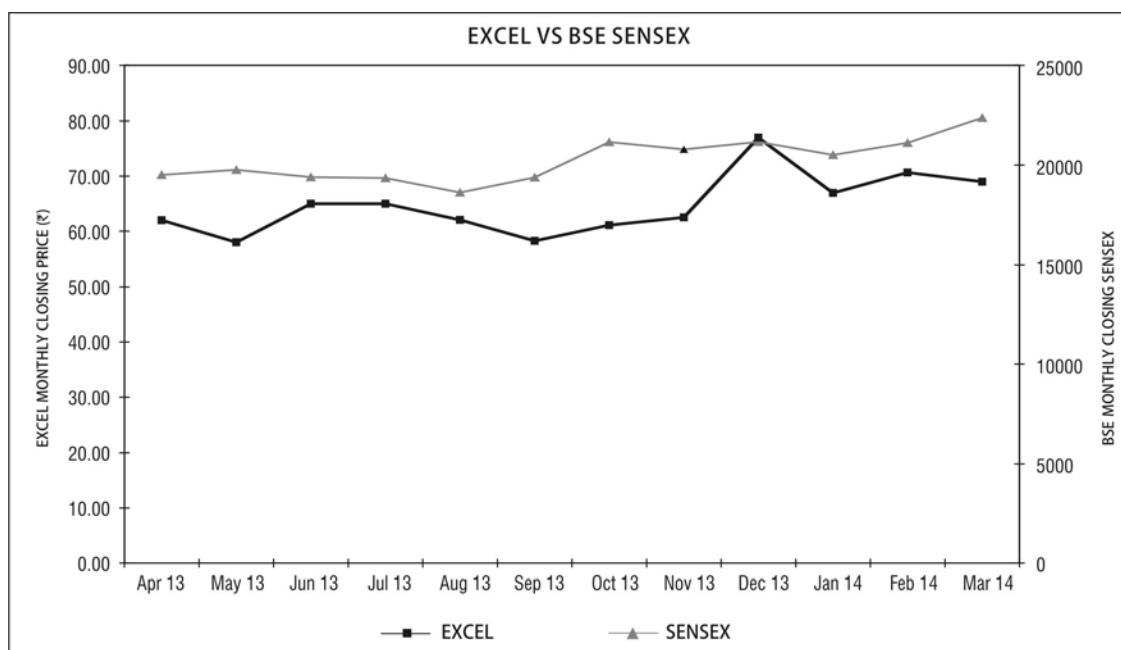
	BOMBAY STOCK EXCHANGE (IN ₹)	
	HIGH	LOW
April-2013	66.95	56.55
May-2013	71.00	58.00
June-2013	69.90	56.50
July-2013	71.00	62.10
Aug-2013	67.70	62.10
Sept-2013	65.90	58.00
Oct-2013	63.70	56.20
Nov-2013	64.00	58.50
Dec-2013	78.90	61.05
Jan-2014	78.90	63.30
Feb-2014	78.45	60.00
Mar-2014	73.80	65.00

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- Share Price Movements:**

Share Price Movement for the period from April, 2013 to March 2014 Excel Industries Limited v/s BSE SENSEX.



Share Transfer System: The share transfer function is carried out by the Registrars and Transfer Agents-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 31st March, 2014**

CATEGORY	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 500	10895	88.27	1507412	13.82
501 - 1000	757	6.14	554552	5.09
1001 - 2000	357	2.89	516220	4.73
2001 - 3000	110	0.89	272650	2.50
3001 - 4000	47	0.38	161928	1.48
4001 - 5000	31	0.25	143472	1.32
5001 - 10000	62	0.50	445883	4.09
Above 10000	84	0.68	7303513	66.97
Total	12343	100.00	10905630	100.00

EXCEL INDUSTRIES LIMITED

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- Categories of Shareholders as on 31st March, 2014**

CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES	VOTING STRENGTH %
Promoters	36	4585030	42.04
Life Insurance Corporation of India	1	1012799	9.29
Individuals	11972	4884934	44.79
Companies	187	354441	3.25
Non-Resident Individuals	125	63924	0.59
Indian Banks and Mutual Funds	13	3680	0.03
Foreign Institutional Investors & Foreign Banks	9	822	0.01
Total	12343	10905626	100.00

As per Clause 5A of the Listing Agreements of the Stock Exchanges the Company has opened a demat account styled as “Excel Industries Limited Unclaimed Share Suspense Account”. The detail of the account holding is as under:

CATEGORY	NO. OF SHAREHOLDERS	SHARES
Body Corporate	8	579
Foreign Banks	3	187
Mutual Funds	2	100
Public	256	37366
Total	269	38232

- Dematerialisation of Shares and Liquidity :**

95.85% of the Company's share capital is held in dematerialised form as on 31st March, 2014. 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 New Clause 5A of the Listing Agreement of the Stock Exchanges, the Company has after completing all the procedures transferred the unclaimed shares to “Excel Industries 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
270	38302	1	70	269	38232

EXCEL INDUSTRIES LIMITED

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- **Factory Locations:**

(a) Plot No.112, M.I.D.C. Industrial Area,
Dhatav, Roha,
Dist. Raigad-402 116.

(c) Near Sewage Farm,
Narol Sarkhej Octroi Naka,
Baherampura, Ahmedabad-380 022.

(b) D-9, M.I.D.C., Lote Parshuram,
Tal: Khed, Dist. Ratnagiri-415 722.

- **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

- **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

E-mail Address for Investor Grievances:

ranjan.desai@excelind.com

14. **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 Employees. All the Directors and the Senior Employees covered by the code have affirmed compliance with the code on an annual basis.

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 8th August, 2014

EXCEL INDUSTRIES LIMITED

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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, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure 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 statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E

per Jayesh Gandhi

Partner

Membership No: 037924

Place: Mumbai

Date: 8 August 2014

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TEN-YEAR HIGHLIGHTS

		(₹ in lacs)								
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
I. CAPITAL ACCOUNTS										
A. Share Capital	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28
B. Reserves	14119.45	12849.76	11750.98	10536.63	9670.21	9127.96	9147.61	9007.41	8936.96	8906.39
C. Convertible Warrants	345.00	—	—	—	—	—	—	—	—	—
D. Shareholders' Funds (A+B+C)	15009.73	13395.04	12296.26	11081.91	10215.49	9673.24	9692.89	9552.69	9482.24	9451.67
E. Borrowings	9462.45	6887.10	6371.31	5181.78	6011.05	7523.50	7358.85	7280.99	10622.07	10035.26
F. Deferred Tax Liability (Net)	1382.83	1472.50	1406.24	1369.61	1468.26	1019.22	993.70	919.55	886.31	1045.36
G. Capital Employed (D+E+F)	25855.01	21754.64	20073.81	17633.30	17694.80	18215.96	18045.44	17753.23	20990.62	20532.29
H. Gross Block	27900.95	24923.78	23246.53	21251.31	21507.89	21474.10	20721.74	19127.27	19014.61	17857.91
I. Net Block	14664.19	12310.04	11256.31	10096.98	10440.01	10650.45	10975.93	10408.27	10459.51	10641.02
J. Debt-Equity Issue	0.63:1	0.51:1	0.52:1	0.47:1	0.59:1	0.78:1	0.76:1	0.76:1	1.12:1	1.06:1
II. REVENUE ACCOUNTS										
A. Gross Revenue	46201.38	42454.83	34376.84	29647.53	25497.38	26963.53	25412.91	22717.31	23543.59	25698.01
B. Profit/(Loss) before Taxes	2053.42	2168.09	1176.75	2035.25	1139.61	137.08	593.50	198.04	(280.13)	(487.44)
% of Gross Revenue	4.44%	5.11%	3.42%	6.86%	4.47%	0.51%	2.34%	0.87%	-1.19%	-1.90%
C. Exceptional Item	—	—	724.01	—	—	—	—	—	—	—
D. Profit/(Loss) after Taxes	1748.15	1479.31	1514.33	1430.90	607.06	74.49	421.73	131.80	(172.08)	(79.39)
% of Gross Revenue	3.78%	3.48%	4.41%	4.83%	2.38%	0.28%	1.66%	0.58%	-0.73%	-0.31%
E. Return on Shareholders' Funds %	11.65%	11.04%	12.32%	12.91%	5.94%	0.77%	4.35%	1.38%	-1.81%	-0.84%
III. EQUITY SHAREHOLDERS' EARNINGS										
A. Earning per Equity Share *	₹ 16.03	13.59	13.46	12.30	7.30	0.40	3.62	1.23	(0.28)	(0.10)
B. Dividend per Equity Share *	₹ 3.75	3.00	2.00	3.75	2.00	0.50	1.00	0.50	—	0.50
C. Equity Dividend	₹ 408.96	327.17	218.11	408.96	218.11	54.53	109.06	54.53	—	54.53
D. Net Worth per Equity Share*	₹ 137.63	122.83	112.75	101.62	93.67	88.70	88.88	87.59	86.95	86.87
E. Market Rate as on 31st March	₹ 69.00	60.00	68.70	74.15	58.25	26.45	53.15	41.17	58.90	60.05
* Face Value of Equity Share – ₹ 5/-.										

EXCEL INDUSTRIES LIMITED

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SUMMARISED BALANCE SHEET

As at 31st March

	2014		2013	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY OWNED				
1. FIXED ASSETS				
Gross Block	27,900.95		24,923.78	
Less: Depreciation	13,236.76		12,613.74	
		14,664.19		12,310.04
2. INTANGIBLE ASSETS		182.28		253.18
3. NON-CURRENT INVESTMENTS		1,413.15		1,413.14
4. LONG TERM LOANS & ADVANCES				
& OTHER NON-CURRENT ASSETS		1,386.08		605.76
5. NET CURRENT ASSETS		9,492.19		7,977.84
		27,137.89		22,559.96
WHAT THE COMPANY OWED				
1. BORROWINGS (LONG TERM & SHORT TERM)		9,462.45		6,887.10
2. LONG TERM PROVISIONS		1,282.88		805.32
3. NET WORTH (Shareholders' Equity)				
Represented by				
(i) Share Capital	545.28		545.28	
(ii) Reserves	14,119.45		12,849.76	
(iii) Convertible Warrants	345.00		—	
		15,009.73		13,395.04
4. DEFERRED TAX LIABILITIES (NET)		1,382.83		1472.50
		27,137.89		22,559.96

SUMMARISED PROFIT AND LOSS ACCOUNT

For the year ended 31st March

	2014		2013	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY EARNED				
From Sales (including Excise Duty)		45,032.70		41,534.70
From Export Earnings	195.19		151.99	
From Other Sources	973.49		768.14	
		1,168.68		920.13
		46,201.38		42,454.83
WHAT THE COMPANY SPENT				
On Manufacturing Costs		36,488.85		33,299.08
On Employees		5,521.95		5,079.99
Interest on Loans		1,034.10		894.46
Depreciation		1,103.06		1,013.21
		44,147.96		40,286.74
OPERATING PROFIT		2,053.42		2,168.09

EXCEL INDUSTRIES LIMITED

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April, 2014, issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Jayesh M. Gandhi

Partner

Membership No.: 37924

Place : Mumbai

Date : 23 May 2014

EXCEL INDUSTRIES LIMITED

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Annexure 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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification 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) There was no disposal of a substantial part of fixed assets during the year.
- (ii)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii)
 - (a) The Company has given an interest-free loan to its wholly-owned subsidiary. According to the information and explanations given to us, and having regard to management's representation that the interest free loan is given to wholly-owned subsidiary, the terms and conditions of such loan is not *prima facie* prejudicial to the interest of the Company.
 - (b) There is no overdue amount of such loan.
 - (c) There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
 - (d) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the company in respect of these areas.
- (v)
 - (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, 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 sections 58A, 58AA or any other relevant provisions of the Act, and the rules framed thereunder, 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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the manufacture of

EXCEL INDUSTRIES LIMITED

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insecticides, industrial alcohol, fertilizers and Pharma products and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory 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, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount pertains	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty Demand	14.39	2002-05	Additional Commissioner, Raigad
Central Excise Act, 1944	Excise Duty Demand	21.11	2007-08	Additional Commissioner of Central Excise, Raigad
Central Excise Act, 1944	Excise Duty Demand	417.08	2006-11	Commissioner of Central Excise Raigad
Central Excise Act, 1944	Excise Duty Demand	13.46	2008-13	Additional Commissioner of Central Excise, Raigad
Central Excise Act, 1944	Excise Duty Demand	0.81	2011-12	Deputy Commissioner of Central Excise, Raigad
State Excise Act	Excise Duty Demand	233.44	2002-14	High Court, Mumbai
Central Sales Tax	Sales Tax Demand	16.52	2006-07	Ahmedabad Appellate Tribunal
Service Tax (Finance Tax Act, 1994)	Service Tax Demand	8.99	2005-09	Additional Commissioner of Central Excise, Raigad
Service Tax (Finance Tax Act, 1994)	Service Tax Demand	5.21	2008-13	Additional Commissioner of Central Excise, Raigad
Service Tax (Finance Tax Act, 1994)	Service Tax Demand	3.85	2012-13	Deputy Commissioner of Central Excise, Raigad
Service Tax (Finance Tax Act, 1994)	Service Tax Demand	28.62	2009 -2014	Commissioner of Central Excise, Mumbai
Service Tax (Finance Tax Act, 1994)	Reversal of Cenvat Credit of Service Tax	1.35	2011-12	CESTAT - Mumbai
Customs	Customs Demand	5.65	2013	Additional Commissioner of Customs (PREV)
Customs	Customs Demand	21.78	2011-12	Additional Commissioner of Customs Duty, Mumbai
Income Tax	Income Tax Demand	1,435.84	AY 2010-2011 & AY 2011-12	Commissioner of Income Tax (Appeals)

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- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the 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, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which the shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Jayesh M. Gandhi

Partner

Membership No.: 37924

Place : Mumbai

Date : 23 May 2014

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	As at March 31, 2014 (₹ in Lacs)	As at March 31, 2013 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	5,45.28	5,45.28
Reserves and surplus	4	141,19.45	128,49.76
Money received against convertible warrants (Refer Note No 26)		3,45.00	—
		150,09.73	133,95.04
Non-Current Liabilities			
Long-term borrowings	5	25,87.08	10,50.07
Deferred tax liabilities (net)	6	13,82.83	14,72.50
Long-term provisions	7	12,82.88	8,05.32
		52,52.79	33,27.89
Current Liabilities			
Short-term borrowings	8	68,75.37	59,35.13
Trade payables	9	52,66.50	49,94.74
Other current liabilities	9	17,52.81	13,90.03
Short-term provisions	7	8,46.17	11,30.43
		147,40.85	134,50.33
	TOTAL	350,03.37	301,73.26
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	126,55.15	118,33.13
Intangible assets	11	1,82.28	2,53.18
Capital work-in-progress		20,09.04	4,76.91
Non-current investments	12	14,13.15	14,13.15
Loans and advances	13	12,81.08	4,11.36
Other non-current assets	14.2	1,05.00	1,78.00
		176,45.70	145,65.73
Current Assets			
Inventories	15	48,14.08	42,70.53
Trade receivables	14.1	101,59.75	88,86.19
Cash and bank balances	16	8,84.27	6,81.92
Loans and advances	13	12,97.56	16,04.50
Other current assets	14.2	2,02.01	1,64.39
		173,57.67	15,607.53
	TOTAL	350,03.37	301,73.26
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. BATLIBOI & CO. LLP Firm registration no.: 301003E Chartered Accountants per Jayesh M. Gandhi Partner Membership No. 37924 Place : Mumbai Date: 23 May 2014			
For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director KAILAS DABHOLKAR Chief Financial Officer Place : Mumbai Date: 23 May 2014			
U. A. SHROFF Executive Vice Chairperson S. K. SINGHVI Company Secretary			

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ In Lacs)
INCOME			
Revenue from operations (gross)	17	457,45.15	420,49.75
Less: Excise duty		40,53.22	36,38.45
Revenue from operations (net)		416,91.93	384,11.30
Other income	18.2	3,91.67	3,33.04
Total revenue (I)		420,83.60	387,44.34
EXPENSES			
Cost of raw materials and components consumed	19	230,74.17	207,70.22
Purchase of traded goods	20	8,87.80	7,62.73
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(1,13.03)	(4,84.30)
Employee benefits expense	21	55,21.95	50,79.76
Other expenses	22	83,99.21	82,83.69
Total expenses (II)		377,70.10	344,12.10
Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II)		43,13.50	43,32.24
Depreciation and amortisation expense	23	11,03.06	10,13.21
Interest income	18.1	(64.56)	(72.08)
Finance costs	24	12,21.58	12,20.76
Profit before tax		20,53.42	21,70.35
Tax expenses			
Current tax			
Pertaining to profit for the current year		5,81.00	7,03.00
Adjustment of tax relating to earlier periods net.		(1,86.06)	(80.48)
Deferred tax		(89.67)	66.27
Total tax expense		305.27	6,88.79
Net Profit for the year		17,48.15	14,81.56
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	25		
Basic (in ₹) computed on the basis of profit for the year		16.03	13.59
Diluted (in ₹) computed on the basis of profit for the year		16.00	13.59
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. BATLIBOI & CO. LLP
Firm registration no.: 301003E
Chartered Accountants

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: 23 May 2014

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

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Chief Financial Officer

Place : Mumbai
Date: 23 May 2014

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014		For the year ended March 31, 2013	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Items		20,53.42		21,70.35
Adjustments for :				
Depreciation	10,24.49		9,75.44	
Amortisation of Intangible Assets	78.57		37.77	
Assets written off	81.63		46.92	
Provision for Doubtful Debts	9.97		26.05	
Sundry Credit Balances written back	(5.71)		(32.53)	
Bad Debts/Sundry Debit Balances Written Off (Net)	25.49		17.41	
Loss/(Profit) on sale of Fixed Assets	29.65		36.82	
Contribution/Provision for Gratuity/Leave Encashments	8,11.70		7,70.36	
Interest received	(64.56)		(72.08)	
Interest paid	10,34.10		8,94.46	
Dividend Received	(2,69.06)		(2,31.77)	
Exchange Difference on loans taken & Revaluation of debtors & Creditors	68.20		1,16.07	
Short/(Excess) Provision for other items (Net)	(99.64)		(17.72)	
		<u>27,24.82</u>		<u>25,67.20</u>
Operating Profit before working capital changes		47,78.24		47,37.55
Decrease/(Increase) in Trade Receivables	(13,87.42)		(5,04.28)	
Decrease/(Increase) in Inventories	(5,43.55)		4,89.59	
Decrease/(Increase) in Other Current Assets	(1,46.15)		(1,89.64)	
Decrease/(Increase) in Loans & Advances	(3,89.57)		(32.27)	
Increase/(Decrease) in Current Liabilities & Provisions	(93.62)		(11,19.89)	
		<u>(25,60.31)</u>		<u>(13,56.49)</u>
Cash generated from Operations		22,17.93		33,81.06
Direct taxes paid		8,74.99		6,27.17
Net cash from Operating Activities (A)		<u>13,42.94</u>		<u>27,53.89</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(35,34.26)		(22,01.45)	
Purchase of intangible assets	(7.67)		(2,39.07)	
Sale of fixed assets	63.40		88.53	
Interest received	60.77		69.01	
Dividend received	2,69.06		2,31.77	
Sundry Loans given	(75.00)		(4,70.00)	
Net Cash used in Investing Activities (B)		<u>(32,23.70)</u>		<u>(25,21.21)</u>

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 (₹ in Lacs)	For the year ended March 31, 2013 (₹ in Lacs)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from issue of convertible Warrants	3,45.00	—
Proceeds from borrowings	64,92.95	45,22.84
Repayment of borrowings	(34,61.00)	(37,15.60)
Dividend Paid	(3,21.92)	(2,15.70)
Interest Paid	(10,24.58)	(9,50.11)
Tax on distributed Profits	(55.60)	(35.38)
Net cash from/(used in) Financing Activities (C)	19,74.85	(3,93.95)
Net increase in cash and cash equivalents (A+B+C)	94.09	(1,61.27)
Cash and cash equivalents at the beginning of the year	6,45.51	8,06.78
Cash and cash equivalents at the end of the year	7,39.60	6,45.51
Break-up:		
Balance with Scheduled Banks:		
(i) In Unclaimed Dividend Accounts	20.51	15.26
(ii) In Current Accounts	7,09.09	6,30.25
(iii) In Deposits	10.00	—
	7,39.60	6,45.51

Note: * Cash and cash equivalents include ₹ 20.51 lacs (Previous Year ₹ 15.26 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.

As per our attached report of even date

For S. R. BATLIBOI & CO. LLP
Firm registration no.: 301003E
Chartered Accountants

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: 23 May 2014

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

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Chief Financial Officer

Place : Mumbai
Date: 23 May 2014

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. CORPORATE INFORMATION

Excel Industries Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in manufacturing 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 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 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 the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956, read with General circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

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 and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(c) Depreciation on tangible fixed assets

- (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.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

useful life of the assets as estimated by the approved valuer or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

Description of Tangible Asset.	*Rates (SL Method) (Range)	Schedule XIV Rates (SL Method)
Buildings	1.63%-19.00%	1.63%
Plant and Machinery	5.28%-47.50%	5.28%
Electrical Installations	5.28%-31.67%	5.28%

* Depreciation Rates on SL Method for the balance useful life as estimated by the valuer.

- (2) In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai upto September 30, 1981, on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (3) In respect of all other Fixed Assets, on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (4) Individual assets acquired for less than ₹ 5,000 are entirely depreciated in the year of acquisition.

(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 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.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(f) Leases

Where the company is lessee

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

Finance Leases

Assets acquired under finance leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized and a corresponding loan liability is recognized. The lease rentals paid are bifurcated into principal and interest component by applying an implicit rate of return. The interest is charged as a period cost and the principal amount is adjusted against the liability recognized in respect of assets taken on financial lease.

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 lease.

Assets subject to operating leases are included in fixed assets. Lease income 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 amortisations of ancillary costs incurred in connections 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. All other borrowing costs are expensed in the period they occur. Interest and other costs incurred for acquisition and construction of qualifying assets, upto the date of commissioning/installation, are capitalised as part of the cost of the said assets.

(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 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.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 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.

(k) Inventories

Raw materials, containers, (packing materials) stores and spares 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 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.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

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 Entitlement Pass Book Scheme or 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'.

Dividends

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

Royalties

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 considered to the extent the amount is ascertainable/accepted by the parties.

(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

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 Company 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.

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

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.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

(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) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, 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. In its measurement, the Company does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

3. SHARE CAPITAL	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Authorised shares		
3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	19,00.00	19,00.00
8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	85.00	85.00
3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	15.00	15.00
Issued, subscribed and fully paid-up shares		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each	5,45.28	5,45.28
	5,45.28	5,45.28
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares	March 31, 2014	March 31, 2013
	Nos. ₹ in Lacs	Nos. ₹ in Lacs
At the beginning of the period	10,905,630 545.28	10,905,630 545.28
Fresh issue of shares during the period	— —	— —
Outstanding at the end of the period	10,905,630 545.28	10,905,630 545.28
(b) Terms/rights attached to equity shares		
The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
During the year ended March 31, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3.75/- (Previous year: ₹ 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, 2014 Nos. of Shares % holding in the class	As at March 31, 2013 Nos. of Shares % holding in the class
Equity shares of ₹ 5/- each fully paid		
Life Insurance Corporation of India	1,012,799 9.29%	1,012,799 9.29%
Utkarsh Global Holdings Private Limited	3,331,182 30.55%	3,248,974 29.79%
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.		

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

4. RESERVES AND SURPLUS

	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Capital reserve		
(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>
Securities premium account	181.08	181.08
General reserve:		
Balance as per the last financial statements	113,54.07	103,54.07
Add: amount transferred from surplus balance in the statement of profit and loss	12,00.00	10,00.00
Closing balance	<u>125,54.07</u>	<u>113,54.07</u>
Surplus in the statement of profit and loss:		
Balance as per the last financial statements	12,44.60	11,45.81
Profit for the year	17,48.15	14,81.56
Less: Appropriations		
Proposed equity dividend [Amount per share ₹ 3.75/- (Previous Year: ₹ 3/-)]	(4,08.96)	(3,27.17)
Tax on proposed equity dividend	(69.50)	(55.60)
Transfer to general reserve	(12,00.00)	(10,00.00)
Total appropriations	<u>(16,78.46)</u>	<u>(13,82.77)</u>
Net surplus in the statement of profit and loss	<u>13,14.29</u>	<u>12,44.60</u>
Total reserves and surplus	<u>141,19.45</u>	<u>128,49.76</u>

5. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Term Loans				
Indian rupee loan from banks (secured)	11,51.39	—	3,72.22	—
From other:				
Under vehicle finance scheme (secured)	14.64	18.97	7.22	18.24
Finance lease obligation (Unsecured)	3,62.40	—	1,60.19	—
Deposits (unsecured):				
From shareholders	1,65.11	1,82.28	46.80	34.82
From public	8,93.54	8,48.82	1,92.96	2,57.52
	<u>25,87.08</u>	<u>10,50.07</u>	<u>7,79.39</u>	<u>3,10.58</u>
The above amount includes:				
Secured borrowings	11,66.03	18.97	3,79.45	18.24
Unsecured borrowings	14,21.05	10,31.10	3,99.94	2,92.34
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	(7,79.39)	(3,10.58)
Net amount	<u>25,87.08</u>	<u>10,50.07</u>	<u>—</u>	<u>—</u>

- (a) Loan from Bank of India amounting to ₹ 5,23.61 lacs (Previous Year: ₹ Nil) is for a period of five years carrying interest rate of 12% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further secured by equitable mortgage of land and buildings of the factory located at Roha.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- (b) Loan from HDFC Bank Ltd. amounting to ₹ 10,00 lacs (Previous Year: ₹ Nil) is for a period of five years carrying rate of interest @12.6% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further secured by equitable mortgage of immovable assets at Lote Parashuram.
- (c) Term loan under vehicle finance from a financial institution amounting to ₹ 21.86 lacs (Previous Year: ₹ 37.21 lacs) carrying interest rate ranging from 12% to 14 % p. a. repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.
- (d) Finance lease obligation to Siemens Financial Services Pvt. Ltd amounting to ₹ 5,22.59 lacs (Previous Year: ₹ Nil) is for a period of three years and carry the interest @ 12.50% p. a.
- (e) Deposits from shareholders and public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.

6. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	18,55.64	18,30.89
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowed for tax purpose on payment basis	4,30.97	3,20.08
Provision for doubtful receivables and advances	26.66	23.27
Other disallowances	15.18	15.04
Gross deferred tax assets	4,72.81	3,58.39
Net deferred tax liability	13,82.83	14,72.50

The Company has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised.

7. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Provision for employee benefits				
Provision for gratuity (Refer Note 27)	5,14.27	1,92.29	2,18.75	2,50.00
Provision for leave benefits	7,68.61	6,13.03	1,48.96	1,20.36
Other provisions				
Provision for taxation [net of advance tax of ₹ 3,990.81 lacs (Previous Year: ₹ 3,192.60 lacs)]	—	—	—	3,77.30
Proposed equity dividend	—	—	4,08.96	3,27.17
Provision for tax on proposed equity dividend	—	—	69.50	55.60
Total	12,82.88	8,05.32	8,46.17	11,30.43

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

8. SHORT-TERM BORROWINGS	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	38,16.98	38,78.51
Working capital demand loan (secured)	9,88.61	9,88.61
Foreign currency buyer's credit loan (unsecured)	9,74.30	6,19.92
Short Term Loan from Banks (unsecured)	5,95.48	98.09
	<u>63,75.37</u>	<u>55,85.13</u>
From others		
Inter corporate deposits (unsecured)	5,00.00	3,50.00
Total	<u>68,75.37</u>	<u>59,35.13</u>
The above amount includes		
Secured Borrowing	48,05.59	48,67.12
Unsecured Borrowing	20,69.78	10,68.01
Cash credit, packing credit and working capital demand 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 receivable etc and is further secured by a second charge on the fixed assets at Roha and Lote Parashuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 10.45% to 13.5% p.a.		
Outstanding foreign currency buyer's credit loan are unsecured and carry an interest rate ranging from libor plus 85 bps to 130 bps.		
Short term unsecured loan from HDFC Bank Ltd is payable within a period of six months and carries interest rate of 11.25% p.a and unsecured loan from YES Bank Ltd is payable within a period of twelve months and carries interest rate of 12.75% p.a.		
Inter Corporate Deposits are repayable within a period of 3 months and carries interest rates @ 12% to 12.5% p.a.		
9. OTHER CURRENT LIABILITIES	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Trade payables (including acceptances) (Refer Note 37 for details of dues to micro and small enterprises) (A)	<u>52,66.50</u>	<u>49,94.74</u>
Other liabilities		
Current maturities of long-term borrowings (Refer Note 5)	7,79.39	3,10.58
Interest accrued but not due on borrowings	76.79	45.32
Interest accrued and due on borrowings	3.62	6.55
Investor education and protection fund will be credited by following amounts as and when due:		
Unclaimed dividend	20.51	15.26
Unclaimed matured deposits	13.41	30.57
Advances from customers	1,01.52	3,79.58
Creditors for capital goods	3,72.73	2,58.03
Statutory liabilities	2,42.89	2,39.65
Sundry deposits	13.52	11.12
Others	1,28.43	93.37
(B)	<u>17,52.81</u>	<u>13,90.03</u>
Total (A+B)	<u>70,19.31</u>	<u>63,84.77</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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
Cost or Valuation												
At April 1, 2012	1,71.85	2,82.71	23.43	32,62.98	164,52.39	8,10.55	5,33.95	2,31.16	6,09.40	2,98.72	9.42	226,86.56
Additions	—	—	—	61.48	19,60.79	28.63	1,62.47	24.26	23.39	23.32	0.17	22,84.51
Disposals	—	—	—	0.07	4,86.00	32.14	—	6.90	(2.95)	1.93	0.11	5,24.20
At March 31, 2013	1,71.85	2,82.71	23.43	33,24.39	179,27.18	8,07.04	6,96.42	2,48.52	6,35.74	3,20.11	9.48	244,46.87
Additions	—	—	—	4,71.31	13,80.25	30.09	41.08	26.86	44.69	26.91	—	20,21.19
Disposals	—	—	—	2.02	5,24.47	1.05	—	—	2.87	45.74	—	5,76.15
At March 31, 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
Depreciation												
At April 1, 2012	—	51.79	20.59	8,53.69	91,84.25	6,49.43	3,60.61	1,97.89	4,75.06	1,90.26	6.65	119,90.22
Charge for the year	—	4.28*	2.84	99.96	7,22.68	43.27	30.24	16.17	24.96	30.68	0.36	9,75.44
Disposals/adjustments	—	—	—	0.07	3,17.99	30.06	—	6.90	(4.87)	1.66	0.11	3,51.92
At March 31, 2013	—	56.07	23.43	9,53.58	95,88.94	6,62.64	3,90.85	2,07.16	5,04.89	2,19.28	6.90	126,13.74
Charge for the year	—	3.24*	—	80.19	8,02.15	39.15	30.29	16.41	25.06	27.64	0.36	10,24.49
Disposals/adjustments	—	—	—	1.01	3,63.03	0.34	—	—	1.91	35.18	—	401.47
At March 31, 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	13,236.76
Net Block												
At March 31, 2013	1,71.85	2,26.64	—	23,70.81	83,38.24	1,44.40	3,05.57	41.36	1,30.85	1,00.83	2.58	118,33.13
At March 31, 2014	1,71.85	2,23.40	—	27,60.92	87,54.90	1,34.63	3,16.36	51.81	1,49.52	89.54	2.22	126,55.15

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)

Accumulated depreciation ₹ 85.16 lacs (Previous Year: ₹ 81.91 lacs)

Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 3.25 lacs)

Net block ₹ 1,11.29 lacs (Previous Year: ₹ 1,14.54 lacs)

d. The borrowing cost capitalised during the year is ₹ 19.02 lacs (Previous year ₹ Nil). The Company has capitalised this borrowing cost in the capital work in progress.

e. The assets acquired under finance lease have been disclosed under capital work-in-progress as at 31 March 2014 amounting to ₹ 583.60 lacs (Previous Year ₹ Nil)

11. INTANGIBLE ASSETS

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Total
Cost (Gross block)				
At April 1, 2012	7.00	1,86.34	67.70	2,61.04
Additions/purchase	—	2,39.07	—	2,39.07
Disposals	—	—	—	—
At March 31, 2013	7.00	4,25.41	67.70	5,00.11
Additions/purchase	—	7.67	—	7.67
Disposals	—	—	—	—
At March 31, 2014	7.00	4,33.08	67.70	5,07.78
Amortisation				
At April 1, 2012	7.00	1,86.34	15.82	2,09.16
Charge for the year	—	20.84	16.93	37.77
Disposals	—	—	—	—
At March 31, 2013	7.00	2,07.18	32.75	2,46.93
Charge for the year	—	61.64	16.93	78.57
Disposals	—	—	—	—
At March 31, 2014	7.00	2,68.82	49.68	3,25.50
Net Block				
At March 31, 2013	—	2,18.23	34.95	2,53.18
At March 31, 2014	—	1,64.26	18.02	1,82.28

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

12. NON CURRENT INVESTMENTS	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
(a) 1,99,982 (Previous Year: 1,99,982) Equity Shares of ₹ 100/- each fully paid-up in Kamaljiyot Investments Limited	1,99.98	1,99.98
(b) 5,10,000 (Previous Year : 5,10,000) Equity Shares of ₹ 10/- each fully paid-up in Excel Bio Resources Limited	51.13	51.13
Investment in joint ventures		
4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong	27.26	27.26
Less: Provision for diminution in value of investments	(27.26)	(27.26)
Others		
(a) 8,88,750 (Previous Year: 8,88,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	1,77.75	1,77.75
(b) 10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Limited	2,86.08	2,86.08
Quoted equity instruments		
Others		
(a) 2,45,760 (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	3,66.26	3,66.26
(b) 5,84,977 (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	3,09.00	3,09.00
Total trade Investment (A)	13,90.20	13,90.20
Non-trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
(a) 2,500 (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	0.25	0.25
(b) 50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	5.00	5.00
Quoted equity instruments		
(a) 4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	1.54	1.54
(b) 35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	16.16	16.16
Total non-trade investments (B)	22.95	22.95
Total Investments (A+B)	14,13.15	14,13.15
Aggregate amount of quoted investments [Market value ₹ 17,64.47 lacs : (Previous Year: ₹ 7,69.95 lacs)]	6,92.96	6,92.96
Aggregate amount of unquoted investments (net of provision for diminution)	7,20.19	7,20.19
Aggregate provision for diminution in value of investments	27.26	27.26

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13. LOANS AND ADVANCES		Non-current		Current	
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Capital advances					
Unsecured, considered good	(A)	70.98	1,17.30	—	—
Security deposits					
Unsecured, considered good	(B)	3,26.40	2,51.97	—	—
Loan and advances to related party (Refer Note 29 & 36)					
Unsecured, considered good	(C)	8,40.00	—	—	7,65.00
Advances recoverable in cash or kind					
Unsecured, considered good		—	—	7,50.39	5,94.78
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	7,85.39	6,29.78
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(D)	—	—	7,50.39	5,94.78
Other loans and advances, unsecured, considered good					
Advance income-tax (net of provision for taxation)		—	—	98.21	—
Prepaid expenses		7.22	6.12	1,67.73	1,59.18
Loans to employees		36.48	35.97	27.00	27.23
Balances with statutory/government authorities		—	—	2,54.21	58.31
	(E)	43.70	42.09	5,47.15	2,44.72
Total	(A + B + C + D + E)	12,81.08	4,11.36	12,97.54	16,04.50
14. TRADE RECEIVABLES AND OTHER ASSETS					
14.1. Trade receivables		Non-current		Current	
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		—	—	1,06.50	1,42.36
Doubtful		—	—	36.02	26.05
		—	—	1,42.52	1,68.41
Less: Provision for doubtful receivables		—	—	(36.02)	(26.05)
		—	—	1,06.50	1,42.36
Other receivables					
Unsecured, considered good		—	—	1,00,53.25	87,43.83
		—	—	1,01,59.75	88,86.19

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14.2 Other assets		Non-current		Current	
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Unsecured, considered good unless stated otherwise		(A)			
Non-current bank balance (Refer Note 16)		1,05.00	1,78.00	—	—
Others					
Interest receivable		—	—	17.28	13.49
Export benefit receivable		—	—	1,01.25	80.56
Income tax refund receivable		—	—	58.29	53.75
Miscellaneous receivable		—	—	25.19	16.59
(B)		—	—	2,02.01	1,64.39
Total	(A + B)	1,05.00	1,78.00	2,02.01	1,64.39

15. INVENTORIES (Valued at lower of cost and net realisable value)		
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Raw materials [including stock-in-transit ₹ 55.44 lacs (Previous Year: ₹ 49.50 lacs)] (Refer Note 19)	11,61.69	8,21.65
Packing materials (Refer Note 19)	1,42.02	1,13.08
Finished goods [including stock-in-transit ₹ 1,31.70 lacs (Previous Year: ₹ 3,31.99 lacs)] (Refer Note 20)	16,03.45	16,17.68
Work-in-progress (Refer Note 20)	13,12.42	10,34.61
Traded goods (Refer Note 20)	1,65.63	3,16.18
Stores and spares [including stock-in-transit ₹ 67.57 lacs (Previous Year: ₹ Nil)] [including fuel and coal]	4,28.87	3,67.33
	48,14.08	42,70.53

16. CASH AND BANK BALANCES		
	Non-current	Current
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Cash and cash equivalents		
Balances with banks:		
On current accounts	—	7,09.09
On unclaimed dividend accounts	—	20.51
Deposits with original maturity of less than three months	—	10.00
	—	7,39.60
Other bank balances		
Deposits with original maturity for more than 12 months	1,05.00	—
Deposits with original maturity for more than 3 months but less than 12 months	—	63.00
Margin money deposits	—	81.67
	1,05.00	36.41
Amount disclosed under non-current assets (Refer Note 14.2)	(1,05.00)	—
Total	—	8,84.27
Margin money deposits given as security		
Margin money deposits with a carrying amount of ₹ 81.67 lacs (Previous Year: ₹ 36.41 lacs) have been given against opening of Letter of Credit Account with the Bank and Bank guarantee		

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17. REVENUE FROM OPERATIONS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from operations		
Sale of products		
Finished goods	4,33,82.45	403,73.62
Traded goods	16,50.25	11,61.08
Sale of services		
Processing charges	1,88.35	1,45.87
Royalty/Technical fees/Commissioning Charges	33.11	22.57
Other operating revenue		
Export incentives	1,95.19	1,51.99
Excess/(short) accrual written back (net) (Refer Note 34)	99.64	17.72
Scrap sales	1,96.16	1,76.90
Revenue from operations (gross)	457,45.15	420,49.75
Less: Excise duty (Refer note below)	40,53.22	36,38.45
Revenue from operations (net)	416,91.93	384,11.30
Note:- Excise duty on sales amounting to ₹ 40,53.22 lacs (Previous Year: ₹ 36,38.45 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ 6.62 lacs (Previous Year: ₹ 13.34 lacs) has been considered (income)/expenses in Note 22 of financial statements.		
Details of products sold	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Finished goods sold		
Phosphorous and its compounds	314,13.11	264,98.70
Chemicals	105,37.59	127,18.49
Organic manure/culture	1,76.21	2,33.63
Others	12,55.54	9,22.80
	433,82.45	403,73.62
Trading goods sold		
Chemicals	4,59.87	4,37.71
Others	11,90.38	7,23.37
	16,50.25	11,61.08
	450,32.70	415,34.70
18. OTHER INCOME	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
18.1 Interest income on		
Bank deposits	34.94	53.62
Income tax refund	24.34	13.43
Others	5.28	5.03
	64.56	72.08

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18. OTHER INCOME <i>(Contd.)</i>		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
18.2 Others		
Dividend income long-term investments	2,69.06	2,31.77
Rent	36.33	45.21
Exchange gain (net)	60.35	—
Sales tax refund	1.19	—
Others	24.74	56.06
	<u>3,91.67</u>	<u>3,33.04</u>
Total	<u>4,56.23</u>	<u>4,05.12</u>
19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
a. Raw materials		
Inventory at the beginning of the year	8,21.65	14,55.29
Add: Purchases	222,72.59	192,09.88
	<u>230,94.24</u>	<u>206,65.17</u>
Less: Inventory at the end of the year	11,61.69	8,21.65
	<u>(A) 219,32.55</u>	<u>198,43.52</u>
b. Packing materials		
Inventory at the beginning of the year	1,13.08	1,10.94
Add: Purchases	11,70.56	9,28.84
	<u>12,83.64</u>	<u>10,39.78</u>
Less: Inventory at the end of the year	1,42.02	1,13.08
	<u>(B) 11,41.62</u>	<u>9,26.70</u>
Total	<u>(A + B) 230,74.17</u>	<u>207,70.22</u>
Details of raw materials consumed		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Inorganic Chemicals		
Phosphorous	110,76.61	8,330.25
Metal and metal powder	2,10.13	118.69
Minerals	9,75.61	973.44
Organic Chemicals	66,86.79	5,903.23
Others	29,83.41	4,517.91
	<u>219,32.55</u>	<u>19,843.52</u>
Details of inventory		
	As at	As at
	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
Inorganic Chemicals		
Phosphorous	3,31.54	1,00.51
Others	76.97	81.56
Minerals	19.20	56.91
Organic Chemicals	7,12.86	5,53.20
Others	21.12	29.47
	<u>11,61.69</u>	<u>8,21.65</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

20. (INCREASE)/DECREASE IN INVENTORIES		Current Year ₹ in Lacs	Previous Year ₹ in Lacs	(Increase)/decrease ₹ in Lacs
				March 31, 2014
Inventories at the end of the year				14.23
Finished goods	16,03.45	16,17.68		
Work-in-progress	13,12.42	10,34.61		(2,77.81)
Traded goods	1,65.63	3,16.18		1,50.55
	30,81.50	29,68.47		(1,13.03)
Inventories at the beginning of the year				March 31, 2013
Finished goods	16,17.68	12,57.19		(3,60.49)
Work-in-progress	10,34.61	9,84.66		(49.95)
Traded goods	3,16.18	2,42.32		(73.86)
	29,68.47	24,84.17		(4,84.30)
	(1,13.03)	(4,84.30)		
Details of Purchase of traded goods				
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	
Chemicals		330.34	298.69	
Others		557.46	464.04	
		887.80	762.73	
Details of inventory				
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	
Finished goods				
Phosphorous and its compounds		4,03.02	6,36.38	
Chemicals		9,90.30	8,87.48	
Organic manure		68.95	40.86	
Others		1,41.18	52.96	
		16,03.45	16,17.68	
Work-in-progress				
Phosphorous and its compounds		40.85	60.95	
Chemicals		2,14.02	2,91.40	
Others		10,57.55	6,82.26	
		13,12.42	10,34.61	
Traded goods				
Chemicals		16.84	3.60	
Others		1,48.79	3,12.58	
		1,65.63	3,16.18	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

21. EMPLOYEE BENEFITS EXPENSE	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	39,96.24	36,67.84
Contribution to provident and other funds	3,68.54	3,33.09
Provision/payment of gratuity (Refer Note 27)	5,53.87	5,34.07
Provision for other retirement benefits	2,57.83	2,36.29
Workmen and staff welfare expenses	3,45.47	3,08.47
	55,21.95	50,79.76
22. OTHER EXPENSES	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares (Refer Note 40)	73.31	73.51
Processing charges	2,54.78	1,43.92
(Increase)/decrease of excise duty on inventory (Refer Note 17)	6.62	13.34
Power and fuel	28,11.17	29,91.47
Effluent expenses	6,48.33	6,01.67
Rent (Refer Note 30)	40.77	46.51
Rates and taxes	94.15	94.65
Insurance	77.93	72.07
Repairs and maintenance		
– Plant and machinery	11,34.79	11,91.58
– Buildings	1,12.74	1,10.83
– Others	1,37.58	99.11
Sales commission and discounts	1,44.58	99.52
Travelling and conveyance	2,03.34	2,23.94
Legal and professional fees	2,69.94	2,30.08
Directors' sitting fees	3.10	2.65
Payment to auditor (refer details below)	26.80	22.61
Exchange differences (net)	—	68.24
Bad debts/sundry debit balances written off (net)	25.49	17.41
Freight outward and forwarding expenses	9,32.37	8,38.38
Charity and donations	26.57	76.75
Provision for doubtful receivables (net)	9.97	26.05
Tangible assets written off	81.63	46.92
Loss on sale of assets (net)	31.71	34.54
Miscellaneous expenses	12,51.54	11,57.94
	83,99.21	82,83.69
Payment to auditor	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
As auditor:		
Audit fee	14.00	14.00
Tax audit fee	5.00	5.00
Limited review	3.00	2.75
In other capacity:		
Certification fees and other matters	4.50	0.50
Reimbursement of expenses	0.30	0.36
	26.80	22.61

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

23. DEPRECIATION AND AMORTISATION EXPENSES		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Depreciation on tangible assets	10,24.49	9,75.44
Amortisation of intangible assets	78.57	37.77
	11,03.06	10,13.21
24. FINANCE COSTS		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest	10,34.10	8,94.46
Bank and financial charges	1,58.79	2,11.72
Exchange difference on buyer's credit	28.69	1,14.57
	12,21.58	12,20.76
25. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Profit after tax as per statement of profit and loss	17,48.15	14,81.56
Add/Less: Reconciliation items	—	—
Net profit for calculation of basic/diluted EPS	17,48.15	14,81.56
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	109,05,630	109,05,630
Effect of dilution		
Convertible warrants	21,918	—
Weighted average number of equity shares in calculating diluted EPS	109,27,548	109,05,630
26. MONEY RECEIVED AGAINST CONVERTIBLE WARRANTS ISSUED		
The Company has issued and allotted 20,00,000 fully convertible warrants of face value of ₹ 69/- each on a preferential basis aggregating to ₹ 13,80 lacs (Previous Year ₹ Nil) to Utkarsh Global Holdings Private Limited, a promoter group Company, pursuant to the 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. The Company has received ₹ 345 lacs being 25% of consideration of the warrants.		
The warrants will, at the option of the holder be converted into equity shares in one or more tranches, but not later than 18 months from the date of their allotment i.e. 27 March, 2014.		

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

	Current Year Gratuity (₹ in Lacs)	Previous Year Gratuity (₹ in Lacs)
Current service cost	1,46.35	1,18.02
Interest cost on benefit obligation	2,05.10	1,63.35
Expected return on plan assets	(1,99.92)	(1,71.10)
Net actuarial (gain)/loss recognised in the year	4,02.34	4,23.80
Amount included under the head employee benefit expenses (Refer Note 21)	5,53.87	5,34.07

(b) The amounts recognised in the Balance Sheet are as follows:

	As at March 31, 2014 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at March 31, 2013 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	32,24.42	25,83.68
Less: Fair value of plan assets	24,91.40	21,41.39
Net Liability included under the head Provisions in Note No. 'I'	7,33.02	4,42.29

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	As at March 31, 2014 Gratuity (₹ in Lacs)	As at March 31, 2013 Gratuity (₹ in Lacs)
Opening defined benefit obligation	25,83.68	19,67.88
Interest cost	2,05.10	1,63.35
Current service cost	1,46.35	1,18.02
Benefits paid	(1,03.18)	(92.30)
Actuarial (gains)/losses on obligation	3,92.47	4,26.73
Closing defined benefit obligation	32,24.42	25,83.68

(d) Changes in the fair value of plan assets are as follows:

	As at March 31, 2014 Gratuity (₹ in Lacs)	As at March 31, 2013 Gratuity (₹ in Lacs)
Opening fair value of plan assets	21,41.39	18,34.92
Expected return	1,99.92	1,71.10
Contributions by employer	2,63.15	2,24.74
Benefits paid	(1,03.18)	(92.30)
Actuarial gains/(losses)	(9.88)	2.93
Closing fair value of plan assets	24,91.40	21,41.39

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

27. DETAILS OF EMPLOYEE BENEFITS (Contd.)

	As at 31st March, 2014 Gratuity (₹ in Lacs)	As at 31st March, 2013 Gratuity (₹ in Lacs)
(e) Expected contribution to defined benefit plan for the next year.	350.00	250.00
(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	Current Year	Previous Year
Insurer Managed Funds (Life Insurance Corporation of India)	86.92%	86.39%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	13.08%	13.61%
	100%	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		
	Gratuity Current Year	Gratuity Previous Year
(g) The principal actuarial assumptions at the Balance Sheet date:		
Discount rate	8.80%	8.10%
Expected rate of return on assets	9%	9%
Expected rate of salary increase	8.50%	6.50%
Mortality table	IALM (2006-08)	LIC (1994-96)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	5% to 1%	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 periods are as follows: [AS15 Para 120(n)] [1]		

(₹ in Lacs)

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	32,24.42	25,83.68	19,67.88	17,26.60	*
Plan assets	24,91.40	21,41.39	18,34.92	15,87.46	*
Surplus/(deficit)	(7,33.02)	(4,42.29)	(1,32.96)	(1,39.14)	*
Experience adjustments on plan liabilities	93.12	88.21	1,16.83	2,03.59	*
Experience adjustments on plan assets	9.88	(2.93)	9.52	6.68	*

* The disclosure required under Para 120(n)(ii) of Accounting Standard 15 "Employee Benefits" (Revised, 2003) pertaining to experience adjustments on plan assets and plan liabilities is not given for previous one year on the ground that such information is not available with the Company.

(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	Current Year (₹ in Lacs)	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	2,09.04	1,84.92
Family Pension Fund	61.51	61.55
Superannuation Fund	92.80	81.45

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28. SEGMENT INFORMATION

1. Information About Primary Business Segments:

Particulars	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
REVENUE:						
External Revenue:	403,62.20	14,40.74	418,02.94	374,76.53	10,16.58	384,93.11
Un-allocated revenue:			3,45.22			3,23.31
Total Revenue:			421,48.16			388,16.42
RESULT:						
Segment result:	45,78.53	(11.93)	45,66.60	47,05.39	(45.33)	46,60.06
Un-allocated expenditure net of un-allocated income:			12,91.60			12,68.95
Finance Costs			12,21.58			12,20.76
Profit before taxation but after prior period adjustments:			20,53.42			21,70.35
Current:						
Provision for Taxation:						
Current:			5,81.00			7,03.00
In respect of earlier years:			(1,86.06)			(80.48)
Minimum Alternative Tax (Entitlement)			—			—
Deferred tax:			(89.67)			66.27
Profit/(Loss) after tax:			17,48.15			14,81.56
OTHER INFORMATION:						
Segment Assets:	289,47.88	8,85.51	298,33.39	242,94.29	9,47.74	252,42.03
Un-allocated Assets:			51,69.98			49,31.24
Total Assets:			350,03.37			301,73.27
Segment Liabilities:	(54,67.42)	(1,98.10)	(5,665.52)	(50,57.27)	(4,59.48)	(55,16.75)
Un-allocated Liabilities:			(143,28.12)			(112,61.47)
Total Liabilities:			(199,93.64)			(167,78.22)
Segment Capital expenditure:	19,73.62	30.05	20,03.67	22,01.78	50.10	22,51.88
Un-allocated Capital expenditure:			25.19			2,71.70
Segment Depreciation and Amortisation:	9,39.67	43.66	9,83.33	8,49.62	80.29	9,29.91
Un-allocated Depreciation and Amortisation:			1,19.73			83.30
Segment Non-cash expenses other than Depreciation and Amortisation:	94.78	22.31	1,17.09	61.86	28.52	90.38
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			—			—

2. Information About Secondary Business Segments:

	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:	354,08.58	67,39.58	421,48.16	313,15.19	75,01.23	388,16.42
Carrying amount of Assets:	330,71.41	19,31.96	350,03.37	283,83.96	17,89.31	301,73.27
Capital Expenditure:	20,28.86	—	20,28.86	25,23.58	—	25,23.58

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.

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29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties with whom transaction have taken place during the year

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Agrocel Industries Limited

Anshul Specialty Molecules Limited

C. C. Shroff Research Institute

C. C. Shroff Self Help Centre

Dipkanti Investments & Financing Private Limited

Divakar Techno Speciality & Chemicals Limited

Excel Crop Care Limited

Good Rasayan Limited

Hyderabad Chemical Supplies Limited

Hyderabad Chemical Products Limited

Pidilite Industries Ltd

Pritami Investments Private Limited

Shrodip Investments Private Limited

Shrujan Trust

Transpek Industry Limited

Transpek Industry (Europe) Limited

Utkarsh Chemicals Private Limited

Utkarsh Global Holdings Private Limited

Rashtriya Seva Trust

Transpek-Silox Industry Limited

Shri Seetha Rama Seva Sadan

Samarth Gram Vikas Trust

Indian Centre for Climate & Social Impact Research

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Dipesh K. Shroff (Director)

Shri Atul G. Shroff (Director)

Shri Ravi Ashwin Shroff (Son of Shri Ashwin C. Shroff)

Shri S. R. Potdar (Executive Director)

Relatives of Key Management Personnel

Shri Kantisen C. Shroff (Father of Shri Dipesh K. Shroff)

Smt. Shruti Atul Shroff (Wife of Shri Atul G. Shroff)

Kum. Vishwa Atul Shroff (Daughter of Shri Atul G. Shroff)

Smt. Chanda Kantisen Shroff (Mother of Shri Dipesh K. Shroff)

Smt. Preeti Dipesh Shroff (Wife of Shri Dipesh K. Shroff)

Shri Hrishit Ashwin Shroff (Son of Shri Ashwin C. Shroff)

Smt. Chetna Praful Saraiya (Sister of Shri Atul G. Shroff)

Smt. Hiral Tushar Dayal (Sister of Shri Atul G. Shroff)

Shri Tushar Charandas Dayal (Brother in law of Shri Atul G. Shroff)

Smt. Anshul Amrish Bhatia (Daughter of Shri Ashwin C. Shroff)

Smt. Ami Abhay Saraiya (Sister of Shri Dipesh K. Shroff)

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Sitting Fees	Issue of convertible warrants	Reimbursement of Expenses from Party (Income)	Reimbursement of Expenses to Party (Expenses)	Charity & Donation	Salary, Bonus & contribution to PF	Retirement Benefits	Amount owed by related parties	Amount owed to related parties
Subsidiaries																	
Excel Bio Resources Limited	31-Mar-14	—	—	—	—	—	5.00	—	—	—	—	—	—	—	—	—	5.00
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Enterprises owned or significantly influenced by key management personnel or their relatives																	
Excel Crop Care Limited	31-Mar-14	56,00.74	26.40	—	7.37	—	24.89	4.37	—	—	—	2.26	—	—	—	14,39.14	2.51
	31-Mar-13	42,72.19	36.58	13.50	4.92	1.79	20.70	2.92	—	—	12.72	5.34	—	—	—	10,01.15	22.21
Agrocel Industries Limited	31-Mar-14	72.05	—	—	—	1.92	0.51	—	—	—	—	—	—	—	—	10.00	—
	31-Mar-13	13,27.56	—	—	—	10,34.91	—	—	—	—	—	—	—	—	—	6,76.73	4,65.14
Anshul Specialty Molecules Limited	31-Mar-14	33.50	—	—	—	25.26	—	0.83	—	—	—	—	—	—	—	—	—
	31-Mar-13	23.84	—	—	—	4.50	—	37.80	—	—	—	—	—	—	—	18.55	—
Transpek Industry Limited	31-Mar-14	20.59	—	—	—	0.16	—	4.70	—	—	—	—	—	—	—	24.56	—
	31-Mar-13	5.93	—	—	—	0.78	16.26	3.13	—	—	—	—	—	—	—	—	0.06
Hyderabad Chemical Products Limited	31-Mar-14	3,57.21	—	—	—	—	—	1.40	—	—	—	—	—	—	—	52.84	—
	31-Mar-13	3,37.01	—	—	—	—	—	0.94	—	—	—	—	—	—	—	1,47.33	—
C. C. Shroff Self - Help Centre	31-Mar-14	—	—	—	—	0.68	—	—	—	—	—	—	—	—	—	—	0.04
	31-Mar-13	—	—	—	—	0.92	—	—	—	—	—	—	—	—	—	—	0.12
C. C. Shroff Research Institute	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	0.29	—	—	—	—	—	—	—	—	—	—
Good Rasayan Limited	31-Mar-14	—	—	—	—	—	72.14	—	—	—	—	—	—	—	—	—	19.13
	31-Mar-13	—	—	—	—	—	46.72	—	—	—	—	—	—	—	—	—	9.35
Dipkanti Investment & Financing Private Limited	31-Mar-14	—	—	—	—	—	—	2.70	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.80	—	—	—	—	—	—	—	—	—
Divakar Techno Speciality & Chemicals Limited	31-Mar-14	—	—	—	—	—	—	—	—	—	—	25.46	—	—	—	—	15.63
	31-Mar-13	—	—	—	—	—	0.69	—	—	—	—	—	—	—	—	—	—
Hyderabad Chemical Supplies Limited	31-Mar-14	1.17	—	—	—	—	—	4.50	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	5.62	—	—	—	—	—	—	—	—	—
Pidilite Industries Ltd	31-Mar-14	39.72	—	—	—	—	—	—	—	—	—	—	—	—	—	21.90	—
	31-Mar-13	78.07	—	—	—	—	—	—	—	—	—	—	—	—	—	23.27	—
Utkarsh Chemicals Private Limited	31-Mar-14	—	—	—	—	—	—	98.74	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	27.58	—	—	—	—	—	—	—	—	—
Pritami Investments Private Limited	31-Mar-14	—	—	—	—	—	—	2.40	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.60	—	—	—	—	—	—	—	—	—
Shrodip Investments Private Limited	31-Mar-14	—	—	—	—	—	—	0.88	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.59	—	—	—	—	—	—	—	—	—
Shri Seetha Rama Seva Sadan	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	1.50	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	7.00	—	—	—	—

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Related Party Transactions (Contd.)

(₹ in Lacs)

	Year ended	Sale of goods	Sale of services	Sale of fixed assets	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Sitting Fees	Issue of convertible warrants	Reimbursement of Expenses from Party (Income)	Reimbursement of Expenses to Party (Expenses)	Charity & Donation	Salary, Bonus & contribution to PF	Retirement Benefits	Amount owed by related parties	Amount owed to related parties
Rashtriya Seva Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	2.00	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	2.00	—	—	—	—
Transpek Industry (Europe) Limited	31-Mar-14	—	—	—	—	—	23.03	—	—	—	—	—	—	—	—	1.03	—
	31-Mar-13	—	—	—	—	—	20.98	—	—	—	—	—	—	—	—	12.46	—
Transpek-Silox Industry Limited	31-Mar-14	—	—	—	2,56.19	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	2,24.16	—	—	—	—	—	—	—	—	—	—	—	—
Utkarsh Global Holdings Private Limited	31-Mar-14	—	—	—	—	—	—	—	—	3,45.00	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Samarth Gram Vikas Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	0.75	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	2.50	—	—	—	—
Indian Centre for Climate & Social Impact Research	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	6.00	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	12.00	—	—	—	—
Shrujan Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	20.00	—	—	—	—
Mrs. Usha A. Shroff	31-Mar-14	—	—	—	—	—	—	0.19	—	—	—	—	—	72.61	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.13	—	—	—	—	—	78.23	—	—	—
Mr. D. K. Shroff	31-Mar-14	—	—	—	—	—	—	0.26	0.50	—	—	—	—	2.50	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.17	0.45	—	—	—	—	1.80	—	—	—
Mr. R. A. Shroff	31-Mar-14	—	—	—	—	—	—	1.43	—	—	—	—	—	25.94	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.95	—	—	—	—	—	17.66	—	—	—
Mr. A. C. Shroff	31-Mar-14	—	—	—	—	—	—	2.49	—	—	—	—	—	77.71	—	—	—
	31-Mar-13	—	—	—	—	—	—	3.12	—	—	—	—	—	83.47	—	—	—
Mr. H. A. Shroff	31-Mar-14	—	—	—	—	—	—	1.43	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.95	—	—	—	—	—	—	—	—	—
Mr. K. C. Shroff	31-Mar-14	—	—	—	—	—	—	1.71	—	—	—	—	—	—	3.60	—	—
	31-Mar-13	—	—	—	—	—	—	1.14	—	—	—	—	—	—	3.60	—	—
Mr. S. R. Potdar	31-Mar-14	—	—	—	—	—	—	0.06	—	—	—	—	—	79.90	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.04	—	—	—	—	—	73.78	—	—	—
Mr. A. G. Shroff	31-Mar-14	—	—	—	—	—	—	1.79	0.20	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.20	0.20	—	—	—	—	—	—	—	—
Others	31-Mar-14	—	—	—	—	—	—	6.52	—	—	—	0.55	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	4.16	—	—	—	—	—	—	—	—	—

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
Kamalijyot Investments Ltd. (Refer Note 13)	31-Mar-14	75.00	—	8,40.00
	31-Mar-13	4,70.00	—	7,65.00

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 lease are renewable for further period of five years, with an escalation clause of 15% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements.		
	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Lease payments for the year	40.77	46.51
Sub-lease payments received during the year	Nil	Nil
Minimum lease payments under non cancellable operating lease as at 31st March		
(a) Not later than one year	23.85	19.37
(b) Later than one year but not later than five years	1,02.91	Nil
(c) Later than five years	Nil	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.		
There are no uncollectible minimum lease payments receivable at the reporting date. Current Year: ₹ Nil (Previous Year: ₹ Nil)		
Future Minimum Lease payments		
(a) Not later than one year	27.29	28.01
(b) Later than one year but not later than five years	11.00	37.40
(c) Later than five years	Nil	Nil
31. RESEARCH AND DEVELOPMENT COSTS		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
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	3,62.24	2,83.70
Depreciation on Research and Development Equipment	43.81	42.27
	4,06.05	3,25.97
*includes ₹ 98.91 lacs , ₹ 62.76 lacs and ₹ 1,64.07 lacs (Previous Year: ₹ 97.43 lacs, ₹ 56.38 lacs and ₹ 93.83 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 ₹ 5.58 lacs , ₹ 4.51 lacs and ₹ 48.03 lacs (Previous Year: ₹ 27.13 lacs, ₹ 21.16 lacs and ₹ 34.24 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)].	85.53	104.94
32. CONTINGENT LIABILITIES		
	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Bills discounted	5,05.91	8,11.93
Disputed Income-tax liability	21,01.91	17,11.50
Disputed Excise Duty liability	6,85.90	4,50.19
Disputed Sales Tax liability	16.52	19.96
Disputed Custom duty tax liability	27.43	21.78
Disputed Service Tax liability	48.02	32.22
Guarantees given by Company's Bankers on behalf of the Company to third parties	21.79	82.14
Claims against the Company not acknowledged as debts	24.31	13.46
Liability in respect of claim made by workers and contract labourers	Amount not ascertainable	Amount not ascertainable

EXCEL INDUSTRIES LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

33. CAPITAL COMMITMENTS		For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		6,34.55	3,66.62

34. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials	—	(0.21)
Export Incentives	(0.31)	0.28
Excise Duty	15.78	2.22
Depreciation	—	0.28
Employee benefits expense	84.31	13.51
Discount	—	0.22
Others	(0.14)	1.42
	99.64	17.72

35. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE				For the year ended March 31, 2013 ₹ in Lacs	For the year ended March 31, 2013 Foreign Currency Value in Lacs
	Currency	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2014 Foreign Currency Value in Lacs		
(a) Forward contract – Buy for Hedging Purpose					
(i) Loans/Interest thereon	USD	9,81.02	16.38	6,26.45	11.54
(b) Un-hedged Foreign Currency Exposure on					
(i) Import Payables	USD	3,84.62	6.42	1,98.98	3.67
	GBP	—	—	1.97	0.02
(ii) Export Receivables	USD	18,28.85	30.54	17,09.84	31.51
	EURO	83.72	1.02	43.27	0.62
(iii) Bank Balances	USD	1.37	0.02	1.25	0.02

36. DETAILS OF LOAN GIVEN TO A SUBSIDIARY COMPANY		For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Kamalijyot Investments Limited (Refer Note 13)			
Maximum amount outstanding during the year ₹ 8,40 lacs (Previous Year: ₹ 7,65 lacs)		8,40.00	7,65.00
The loan is repayable on or after 1st April 2016.			

EXCEL INDUSTRIES LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
The Company has overdue amounts to suppliers under MSMED as at March 31, 2014. The disclosure pursuant to the said Act is as under:		
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	3,93.67	—
Interest due on above	27.46	—
	421.13	—
The amount of interest paid by the buyer in terms of section 18 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.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year (Financial Year 2013-14).	27.46	—
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.	27.46	—
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.		
38. VALUE OF IMPORTS CALCULATED ON CIF BASIS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw-materials	124,79.94	92,82.75
Capital goods	53.50	1,32.01
Purchase of Traded Goods	4.70	3.55
	125,38.14	94,18.31
39. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Finance cost	12.25	22.39
Container Rental Charges	37.07	41.32
Freight Outwards	87.96	85.16
Travelling and Conveyance	2.95	9.24
Discount on Sales	—	14.02
Legal and Professional Fees	1.85	3.17
Commission on Export Sales	0.60	1.93
Export Product Registration	15.51	16.26
Others	35.14	13.26
	1,93.33	2,06.75

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

40. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED	For the year ended March 31, 2014 % of total consumption Value ₹ in Lacs	For the year ended March 31, 2013 % of total consumption Value ₹ in Lacs
Raw Materials		
Imported	56% 122,92.17	49% 97,92.03
Indigenous obtained	44% 96,40.40	51% 100,51.49
	100% 219,32.57	100% 198,43.52
Stores & Spares		
Imported	— —	— —
Indigenous obtained	100% 73.31	100% 73.51
	100% 73.31	100% 73.51

41. CAPITALIZATION OF EXPENDITURE	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
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	16.25	—
Finance Lease charges	2.77	—
	19.02	—

42. FINANCE LEASE : COMPANY AS LESSEE	March 31, 2014 Minimum Payments ₹ in Lacs Present Value of MLP ₹ in Lacs	March 31, 2013 Minimum Payments ₹ in Lacs Present Value of MLP ₹ in Lacs
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 lease together with the present value of the net MLP are as follows.		
Within one year	2,16.75 1,94.48	— —
After one year but not more than five years	4,07.94 3,28.59	— —
More than five years	— —	— —
Total minimum lease payments	6,24.69 5,23.07	— —
Less : Amounts representing Finance charges	(1,01.62) —	— —
Present value of Minimum Lease Payments	5,23.07 5,23.07	— —

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

43. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Exports of Goods on F.O.B. basis	65,78.33	73,38.65
Technical Fees	—	11.41
	65,78.33	73,50.06
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. BATLIBOI & CO. LLP Firm registration no.: 301003E <i>Chartered Accountants</i>		
per Jayesh M. Gandhi <i>Partner</i> Membership No. 37924		
<i>Place : Mumbai</i> <i>Date: 23 May 2014</i>		
For and on behalf of the Board of Directors of Excel Industries Limited		
A. C. SHROFF <i>Chairman and Managing Director</i>		U. A. SHROFF <i>Executive Vice Chairperson</i>
KAILAS DABHOLKAR <i>Chief Financial Officer</i>		S. K. SINGHVI <i>Company Secretary</i>
<i>Place : Mumbai</i> <i>Date: 23 May 2014</i>		

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

INDEPENDENT AUDITOR'S REPORT

TO
BOARD OF DIRECTORS OF
EXCEL INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of Excel Industries Limited ("the Company") and its subsidiaries (together referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint venture the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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Other Matter

We did not audit total assets of ₹ 1,242.94 lacs as at March 31, 2014 and total revenues of ₹ 57.40 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiary whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary and joint venture is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per JAYESH M. GANDHI

Partner

Membership No: 37924

Place: Mumbai

Date: 23 May 2014

EXCEL INDUSTRIES LIMITED

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Notes	As at March 31, 2014 (₹ in Lacs)	As at March 31, 2013 (₹ In Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	5,45.28	5,45.28
Reserves and surplus	4	143,26.88	130,06.36
Money Received against Convertible warrants (Refer Note No. 26)		3,45.00	—
		152,17.16	135,51.64
Non-Current Liabilities			
Long-term borrowings	5	25,87.08	10,50.07
Deferred tax liabilities (net)	6	13,82.83	14,72.50
Long-term provisions	7	12,82.88	8,05.32
		52,52.79	33,27.89
Current Liabilities			
Short-term borrowings	8	68,75.37	59,35.12
Trade payables	9	52,61.52	49,94.74
Other current liabilities	9	17,54.51	13,93.71
Short-term provisions	7	8,47.94	11,34.37
		147,39.34	134,57.94
TOTAL		352,09.29	303,37.47
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	126,57.15	118,35.21
Intangible assets	11	1,83.03	2,53.93
Capital work-in-progress		20,09.04	4,76.91
Non-current investments	12.1	21,81.44	21,03.54
Loans and advances	13	4,41.08	4,11.36
Other non-current assets	14.2	1,05.00	1,78.00
		175,76.74	152,58.95
Current Assets			
Inventories	15	48,14.08	42,70.53
Current Investments	12.2	59.35	47.73
Trade receivables	14.1	101,59.75	88,86.19
Cash and bank balances	16	9,35.79	6,96.11
Loans and advances	13	14,57.57	9,99.78
Other current assets	14.2	2,06.01	1,78.18
		176,32.55	150,78.52
TOTAL		352,09.29	303,37.47
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of the consolidated financial statements.			
As per our report of even date			
For S. R. BATLIBOI & CO. LLP Firm registration no.: 301003E Chartered Accountants	For and on behalf of the Board of Directors of Excel Industries Limited		
per Jayesh M. Gandhi Partner Membership No. 37924	A. C. SHROFF Chairman and Managing Director	U. A. SHROFF Executive Vice Chairperson	
	KAILAS DABHOLKAR Chief Financial Officer	S. K. SINGHVI Company Secretary	
Place : Mumbai Date : 23 May 2014	Place : Mumbai Date : 23 May 2014		

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ In Lacs)
INCOME			
Revenue from operations (gross)	17	457,45.15	420,49.75
Less: Excise duty		40,53.22	36,38.45
Revenue from operations (net)		416,91.93	384,11.30
Other income	18.2	4,34.66	3,41.36
Total revenue (I)		421,26.59	387,52.66
EXPENSES			
Cost of materials consumed	19	230,74.17	207,70.22
Purchase of traded goods	20	8,87.80	7,62.73
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(1,13.03)	(4,84.30)
Employee benefits expense	21	55,21.95	50,79.76
Other expenses	22	83,99.07	82,90.41
Total Expenses (II)		377,69.96	344,18.82
Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II)		43,56.63	43,33.84
Depreciation and amortisation expense	23	11,03.08	10,13.24
Interest income	18.1	(83.44)	(88.46)
Finance costs	24	12,21.87	12,20.99
Profit before tax and prior period adjustments		21,15.12	21,88.07
Tax expenses			
Current tax			
Pertaining to profit for the current year		5,92.08	7,08.38
Adjustment of tax relating to earlier periods		(1,86.27)	(80.48)
Minimum Alternative Tax (Entitlement)		—	0.90
Deferred tax		(89.67)	66.26
Total tax expense		3,16.14	6,95.06
Profit after tax		17,98.98	14,93.01
Profit for the year		17,98.98	14,93.01
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	25		
Basic (in ₹) computed on the basis of profit for the year		16.50	13.69
Diluted (in ₹) computed on the basis of profit for the year		16.46	13.69
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of the consolidated financial statements. As per our report of even date For S. R. BATLIBOI & CO. LLP Firm registration no.: 301003E Chartered Accountants per Jayesh M. Gandhi Partner Membership No. 37924 Place : Mumbai Date : 23 May 2014			
For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director KAILAS DABHOLKAR Chief Financial Officer Place : Mumbai Date : 23 May 2014			
U. A. SHROFF Executive Vice Chairperson S. K. SINGHVI Company Secretary			

EXCEL INDUSTRIES LIMITED

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 (₹ in Lacs)	For the year ended March 31, 2013 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	21,15.12	21,88.07
Adjustments for:		
Depreciation and Amortisation Expense	10,24.51	9,75.48
Amortisation of Intangible Assets	78.57	37.77
Share of loss in Partnership Firm	—	0.02
Bad Debts/Sundry Debit Balances Written Off (Net)	25.49	17.41
Loss/(Profit) on sale of Tangible Assets	29.65	36.82
Loss/(Profit) on sale of Investments	(0.56)	1.13
Provision for Gratuity/Leave Encashment	8,11.70	7,70.36
Tangible Assets written off	81.66	46.94
Contingent Provision for Standard Assets	0.30	—
Provision for Doubtful receivables	9.97	26.05
Sundry Credit Balances written back	(5.71)	(32.53)
Provision for Diminution in value of investments written back	(4.99)	—
Interest Income	(83.43)	(88.47)
Dividend Income	(2,97.52)	(2,34.00)
Finance Cost	10,34.09	8,94.70
Unrealised exchange loss	68.20	1,16.01
Share of Dividend from Associate Company	—	—
Short/(Excess) Provision for other items (Net)	(99.64)	(17.72)
	26,72.29	25,49.97
Operating Profit before working capital changes	47,87.41	47,38.04
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(13,77.38)	(5,04.28)
Decrease/(Increase) in Inventories	(5,43.55)	4,89.59
Decrease/(Increase) in Other Current Assets	(1,48.25)	(1,97.71)
Decrease/(Increase) in Loans & Advances	(3,89.53)	(32.27)
Increase/(Decrease) in Current Liabilities & Provisions	(1,00.86)	(11,17.25)
	(25,59.57)	(13,61.92)
Cash generated from Operations	22,27.84	33,76.12
Direct taxes paid	8,87.89	6,40.60
	8,87.89	6,40.60
Net cash from Operating Activities (A)	13,39.95	27,35.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets includes capital advances	(35,34.25)	(22,01.46)
Purchase of Intangible Assets	(7.67)	(2,39.07)
Proceeds of tangible assets	63.44	88.51
Purchase of Investments	(89.44)	(4,50.80)
Sale of Investments	5.42	70.65
Sundry Loans given	—	(1,20.00)
Interest received	79.47	81.61
Dividend received	2,97.52	2,34.00
Net Cash used in Investing Activities (B)	(31,85.51)	(25,36.56)

EXCEL INDUSTRIES LIMITED

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 (₹ in Lacs)	For the year ended March 31, 2013 (₹ in Lacs)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from issue of convertible Warrants	3,45.00	—
Proceeds from borrowings (Gross)	64,92.95	45,22.84
Repayment of borrowings (Gross)	(34,61.00)	(37,15.60)
Dividend Paid	(3,21.92)	(2,15.70)
Interest Paid	(10,24.58)	(9,50.35)
Tax on distributed Profits	(55.60)	(35.38)
Net cash from Financing Activities (C)	19,74.85	(3,94.19)
Net increase in cash and cash equivalents (A+B+C)	1,29.29	(1,95.23)
Cash and cash equivalents at the beginning of the year	6,51.66	8,46.89
Cash and cash equivalents at the end of the year	7,80.95	6,51.66
Components of Cash and Cash Equivalents:		
1. Cash on hand	0.07	0.03
2. Bank Balances in India:		
With Scheduled Banks:		
(i) In Unclaimed Dividend Accounts *	20.51	15.26
(ii) In Current Accounts	7,50.37	6,36.37
(iii) In Deposits	10.00	—
	7,80.95	6,51.66
Note: * Cash and cash equivalents include ₹ 20.51 lacs (Previous Year: ₹ 15.26 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.		
As per our attached Report of even date		
For S. R. BATLIBOI & CO. LLP Firm registration no.: 301003E Chartered Accountants per Jayesh M. Gandhi Partner Membership No. 37924	For and on behalf of the Board of Directors of Excel Industries Limited	
	A. C. SHROFF Chairman and Managing Director	U. A. SHROFF Executive Vice Chairperson
	KAILAS DABHOLKAR Chief Financial Officer	S. K. SINGHVI Company Secretary
Place : Mumbai Date : 23 May 2014	Place : Mumbai Date : 23 May 2014	

EXCEL INDUSTRIES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. CORPORATE INFORMATION

The holding Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The holding Company is engaged in manufacturing of Chemicals and Environmental products. Chemical products comprise of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprise of Soil Enricher, Bio - Pesticides and other Bio-products. 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 holding Company and is in the process of exploring business opportunities in the areas of renewable bio-resources, waste management, renewable energy and biotechnological processes. Kamalijot Investments Limited, another wholly owned subsidiary of the holding 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 (hereinafter referred to as "the holding Company") and its subsidiary Companies (hereinafter referred to as "the group"). 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 March 31, 2014	As at March 31, 2013
Kamalijot Investments Limited	India	100%	100%
Excel Bio Resources Limited	India	100%	100%

- (b) The group has 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 Balance Sheet as at March 31, 2014 have been considered for preparation of the aforesaid consolidated financial statements. There is no change in the ownership interest as compared to previous year.
- (c) 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 the Companies (Accounting Standards) Rules, 2006 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.
- (d) The financial statement of the subsidiaries drawn upto the same reporting date viz. year ended March 31, 2014 has been used for the purpose of consolidation.
- (e) The Consolidated financial statements of the holding Company and its Subsidiary Companies have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, 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.
- (f) 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 accounts 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 companies are stated in Note No. 2.3 below, if material.

2.1 BASIS OF PREPARATION

The Consolidated financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956, read with General circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets of holding Company for which revaluation is carried out. The accounting policies have been consistently applied by the group are consistent with those used in the previous year.

EXCEL INDUSTRIES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.2 PRESENTATION AND DISCLOSURE OF CONSOLIDATED FINANCIAL STATEMENTS

All assets and liabilities have been classified as current or non-current as per the groups normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.3 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 and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(c) Depreciation on tangible fixed assets

- (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 or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

Description of Tangible Assets	*Rates (SL Method) (Range)	Schedule XIV Rates (SL Method)
Buildings	1.63%-19.00%	1.63%
Plant and Machinery	5.28%-47.50%	5.28%
Electrical Installations	5.28%-31.67%	5.28%

* Depreciation Rates on SL Method for the balance useful life as estimated by the valuer.

- (2) In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai upto September 30, 1981, on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (3) In respect of all other Fixed Assets, on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (4) Individual assets acquired for less than ₹ 5,000 are entirely depreciated in the year of acquisition.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(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 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

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, 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.

Finance Leases

Assets acquired under finance leases which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized and a corresponding loan liability is recognized. The lease rentals paid are bifurcated into principal and interest component by applying an implicit rate of return. The interest is charged as a period cost and the principal amount is adjusted against the liability recognized in respect of assets taken on financial lease.

Where the Holding Company is the lessor

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

Assets subject to operating leases are included in fixed assets. Lease income 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(g) Borrowing costs

Borrowing cost includes interest and amortisations of ancillary costs in connections 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. All other borrowing costs are expensed in the period they occur. Interest and other costs incurred for acquisition and construction of qualifying assets, upto the date of commissioning/installation, are capitalised as part of the cost of the said assets.

(h) Impairment of tangible and intangible assets

The group 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 group 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 group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the group'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 group 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 group 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Where the group 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.

(k) Inventories

Raw materials, containers, (packing materials) stores and spares 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 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.

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 group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the group. 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 group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the group. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 Entitlement Pass Book Scheme or 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'.

Dividends

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

Royalties

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 considered to the extent the amount is ascertainable/accepted by the parties.

(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 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 group has no obligation, other than the contribution payable to the provident fund. The group 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 group 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 Company in the form of a 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 utilised within the next 12 months, is treated as short-term employee benefit. The group 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 group 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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 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. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(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.

(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) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, 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. In its measurement, the group does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

(v) 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 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.

Initial margins paid for entering into the contract are disclosed in the Balance Sheet as Current Investments as it is represented by way of investment in units of LiquidBeEs (Mutual Fund). The dividend earned on such units of LiquidBeEs is further invested in purchase of additional LiquidBeEs. These LiquidBeEs are pledged as Margin for trading in Futures and Option Segment of NSE Niftyindex and have been disclosed as restricted investment. Also refer Note 42.

As on the reporting date, the profit/loss on open positions are accounted for as follows:

Credit balance in the “Nifty Index” being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.

Debit balance in the “Nifty Index” being anticipated loss, is provided in the statement of profit and loss.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

3. SHARE CAPITAL

	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Authorised shares		
3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	19,00.00	19,00.00
8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	85.00	85.00
3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	15.00	15.00
	20,00.00	20,00.00
Issued, subscribed and fully paid-up shares		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each fully paid	5,45.28	5,45.28
	5,45.28	5,45.28

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

Equity Shares

	March 31, 2014		March 31, 2013	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	10,905,630	5,45.28	10,905,630	5,45.28
Fresh issue of shares during the period	—	—	—	—
Outstanding at the end of the period	10,905,630	5,45.28	10,905,630	5,45.28

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3.75/- (Previous Year: ₹ 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 as under):-

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	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	1,012,799	9.29%	1,012,799	9.29%
Utkarsh Global Holdings Private Limited	3,331,182	30.55%	3,248,974	29.79%

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

4.	RESERVES AND SURPLUS				
		As at March 31, 2014 ₹ in Lacs		As at March 31, 2013 ₹ in Lacs	
	Capital reserve				
	(a) Profit on purchase of debentures	0.01		0.01	
	(b) Government grants/subsidies	70.00		70.00	
		70.01		70.01	
	Capital Redemption Reserve	0.02		0.02	
	Securities premium account	1,81.08		1,81.08	
	General reserve				
	Balance as per the last financial statements	114,04.07		104,04.07	
	Add: Amount transferred from surplus balance in the statement of profit and loss	12,00.00		10,00.00	
	Closing balance	126,04.07		114,04.07	
	Surplus in the statement of profit and loss				
	Balance as per the last financial statements	13,51.18		12,42.18	
	Add: Profit for the year	17,98.98		14,93.01	
	Add/(less): Reduction in Reserves on cessation of Associate Company	—		(1.24)	
	Less: Appropriations	—		—	
	Proposed equity dividend [Amount per share ₹ 3.75/- (Previous Year: ₹ 3/-)]	(4,08.96)		(3,27.17)	
	Tax on proposed equity dividend	(69.50)		(55.60)	
	Transfer to general reserve	(12,00.00)		(10,00.00)	
	Total appropriations	(16,78.46)		(13,82.77)	
	Net surplus in the statement of profit and loss	14,71.70		13,51.18	
	Total reserves and surplus	143,26.88		130,06.36	

5.	LONG-TERM BORROWINGS				
		Non-current portion		Current maturities	
		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
	Term Loans				
	Indian rupee loan from banks (secured)	11,51.39	—	3,72.22	—
	From others				
	Under vehicle finance scheme (secured)	14.64	18.97	7.22	18.24
	Finance lease obligation (Unsecured)	3,62.40	—	1,60.18	—
	Deposits (unsecured)				
	From shareholders	1,65.11	1,82.28	46.80	34.82
	From public	8,93.54	8,48.82	1,92.96	2,57.52
		25,87.08	10,50.07	7,79.38	3,10.58
	The above amount includes				
	Secured borrowings	11,66.03	18.97	3,79.44	18.24
	Unsecured borrowings	14,21.05	10,31.10	3,99.94	2,92.34
	Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	(7,79.38)	(3,10.58)
	Net amount	25,87.08	10,50.07	—	—
	(a) Loan from Bank of India amounting to ₹ 5,23.61 lacs (Previous Year: ₹ Nil) is for a period of five years carrying interest rate of 12% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further secured by equitable mortgage of land and buildings of the factory located at Roha.				
	(b) Loan from HDFC Bank Ltd. amounting to ₹ 1,000 lacs (Previous Year: ₹ Nil) is for a period of five years carrying rate of interest @ 12.6% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further secured by equitable mortgage of immovable assets at Lote Parashuram.				
	(c) Term loan under vehicle finance from a financial institution amounting to ₹ 21.86 lacs (Previous Year: ₹ 37.21 lacs) carrying interest rate ranging from 12% to 14% p.a. repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.				
	(d) Finance lease obligation to Siemens Financial Services Pvt. Ltd. amounting to ₹ 5,22.59 lacs (Previous Year: ₹ Nil) is for a period of three years and carry the interest @ 12.50% p.a.				
	(e) Deposits from shareholders and public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.				

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

6. DEFERRED TAX LIABILITIES (NET)		As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs		
Deferred tax liability					
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting		18,55.64	18,30.89		
Deferred tax assets					
Impact of expenditure charged to the statement of profit and loss in the current / earlier years but allowed for tax purpose on payment basis		4,30.97	3,20.08		
Provision for doubtful debts and advances		26.66	23.27		
Other disallowances		15.18	15.04		
Gross deferred tax assets		4,72.81	3,58.39		
Net deferred tax liabilities		13,82.83	14,72.50		
The group has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised.					
7. LONG TERM PROVISIONS		Long-term		Short-term	
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs	
Provision for employee benefits					
Provision for gratuity (Refer Note 27)	5,14.27	1,92.29	2,18.75	2,50.00	
Provision for leave benefits	7,68.61	6,13.03	1,48.96	1,20.36	
	12,82.88	8,05.32	3,67.71	3,70.36	
Other provisions					
Provision for taxation [net of advance tax of ₹ 39,96.81 lacs (Previous Year: ₹ 31,95.90 lacs)]	—	—	1.34	3,80.86	
Proposed equity dividend	—	—	4,08.96	3,27.17	
Provision for tax on distributed profits	—	—	69.50	55.60	
Contingent Provision for Standard Assets	—	—	0.30	—	
Provision for Loss on Open Nifty Index / Stock Option	—	—	0.13	0.38	
	—	—	4,80.23	7,64.01	
Total	12,82.88	8,05.32	8,47.94	1,134.37	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

8. SHORT-TERM BORROWINGS	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	38,16.98	38,78.50
Working capital demand loan (secured)	9,88.61	9,88.61
Foreign currency buyer's credit loan (unsecured)	9,74.30	6,19.92
Short Term Loan from Banks (unsecured)	5,95.48	98.09
	<u>63,75.37</u>	<u>55,85.12</u>
From others		
Inter corporate deposits (unsecured)	5,00.00	3,50.00
Total	<u>68,75.37</u>	<u>59,35.12</u>
The above amount includes		
Secured Borrowing	48,05.59	48,67.11
Unsecured Borrowing	20,69.78	10,68.01
Cash credit, packing credit and working capital demand 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 receivable etc and is further secured by a second charge on the fixed assets at Roha and Lote Parashuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 10.45% to 13.5% p.a.		
Outstanding foreign currency buyer's credit loan are unsecured and carry an interest rate ranging from libor plus 85 bps to 130 bps.		
Short term unsecured loan from HDFC Bank Ltd is payable within a period of six months and carries interest rate of 11.25% p.a. and unsecured loan from YES Bank Ltd is payable within a period of twelve months and carries interest rate of 12.75% p.a.		
Inter Corporate Deposits are repayable within a period of 3 months and carries interest rates @ 12% to 12.5% p.a.		
9. OTHER CURRENT LIABILITIES		
	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Trade payables (including acceptances) (Refer Note 36 for details of dues to micro and small enterprises) (A)	<u>52,61.52</u>	49,94.74
	52,61.52	49,94.74
Other liabilities		
Current maturities of long-term borrowings (Refer Note 5)	7,79.39	3,10.58
Interest accrued but not due on borrowings	76.79	45.32
Interest accrued and due on borrowings	3.62	6.55
Investor education and protection fund will be credited by following amounts (as and when due):		
Unclaimed dividend	20.51	15.26
Unclaimed matured deposits	13.41	30.57
Advances from customers	1,01.52	3,79.58
Legal & Professional charges payable	0.83	—
Creditors for capital goods	3,72.73	2,58.03
Statutory liabilities	2,42.97	2,39.73
Sundry deposits	13.52	11.12
Nifty Index/Stock Option Premium Account (Refer Note 42)	0.09	2.05
Others	1,29.12	94.94
	<u>17,54.51</u>	13,93.71
Total (A + B)	<u>70,16.03</u>	<u>63,88.45</u>

EXCEL INDUSTRIES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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
Cost / Valuation (gross block)												
At April 1, 2012	1,71.85	2,84.71	23.43	32,62.98	164,52.41	8,11.31	5,33.95	2,31.16	6,09.63	2,98.72	9.43	226,89.58
Acquisition of Subsidiary	—	—	—	—	—	—	—	—	—	—	—	—
Additions	—	—	—	61.48	19,60.79	28.63	1,62.47	24.26	23.39	23.32	0.17	22,84.51
Disposals	—	—	—	0.07	4,86.02	32.60	—	6.90	(2.95)	1.93	0.11	5,24.68
At March 31, 2013	1,71.85	2,84.71	23.43	33,24.39	179,27.18	8,07.34	6,96.42	2,48.52	6,35.97	3,20.11	9.49	244,49.41
Additions	—	—	—	4,71.31	13,80.25	30.09	41.08	26.86	44.69	26.91	—	20,21.19
Disposals	—	—	—	2.02	5,24.49	1.34	—	—	3.10	45.74	—	5,76.69
At March 31, 2014	1,71.85	2,84.71	23.43	37,93.68	187,82.94	8,36.09	7,37.50	2,75.38	6,77.56	3,01.28	9.49	258,93.91
Depreciation												
At April 1, 2012	—	51.79	20.59	8,53.69	91,84.25	6,50.12	3,60.61	1,97.89	4,75.22	1,90.26	6.65	119,91.07
Acquisition of Subsidiary	—	—	—	—	—	—	—	—	—	—	—	—
Charge for the year	—	4.28*	2.84	99.96	7,22.67	43.30	30.24	16.17	24.98	30.68	0.36	9,75.48
Disposals/adjustments	—	—	—	0.07	3,17.99	30.50	—	6.90	(4.87)	1.66	0.11	3,52.36
At March 31, 2013	—	56.07	23.43	9,53.58	95,88.93	6,62.92	3,90.85	2,07.16	5,05.07	2,19.28	6.90	126,14.19
Charge for the year	—	3.24*	—	80.20	8,02.14	39.16	30.30	16.40	25.07	27.64	0.36	10,24.51
Disposals/adjustments	—	—	—	1.01	3,63.05	0.61	—	—	2.09	35.18	—	4,01.94
At March 31, 2014	—	59.31	23.43	10,32.77	100,28.02	7,01.47	4,21.15	2,23.56	5,28.05	2,11.74	7.26	132,36.76
Net Block												
At March 31, 2013	1,71.85	2,28.64	—	23,70.81	83,38.25	1,44.42	3,05.57	41.36	1,30.90	1,00.83	2.59	118,35.21
At March 31, 2014	1,71.85	2,25.40	—	27,60.91	87,54.92	1,34.62	3,16.35	51.82	1,49.51	89.54	2.23	126,57.15

Notes: a. * Amount written off 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)

Accumulated depreciation ₹ 85.16 lacs (Previous Year: ₹ 81.91 lacs)

Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 3.25 lacs)

Net block ₹ 1,11.29 lacs (Previous Year: ₹ 1,14.54 lacs)

d. The borrowing cost capitalised during the year is ₹ 19.02 lacs (Previous Year: ₹ Nil). The Company capitalised this borrowing cost in the capital work-in-progress.

e. The assets acquired under finance lease have been disclosed under capital work-in-progress as at 31 March 2014 amounting to ₹ 5,83.60 lacs (Previous Year: ₹ Nil).

f. **Includes ₹ 2 lacs (Previous Year: ₹ 2 lacs) being 50% share of interest in Joint Venture.

11. INTANGIBLE ASSETS

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Goodwill	Total
Cost (Gross block)					
At April 1, 2012	7.00	1,86.34	67.70	0.75*	2,61.79
Additions/purchase	—	2,39.07	—	—	2,39.07
Disposals	—	—	—	—	—
At March 31, 2013	7.00	4,25.41	67.70	0.75	5,00.86
Additions/purchase	—	7.67	—	—	7.67
Disposals	—	—	—	—	—
At March 31, 2014	7.00	4,33.08	67.70	0.75	5,08.53
Amortisation					
At April 1, 2012	7.00	1,86.34	15.82	—	2,09.16
Charge for the year	—	20.84	16.93	—	37.77
Disposals	—	—	—	—	—
At March 31, 2013	7.00	2,07.18	32.75	—	2,46.93
Charge for the year	—	61.64	16.93	—	78.57
Disposals	—	—	—	—	—
At March 31, 2014	7.00	2,68.82	49.68	—	3,25.50
Net Block					
At March 31, 2013	—	2,18.23	34.95	0.75	2,53.93
At March 31, 2014	—	1,64.26	18.02	0.75	1,83.03

Note: * Goodwill on account of acquiring a company

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12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2014			As at March 31, 2013		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Trade Investments (valued at cost unless otherwise stated)						
Quoted equity instruments						
Others						
4,64,270 (Previous Year: 4,28,333) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	8,27.15	—	8,27.15	7,65.85	—	7,65.85
5,84,977 (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	3,09.00	—	3,09.00	3,09.00	—	3,09.00
A	11,36.15	—	11,36.15	10,74.85	—	10,74.85
Unquoted equity instruments						
Investment in joint ventures						
4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong (Refer Note 40)	27.26	27.26	—	27.26	27.26	—
B	27.26	27.26	—	27.26	27.26	—
Others (unquoted)						
9,20,500 (Previous Year: 9,20,500) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	1,87.50	0.49	1,87.01	1,87.50	3.38	1,84.12
10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Limited	2,86.08	—	2,86.08	2,86.08	—	2,86.08
C	4,73.58	0.49	4,73.09	4,73.58	3.38	4,70.20
Total Trade Investment (D = A+B+C)	16,36.99	27.75	16,09.24	15,75.69	30.64	15,45.05
Non-Trade Investments (valued at cost unless otherwise stated)						
Investments in equity instruments (quoted)						
4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	1.54	—	1.54	1.54	—	1.54
35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	16.16	—	16.16	16.16	—	16.16
10,075 (Previous Year: 10,075) Equity Shares of ₹ 10/- each fully paid-up in Aimco Pesticides Limited	1.02	—	1.02	1.02	0.24	0.78
611,933 (Previous Year: 608,493) Equity Shares of ₹ 10/- each fully paid-up in Transpek Industry Limited	5,22.44	—	5,22.44	5,18.67	—	5,18.67
1,500 (Previous Year: 1,500) Equity Shares of ₹ 2/- each fully paid-up in Astra Microwave Products Limited	1.64	0.88	0.76	1.64	1.03	0.61
8 (Previous Year: 8) Equity Shares of ₹ 10/- each fully paid-up in Bayer Cropscience Limited	0.01	—	0.01	0.01	—	0.01

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12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2014			As at March 31, 2013		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
2,000 (Previous Year: 2000) Equity Shares of ₹ 1/- each fully paid-up in Carborundum Universal Limited	1.77	—	1.77	1.77	—	1.77
3,500 (Previous Year: 3,500) Equity Shares of ₹ 1/- each fully paid-up in Elgi Rubber International Limited	1.96	1.19	0.77	1.96	1.11	0.85
375 (Previous Year: 375) Equity Shares of ₹ 10/- each per Equity Shares in Gujarat Lease Financing Limited	0.58	0.58	—	0.58	0.57	0.01
4,700 (Previous Year: 4,700) Equity Shares of ₹ 10/- each fully paid-up in Gujarat State Financial Corporation	0.94	0.87	0.07	0.94	0.86	0.08
1,000 (Previous Year: 1,000) Equity Shares of ₹ 1/- each fully paid-up in Hindalco Industries Limited	1.84	0.42	1.42	1.84	0.92	0.92
100 (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Indokem Limited	0.02	0.02	—	0.02	0.02	—
420 (Previous Year: 420) Equity Shares of ₹ 10/- each fully paid-up in Lloyds Finance Limited	0.17	0.17	—	0.17	0.16	0.01
Nil (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Mangalore Chemicals & Fertilizers Limited	—	—	—	0.43	0.14	0.29
10 (Previous Year: 10) Equity Shares of ₹ 10/- each fully paid-up in Monsanto India Limited	0.03	—	0.03	0.03	—	0.03
300 (Previous Year: 300) Equity Shares of ₹ 10/- each fully paid-up in Navin Fluorine International Limited	1.13	0.09	1.04	1.13	0.49	0.64
1,000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Shah Foods Limited	0.10	—	0.10	0.10	—	0.10
4,000 (Previous Year: 4,000) Equity Shares of ₹ 1/- each fully paid-up in Sona Koyo Steering Systems Limited	1.36	0.51	0.85	1.36	0.97	0.39
Nil (Previous Year: 1600) Equity Shares of ₹ 1/- each fully paid-up in Sterlite Industries Limited	—	—	—	3.23	1.73	1.50
960 (Previous Year: Nil) Equity Shares of ₹ 1/- each fully paid-up in Sesa Sterlite Limited	3.23	1.43	1.80	—	—	—
100 (Previous Year: 100) Equity Shares of ₹ 2/- each fully paid-up in Uniphos Enterprises Limited	0.01	—	0.01	0.01	—	0.01
500 (Previous Year: 500) Equity Shares of ₹ 2/- each fully paid-up in V I P Industries Limited	0.13	—	0.13	0.13	—	0.13
121 (Previous Year: 121) Equity Shares of ₹ 10/- each fully paid-up in Zenith Birla India Limited	0.34	0.34	—	0.34	0.34	—
E	5,56.42	6.50	5,49.92	5,53.08	8.58	5,44.50

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2014			As at March 31, 2013		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Non-trade Investment (valued at cost unless stated otherwise)						
Investments in equity instruments (unquoted)						
2,500 (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	0.25	—	0.25	0.25	—	0.25
50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	5.00	—	5.00	5.00	—	5.00
1000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Alpica Finance Limited	1.00	1.00	—	1.00	1.00	—
4900 (Previous Year: 4,900) Equity Shares of ₹ 10/- each fully paid-up in Ashok Organic Industries Limited	7.84	7.84	—	7.84	7.84	—
5 (Previous Year: 5) Equity Shares of ₹ 5/- each fully paid-up in Syngenta India Limited	0.01	—	0.01	0.01	—	0.01
F	14.11	8.84	5.27	14.11	8.84	5.27
Other Investments (quoted)						
1,475 (Previous Year: 1725) Equity Shares of ₹ 10/- each fully paid-up in Goldman Sachs Mutual Fund - NIFTYBEES	7.46	—	7.46	8.73	—	8.73
G	7.46	—	7.46	8.73	—	8.73
Preference Shares (Unquoted)						
4,564 (Previous Year: Nil) Preference Shares of ₹ 100/- each fully paid-up in L & T Finance Holdings Ltd	4.56	—	4.56	—	—	—
H	4.56	—	4.56	—	—	—
Debentures (Unquoted)						
5 (Previous Year: Nil) Debentures of ₹ 1,00,000/- each fully paid-up in Anand Rath Global Finance Ltd	5.00	—	5.00	—	—	—
I	5.00	—	5.00	—	—	—
Total Non-Trade Investment (J = E+F+G+H+I)	5,87.54	15.34	5,72.21	5,75.92	17.42	5,58.49
Total Non-Current Investments (D + J)	22,24.54	43.09	21,81.44	21,51.60	48.06	21,03.54

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	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Notes:		
1. (a) Aggregate of Quoted Investments:		
Long Term Investments:		
Cost (Net of provision for diminution)	16,93.54	16,28.09
Market Value	36,11.99	14,78.96
(b) Aggregate of Unquoted Investments:		
Cost (Net of provision for diminution)	4,87.90	4,75.45
(c) Aggregate provision for diminution in value of investments	43.09	48.06

12.2 CURRENT INVESTMENTS						
	As at March 31, 2014			As at March 31, 2013		
	Cost	Diminution	Carrying Amount	Cost	Diminution	Carrying Amount
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Other Investments (at cost):						
Goldman Sachs Mutual Fund Liquid Benchmark (ETS – LiquidBeEs) (Quoted)						
(a) 5934.2200 (Previous Year: 4771.0559) LiquidBeEs	59.35	0.01	59.34	47.72	—	47.72
(Note: 2187.000 LiquidBeEs are pledged as Margin for Trading in Futures & Option Segment of NSE – Nifty index) (Refer Note 42)						
(b) 0.734 (Previous Year: 0.692) LiquidBeEs (Refer Note 42)	0.01	—	0.01	0.01	—	0.01
Total Current Investments	59.36	0.01	59.35	47.73	—	47.73
Aggregate amount of quoted investments [Market value ₹ 59.35 lacs (Previous Year: ₹ 47.73 Lacs)]			59.35			47.73

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13. LOANS AND ADVANCES		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Capital advances					
Unsecured, considered good	(A)	70.98	1,17.30	—	—
Security deposits					
Unsecured, considered good	(B)	3,26.40	2,51.97	—	—
Loan and advances to related party (Refer Note 29)					
Unsecured, considered good	(C)	—	—	—	30.00
Advances recoverable in cash or kind					
Unsecured, considered good		—	—	7,50.39	5,94.78
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	7,85.39	6,29.78
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(D)	—	—	7,50.39	5,94.78
Other loans and advances, Unsecured, considered good					
Dues from Share, Stock & Commodity Brokers		—	—	—	0.02
Advance income-tax [net of provision for taxation ₹ 3.78 lacs (Previous Year: ₹ 1.08 lacs)]		—	—	1,00.61	1.45
MAT Credit Entitlement		—	—	7.63	8.66
Inter-corporate Deposits		—	—	1,50.00	1,20.00
Income Tax refund receivable		—	—	—	0.10
Prepaid expenses		7.22	6.12	1,67.73	1,59.20
Miscellaneous receivable		—	—	—	0.04
Loans to employees		36.48	35.97	27.00	27.23
Balances with statutory / government authorities		—	—	2,54.21	58.30
	(E)	43.70	42.09	7,07.18	3,75.00
Total	(A+B+C+D+E)	4,41.08	4,11.36	14,57.57	9,99.78
14. TRADE RECEIVABLES AND OTHER ASSETS		Non-current		Current	
14.1 Trade receivables		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment		—	—	1,06.50	14,2.36
Unsecured, considered good		—	—	36.02	26.05
Doubtful		—	—	1,42.52	1,68.41
		—	—	(36.02)	(26.05)
Less: Provision for doubtful receivables		—	—	1,06.50	1,42.36
Other receivables		—	—	100,53.25	87,43.83
Unsecured, considered good		—	—	101,59.75	88,86.19
Total		—	—	101,59.75	88,86.19

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14.2 Other assets		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise					
Non-current bank balance (Refer Note 16)	(A)	1,05.00	1,78.00	—	—
Share Application Money:					
10,000 Cumulative Redeemable Preference shares of ₹ 100/- each of L&T Finance Holdings Limited	(B)	—	—	—	10.00
Others					
Interest receivable		—	—	17.41	14.19
Export benefit receivable		—	—	1,01.25	80.56
Interest Accrued on Loans & Advances		—	—	3.83	3.09
Income tax refund receivable		—	—	58.29	53.75
Miscellaneous receivables		—	—	25.23	16.59
	(C)	—	—	2,06.01	1,68.18
Total	(A+B+C)	1,05.00	1,78.00	2,06.01	1,78.18
15. INVENTORIES (Valued at lower of cost or net realisable value)					
		As at	As at		
		March 31, 2014	March 31, 2013		
		₹ in Lacs	₹ in Lacs		
Raw materials [including stock-in-transit ₹ 55.44 lacs (Previous Year: ₹ 49.50 lacs)] (Refer Note 19)		11,61.69	8,21.65		
Packing materials (Refer Note 19)		1,42.02	1,13.08		
Finished goods [including stock-in-transit ₹ 1,31.70 lacs (Previous Year: ₹ 3,31.99 lacs)] (Refer Note 20)		16,03.45	16,17.68		
Work-in-progress (Refer Note 20)		13,12.42	10,34.61		
Traded goods (Refer Note 20)		1,65.63	3,16.18		
Stores and spares [including stock-in-transit ₹ 67.57 lacs (Previous Year: ₹ Nil)] [including fuel and coal]		4,28.87	3,67.33		
Total		48,14.08	42,70.53		
16. CASH AND BANK BALANCES					
		Non-current	Current		
		As at	As at		
		March 31, 2014	March 31, 2013		
		₹ in Lacs	₹ in Lacs		
Cash and cash equivalents					
Cash on Hand		—	0.07		0.03
Balances with banks					
In current accounts (*)		—	7,50.37		6,36.37
In unclaimed dividend accounts		—	20.51		15.26
Deposits with original maturity of less than three months		—	10.00		—
		—	7,80.95		6,51.66
Other bank balances					
Deposits with original maturity for more than 12 months		1,05.00	—		—
Deposits with original maturity for more than 3 months but less than 12 months		—	73.17		8.04
Margin money deposits		—	81.67		36.41
		1,05.00	1,54.84		44.45
Amount disclosed under non-current assets (Refer Note 14.2)		(1,05.00)	—		—
Total		—	9,35.79		6,96.11
Margin money deposits given as security					
Margin money deposits with a carrying amount of ₹ 81.73 lacs (Previous Year: ₹ 36.44 lacs) have been given against opening of Letter of Credit Account with the Bank and Bank guarantee.					
* includes ₹ 0.10 lac (Previous Year: ₹ 0.07 lac) being 50% share of interest in Joint Venture.					

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17. REVENUE FROM OPERATIONS		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from operations			
Sale of products			
Finished goods		433,82.45	403,73.62
Traded goods		16,50.25	11,61.08
Sale of services			
Processing charges		1,88.35	1,45.87
Royalty/Technical fees/Commissioning Charges		33.11	22.57
Other operating revenue			
Export incentives		1,95.19	1,51.99
Excess/(short) accrual written back (net) (Refer Note 34)		99.64	17.72
Scrap sales		1,96.16	1,76.90
Revenue from operations (gross)		457,45.15	420,49.75
Less: Excise duty (Refer note below)		40,53.22	36,38.45
Revenue from operations (net)		416,91.93	384,11.30
Note: Excise duty on sales amounting to ₹ 4,053.22 lacs (Previous Year: ₹ 3,638.45 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ 6.62 lacs (Previous Year: ₹ 13.34 lacs) has been considered (income)/ expenses in Note 22 of financial statements.			
18. OTHER INCOME		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
18.1 Interest income on			
Bank deposits		35.78	53.66
Income tax refund		24.35	13.43
Share Application Money		0.01	—
Others		23.30	21.37
Total		83.44	88.46
18.2 Others			
Dividend income			
On Current Investments		2.95	1.49
On Long-term Investments		2,94.58	2,32.51
Rent		36.33	45.21
Exchange gain (loss)		60.35	—
Sales tax refund		1.19	—
Profit on securities (net)			
Sale of Long Term Investments		0.56	2.01
Sale of Current Investments		—	0.18
Trading in Future and Option Contracts in NIFTY INDEX		8.97	2.49
Interest Rate Arbitrage Contracts		—	1.44
Diminution in value of Investments written back (Net)		4.99	—
Others		24.74	56.06
Total		4,34.66	3,41.36

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19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Raw materials		
Inventory at the beginning of the year	8,21.65	14,55.29
Add: Purchases	222,72.59	192,09.88
	230,94.24	206,65.17
Less: Inventory at the end of the year	11,61.69	8,21.65
(A)	219,32.55	198,43.52
(b) Packing materials		
Inventory at the beginning of the year	1,13.08	1,10.94
Add: Purchases	11,70.56	9,28.84
	12,83.64	10,39.78
Less: Inventory at the end of the year	1,42.02	1,13.08
(B)	11,41.62	9,26.70
Total	(A + B) 230,74.17	207,70.22
20. (INCREASE)/DECREASE IN INVENTORIES		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Inventories at the end of the year		(Increase)/Decrease ₹ in Lacs
Finished goods	16,03.45	14.23
Work-in-progress	13,12.42	(2,77.81)
Traded goods	1,65.63	1,50.55
	30,81.50	(1,13.03)
Inventories at the beginning of the year		March 31, 2013
Finished goods	16,17.68	(3,60.49)
Work-in-progress	10,34.61	(49.95)
Traded goods	3,16.18	(73.86)
	29,68.47	(4,84.30)
	(1,13.03)	
Details of Purchase of traded goods		
	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Chemicals	3,30.34	2,98.69
Others	5,57.46	4,64.04
	8,87.80	7,62.73
Details of inventory		
	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Finished goods		
Phosphorous and its compounds	4,03.02	6,36.38
Chemicals	9,90.30	8,87.48
Organic manure	68.95	40.86
Others	1,41.18	52.96
	16,03.45	16,17.68

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20. (INCREASE)/DECREASE IN INVENTORIES (Contd.)	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Work-in-progress		
Phosphorous and its compounds	40.85	60.95
Chemicals	2,14.02	2,91.40
Others	10,57.55	6,82.26
	<u>13,12.42</u>	<u>10,34.61</u>
Traded goods		
Chemicals	16.84	3.60
Others	1,48.79	3,12.58
	<u>1,65.63</u>	<u>3,16.18</u>
21. EMPLOYEE BENEFITS EXPENSE	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	39,96.24	36,67.84
Contribution to provident and other funds	3,68.54	3,33.09
Provision/payment of gratuity (Refer Note 27)	5,53.87	5,34.07
Provision for other retirement benefits	2,57.83	2,36.29
Workmen and staff welfare expenses	3,45.47	3,08.47
	<u>55,21.95</u>	<u>50,79.76</u>
22. OTHER EXPENSES	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares	73.31	73.51
Processing charges	2,54.78	1,43.92
(Increase)/decrease of excise duty on inventory (Refer Note 17)	6.62	13.34
Power and fuel	28,11.17	29,91.47
Effluent expenses	6,48.33	6,01.67
Rent (Refer Note 30)	40.77	46.51
Rates and taxes	94.15	94.65
Insurance	77.93	72.07
Repairs and maintenance		
— Plant and machinery	11,34.79	11,91.58
— Buildings	1,12.74	1,10.83
— Others	1,37.58	99.11
Sales commission and discounts	1,44.58	99.52
Travelling and conveyance	2,03.34	2,23.94
Legal and professional fees	2,67.29	2,31.70
Directors' sitting fees	3.10	2.65
Payment to auditor (Refer details below)	26.42	24.01
Exchange differences (net)	—	68.24
Bad debts/sundry debit balances written off (net)	25.49	17.41
Share in Loss of Partnership Firm	—	0.02
Freight outward and forwarding expenses	9,32.37	8,38.38
Charity and donations	26.57	76.75
Provision for doubtful receivables / advances	9.97	26.05
Tangible assets written off	81.66	46.94
Expenses for Increase in Authorised Share Capital	2.16	—
Loss on sale of tangible assets (net)	31.71	34.54
Provision for diminution in value of investments	—	3.31
Miscellaneous expenses	12,52.24	11,58.29
Total	<u>83,99.07</u>	<u>82,90.41</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

22. OTHER EXPENSES (Contd.)		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Payment to auditor of Holding Company		
As auditor:		
Audit fee	14.00	14.00
Tax audit fees	5.00	5.00
Limited review	3.00	2.75
In other capacity:		
Taxation matters	—	—
Certification fees and other matters	4.50	0.50
Reimbursement of expenses	0.30	0.36
	26.80	22.61
23. DEPRECIATION AND AMORTISATION EXPENSES		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Depreciation on tangible assets	10,24.51	9,75.47
Amortisation of intangible assets	78.57	37.77
	11,03.08	10,13.24
24. FINANCE COSTS		
	For the year ended	For the year ended
	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
Interest	10,34.39	8,94.70
Bank and financial charges	1,58.79	2,11.72
Exchange difference and loss on buyer's credit	28.69	1,14.57
Total	12,21.87	12,20.99
25. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Profit after tax as per statement of profit and loss	17,98.98	14,93.01
Add/Less: Reconciliation items	—	—
Net profit for calculation of basic/diluted EPS	17,98.98	14,93.01
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	10,905,630	10,905,630
Effect of dilution	21,918	—
Convertible warrants	—	—
Weighted average number of equity shares in calculating diluted EPS	10,927,548	10,905,630
26. MONEY RECEIVED AGAINST ISSUE OF CONVERTIBLE WARRANTS BY THE HOLDING COMPANY		
The Holding Company has issued and allotted 20,00,000 fully convertible warrants of face value of ₹ 69/- each on a preferential basis aggregating to ₹ 1,380 lacs (Previous Year: ₹ Nil) to Utkarsh Global Holdings Private Limited, a promoter group Company, pursuant to the 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 Holding Company at a premium of ₹ 64/- per equity share. The Holding Company has received ₹ 345 lacs being 25% of consideration of the warrants.		
The warrants will, at the option of the holder be converted into equity shares in one or more tranches, but not later than 18 months from the date of their allotment i.e. 27 March, 2014.		

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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

	Current Year Gratuity (₹ in Lacs)	Previous Year Gratuity (₹ in Lacs)
Current service cost	1,46.35	1,18.02
Interest cost on benefit obligation	2,05.10	1,63.35
Expected return on plan assets	(1,99.92)	(1,71.10)
Net actuarial (gain)/loss recognised in the year	4,02.34	4,23.80
Amount included under the head employee benefit expenses (Refer Note 21)	5,53.87	5,34.07

(b) The amounts recognised in the Balance Sheet are as follows:

	As at March 31, 2014 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at March 31, 2013 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	32,24.42	25,83.68
Less: Fair value of plan assets	24,91.40	21,41.39
Net Liability included under the head Provisions in Note no '7'	7,33.02	4,42.29

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	As at March 31, 2014 Gratuity (₹ in Lacs)	As at March 31, 2013 Gratuity (₹ in Lacs)
Opening defined benefit obligation	25,83.68	19,67.88
Interest cost	2,05.10	1,63.35
Current service cost	1,46.35	1,18.02
Benefits paid	(1,03.18)	(92.30)
Actuarial (gains)/losses on obligation	3,92.47	4,26.73
Closing defined benefit obligation	32,24.42	25,83.68

(d) Changes in the fair value of plan assets are as follows:

	As at March 31, 2014 Gratuity (₹ in Lacs)	As at March 31, 2013 Gratuity (₹ in Lacs)
Opening fair value of plan assets	21,41.39	18,34.92
Expected return	1,99.92	1,71.10
Contributions by employer	2,63.15	2,24.74
Benefits paid	(1,03.18)	(92.30)
Actuarial gains/(losses)	(9.88)	2.93
Closing fair value of plan assets	24,91.40	21,41.39

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

27. DETAILS OF EMPLOYEE BENEFITS (Contd.)

	As at March 31, 2014 Gratuity (₹ in Lacs)	As at March 31, 2013 Gratuity (₹ in Lacs)
(e) Expected contribution to defined benefit plan for the next year.	350.00	250.00
(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	Current Year	Previous Year
Insurer Managed Funds (Life Insurance Corporation of India)	86.92%	86.39%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	13.08%	13.61%
	100%	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		
	Gratuity Current Year	Gratuity Previous Year
(g) The principal actuarial assumptions at the Balance Sheet date:		
Discount rate	8.80%	8.10%
Expected rate of return on assets	9%	9%
Expected rate of salary increase	8.50%	6.50%
Mortality table	IALM (2006-08)	LIC (1994-96)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	5% to 1%	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 periods are as follows: [AS15 Para 120(n)] [1]		

(₹ in Lacs)

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	32,24.42	25,83.68	19,67.88	17,26.60	*
Plan assets	24,91.40	21,41.39	18,34.92	15,87.46	*
Surplus/(deficit)	(7,33.02)	(4,42.29)	(1,32.96)	(1,39.14)	*
Experience adjustments on plan liabilities	93.12	88.21	1,16.83	2,03.59	*
Experience adjustments on plan assets	9.88	(2.93)	9.52	6.68	*

* The disclosure required under Para 120(n)(ii) of Accounting Standard 15 "Employee Benefits" (Revised, 2003) pertaining to experience adjustments on plan assets and plan liabilities is not given for previous one year on the ground that such information is not available with the Company.

(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	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Current service cost included under the head Contribution to provident and other funds in "Employee Benefit Expense" (Refer Note 21)		
Provident Fund	2,09.04	1,84.92
Family Pension Fund	61.51	61.55
Superannuation Fund	92.80	81.45

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28. SEGMENT INFORMATION

1. Information About Primary Business Segments:

Particulars	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
REVENUE:						
External Revenue:	403,54.54	14,40.74	417,95.28	374,76.53	10,16.38	384,91.47
Un-allocated revenue:	—	—	4,14.75	—	—	3,49.65
Total Revenue:			422,10.03			388,41.12
RESULT:						
Segment result:	45,78.53	(11.93)	45,66.60	47,05.39	(45.33)	46,60.06
Un-allocated expenditure net of un-allocated income:			12,29.61			12,51.19
Finance Cost			12,21.87			12,20.80
Profit before taxation			21,15.12			21,88.07
Provision for Taxation:						
Current:			5,92.08			7,08.38
In respect of earlier years :			(1,86.27)			(80.48)
Minimum Alternative Tax Entitlement			—			0.90
Deferred:			(89.67)			66.26
Add/(Less): Share of Associate Company			—			—
Profit/(Loss) after tax:			17,98.98			14,93.01
OTHER INFORMATION:						
Segment Assets:	289,47.88	8,85.51	298,33.39	242,94.29	9,47.74	252,42.03
Un-allocated Assets:			53,75.90			50,95.44
Total Assets:			352,09.29			303,37.47
Segment Liabilities:	(54,67.42)	(1,98.10)	(56,65.52)	(50,57.27)	(4,59.48)	(55,16.75)
Un-allocated Liabilities:			(143,26.61)			(112,69.08)
Total Liabilities:			(199,92.13)			(167,85.83)
Segment Capital expenditure:	1973.62	30.05	20,03.67	22,01.78	50.10	22,51.88
Un-allocated Capital expenditure:			25.19			271.70
Segment Depreciation and Amortisation:	939.67	43.66	983.33	849.62	80.29	929.91
Un-allocated Depreciation and Amortisation:			119.75			83.33
Segment Non-cash expenses other than Depreciation and Amortisation:	94.78	22.31	117.09	61.86	28.52	90.38
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			0.03			—

2. Information About Secondary Business Segments:

	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:	354,70.45	67,39.58	422,10.03	313,39.89	75,01.23	388,41.12
Carrying amount of Assets:	332,77.33	19,31.96	352,09.29	285,48.16	17,89.31	303,37.47
Capital Expenditure:	20,28.86	—	20,28.86	25,23.58	—	25,23.58

3. Notes:

- The Group is organised into two business segments namely :
 - Chemicals – Comprising of Industrial and Speciality 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.
- Un-allocated items includes general corporate and investment items which are not allocated to any business segment.

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29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related Parties with whom transactions have taken place during the year

Enterprises owned or significantly influenced by key management personnel or their relatives

Agrocel Industries Limited
Anshul Specialty Molecules Limited
C.C. Shroff Research Institute
C.C. Shroff Self Help Centre
Dipkanti Investments & Financing Private Limited
Divakar Techno Speciality & Chemicals Limited
Excel Crop Care Limited
Good Rasayan Limited
Hyderabad Chemical Supplies Limited
Hyderabad Chemical Products Limited
Pidilite Industries Ltd.
Pritami Investments Private Limited
Shrodip Investments Private Limited
Shrujan Trust
Transpek Industry Limited
Transpek Industry (Europe) Limited
Utkarsh Chemicals Private Limited
Utkarsh Global Holdings Private Limited
Rashtriya Seva Trust
Transpek-Silox Industry Limited
Shri Seetha Rama Seva Sadan
Samarth Gram Vikas Trust
Indian Centre for Climate & Social Impact Research

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)
Smt. Usha A. Shroff (Executive Vice Chairperson)
Shri Dipesh K. Shroff (Director)
Shri Atul G. Shroff (Director)
Shri Ravi Ashwin Shroff (Son of Shri Ashwin C. Shroff)
Shri S.R. Potdar (Executive Director)

Relatives of Key Management Personnel

Shri Kantisen C. Shroff (Father of Shri Dipesh K. Shroff)
Smt. Shruti Atul Shroff (Wife of Shri Atul G. Shroff)
Kum. Vishwa Atul Shroff (Daughter of Shri Atul G. Shroff)
Smt. Chanda Kantisen Shroff (Mother of Shri Dipesh K. Shroff)
Smt. Preeti Dipesh Shroff (Wife of Shri Dipesh K. Shroff)
Shri Hrishit Ashwin Shroff (Son of Shri Ashwin C. Shroff)
Smt. Chetna Praful Saraiya (Sister of Shri Atul G. Shroff)
Smt. Hiral Tushar Dayal (Sister of Shri Atul G. Shroff)
Shri Tushar Charandas Dayal (Brother in law of Shri Atul G. Shroff)
Smt. Anshul Amrish Bhatia (Daughter of Shri Ashwin C. Shroff)
Smt. Ami Abhay Saraiya (Sister of Shri Dipesh K. Shroff)

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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	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Sitting Fees	Issue of convertible warrants	Reimbursement of Expenses from Party (Income)	Reimbursement of Expenses to Party (Expenses)	Charity & Donation	Salary, Bonus & contribution to PF	Retirement Benefits	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives																	
Excel Crop Care Limited	31-Mar-14	56.00.74	26.40	—	7.37	—	24.89	4.37	—	—	—	2.26	—	—	—	14.39.14	2.51
	31-Mar-13	42.72.19	36.58	13.50	4.92	1.79	20.70	2.92	—	—	12.72	5.34	—	—	—	10.01.15	22.21
Agrocel Industries Limited	31-Mar-14	72.05	—	—	—	1.92	0.51	—	—	—	—	—	—	—	—	10.00	—
	31-Mar-13	13.27.56	—	—	—	10.34.91	—	—	—	—	—	—	—	—	—	6.76.73	4.65.14
Anshul Specialty Molecules Limited	31-Mar-14	33.50	—	—	—	25.26	—	0.83	—	—	—	—	—	—	—	—	—
	31-Mar-13	23.84	—	—	—	4.50	—	37.80	—	—	—	—	—	—	—	18.55	—
Transpek Industry Limited	31-Mar-14	20.59	—	—	—	0.16	—	4.70	—	—	—	—	—	—	—	24.56	—
	31-Mar-13	5.93	—	—	—	0.78	16.26	3.13	—	—	—	—	—	—	—	—	0.06
Hyderabad Chemical Products Limited	31-Mar-14	3.57.21	—	—	—	—	—	1.40	—	—	—	—	—	—	—	52.84	—
	31-Mar-13	3.37.01	—	—	—	—	—	0.94	—	—	—	—	—	—	—	1.47.33	—
C. C. Shroff Self - Help Centre	31-Mar-14	—	—	—	—	0.68	—	—	—	—	—	—	—	—	—	—	0.04
	31-Mar-13	—	—	—	—	0.92	—	—	—	—	—	—	—	—	—	—	0.12
C. C. Shroff Research Institute	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	0.29	—	—	—	—	—	—	—	—	—	—
Good Rasayan Limited	31-Mar-14	—	—	—	—	—	72.14	—	—	—	—	—	—	—	—	—	19.13
	31-Mar-13	—	—	—	—	—	46.72	—	—	—	—	—	—	—	—	—	9.35
Dipkanti Investment & Financing Private Limited	31-Mar-14	—	—	—	—	—	—	2.70	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.80	—	—	—	—	—	—	—	—	—
Divakar Techno Speciality & Chemicals Limited	31-Mar-14	—	—	—	—	—	—	—	—	—	—	25.46	—	—	—	—	15.63
	31-Mar-13	—	—	—	—	—	0.69	—	—	—	—	—	—	—	—	—	—
Hyderabad Chemical Supplier Limited	31-Mar-14	1.17	—	—	—	—	—	4.50	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	5.62	—	—	—	—	—	—	—	—	—
Pidilite Industries Ltd	31-Mar-14	39.72	—	—	—	—	—	—	—	—	—	—	—	—	—	21.90	—
	31-Mar-13	78.07	—	—	—	—	—	—	—	—	—	—	—	—	—	23.27	—
Utkarsh Chemicals Private Limited	31-Mar-14	—	—	—	—	—	—	98.74	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	27.58	—	—	—	—	—	—	—	—	—
Pritami Investments Private Limited	31-Mar-14	—	—	—	—	—	—	2.40	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.60	—	—	—	—	—	—	—	—	—
Shroddip Investments Private Limited	31-Mar-14	—	—	—	—	—	—	0.88	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.59	—	—	—	—	—	—	—	—	—
Shri Seetha Rama Seva Sadan	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	1.50	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	7.00	—	—	—	—
Rashtriya Seva Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	2.00	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	2.00	—	—	—	—
Transpek Industry (Europe) Limited	31-Mar-14	—	—	—	—	—	23.03	—	—	—	—	—	—	—	—	1.03	—
	31-Mar-13	—	—	—	—	—	20.98	—	—	—	—	—	—	—	—	12.46	—
Transpek-Silox Industry Limited	31-Mar-14	—	—	—	2.56.19	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	2.24.16	—	—	—	—	—	—	—	—	—	—	—	—
Utkarsh Global Holdings Private Limited	31-Mar-14	—	—	—	—	—	—	—	—	3.45.00	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Samarth Gram Vikas Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	0.75	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	2.50	—	—	—	—
Indian Centre for Climate & Social Impact Research	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	6.00	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	12.00	—	—	—	—
Shrujan Trust	31-Mar-14	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	—	—	—	—	—	20.00	—	—	—	—
Mrs. Usha A. Shroff	31-Mar-14	—	—	—	—	—	—	0.19	—	—	—	—	—	72.61	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.13	—	—	—	—	—	78.23	—	—	—
Mr. D. K. Shroff	31-Mar-14	—	—	—	—	—	—	0.26	0.50	—	—	—	—	2.50	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.17	0.45	—	—	—	—	1.80	—	—	—
Mr. R. A. Shroff	31-Mar-14	—	—	—	—	—	—	1.43	—	—	—	—	—	25.94	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.95	—	—	—	—	—	17.66	—	—	—
Mr. A.C. Shroff	31-Mar-14	—	—	—	—	—	—	2.49	—	—	—	—	—	77.71	—	—	—
	31-Mar-13	—	—	—	—	—	—	3.12	—	—	—	—	—	83.47	—	—	—
Mr. H. A. Shroff	31-Mar-14	—	—	—	—	—	—	1.43	—	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.95	—	—	—	—	—	—	—	—	—
Mr. K. C. Shroff	31-Mar-14	—	—	—	—	—	—	1.71	—	—	—	—	—	—	3.60	—	—
	31-Mar-13	—	—	—	—	—	—	1.14	—	—	—	—	—	—	3.60	—	—
Mr. S. R. Poddar	31-Mar-14	—	—	—	—	—	—	0.06	—	—	—	—	—	79.90	—	—	—
	31-Mar-13	—	—	—	—	—	—	0.04	—	—	—	—	—	73.78	—	—	—
Mr. A. G. Shroff	31-Mar-14	—	—	—	—	—	—	1.79	0.20	—	—	—	—	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	1.20	0.20	—	—	—	—	—	—	—	—
Others	31-Mar-14	—	—	—	—	—	—	6.52	—	—	—	—	0.55	—	—	—	—
	31-Mar-13	—	—	—	—	—	—	4.16	—	—	—	—	—	—	—	—	—

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.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(b) Loans given and repayment thereof

	Year ended	Loans given	Repayment	(₹ in Lacs) Amount owed by related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
TML Industries	31-Mar-14	30.00	—	30.00
	31-Mar-13	—	—	—
Transpek Industries Limited	31-Mar-14	—	50.00	—
	31-Mar-13	50.00	—	50.00

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 lease are renewable for further period of five years, with an escalation clause of 15% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements.

	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2013 ₹ in Lacs
Lease payments for the year	40.77	46.51
Sub-lease payments received during the year	Nil	Nil
Minimum lease payments under non cancellable operating lease as at 31st March		
(a) Not later than one year	23.85	19.37
(b) Later than one year but not later than five years	1,02.91	Nil
(c) Later than five years	Nil	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.

There are no uncollectible minimum lease payments receivable at the reporting date.
Current Year: ₹ Nil (Previous Year: ₹ Nil)

Future Minimum Lease payments

(a) Not later than one year	27.29	28.01
(b) Later than one year but not later than five years	11.00	37.40
(c) Later than five years	Nil	Nil

31. RESEARCH AND DEVELOPMENT COSTS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
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	3,62.24	2,83.70
Depreciation on Research and Development Equipment	43.81	42.27
	<u>4,06.05</u>	<u>3,25.97</u>

*includes ₹ 98.91 lacs, ₹ 62.76 lacs and ₹ 1,64.07 lacs (Previous Year: ₹ 97.43 lacs, ₹ 56.38 lacs and ₹ 93.83 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 ₹ 5.58 lacs, ₹ 4.51 lacs and ₹ 48.03 lacs (Previous Year: ₹ 27.13 lacs, ₹ 21.16 lacs and ₹ 34.24 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].	85.53	1,04.94
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EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

32. CONTINGENT LIABILITIES					
		For the year ended March 31, 2014 ₹ in Lacs		For the year ended March 31, 2013 ₹ in Lacs	
Bills discounted		5,05.91		8,11.93	
Disputed income-tax liability		21,01.91		17,11.50	
Disputed excise duty liability		6,85.90		4,50.19	
Disputed sales tax liability		16.52		19.96	
Disputed custom duty tax liability		27.43		21.78	
Disputed service tax liability		48.02		32.22	
Guarantees given by Company's Bankers on behalf of the Company to third parties		21.79		82.14	
Claims against the Company not acknowledged as debts		24.31		13.46	
Liability in respect of claim made by workers and contract labourers		Amount not ascertainable		Amount not ascertainable	
33. CAPITAL COMMITMENTS					
		For the year ended March 31, 2014 ₹ in Lacs		For the year ended March 31, 2013 ₹ in Lacs	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		6,34.55		3,66.62	
34. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING					
		Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
Raw Materials		—		(0.21)	
Export Incentives		(0.31)		0.28	
Excise Duty		15.78		2.22	
Depreciation		—		0.28	
Employee benefits expense		84.31		13.51	
Discount		—		0.22	
Others		(0.14)		1.42	
		99.64		17.72	
35. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE					
	Currency	For the year ended March 31, 2014 ₹ in Lacs	For the year ended March 31, 2014 Foreign Currency Value in Lacs	For the year ended March 31, 2013 ₹ in Lacs	For the year ended March 31, 2013 Foreign Currency Value in Lacs
(a) Forward contract - Buy for Hedging Purpose					
(i) Loans/Interest thereon	USD	9,81.02	16.38	6,26.45	11.54
(b) Un-hedged Foreign Currency Exposure on					
(i) Import Payables	USD	3,84.62	6.42	1,98.98	3.67
	GBP	—	—	1.97	0.02
(ii) Export Receivables	USD	18,28.85	30.54	17,09.84	31.51
	EURO	83.72	1.02	43.27	0.62
(iii) Bank Balances	USD	1.37	0.02	1.25	0.02

EXCEL INDUSTRIES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

36. 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, 2014. 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	3,93.67	—
Interest due on above	27.46	—
	<u>421.13</u>	<u>—</u>
The amount of interest paid by the buyer in terms of Section 18 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.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year (Financial Year 2013-14).	27.46	—
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.	27.46	—
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.		

37. CAPITALIZATION OF EXPENDITURE

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 Holding Company.

Year to which it relates

	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest	16.25	—
Finance Lease charges	2.77	—
	<u>19.02</u>	<u>—</u>

38. FINANCE LEASE : HOLDING COMPANY AS LESSEE

The Holding company has finance leases for the items of plant & machinery. These leases involve significant upfront lease payment option. However, there is no escalation clause. Each renewal is at the option of lessee. Further minimum lease payments (MLP) under finance lease together with the present value of the net MLP are as follows.

	March 31, 2014		March 31, 2013	
	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs
Within one year	2,16.75	1,94.48	—	—
After one year but not more than five years	4,07.94	3,28.59	—	—
More than five years	—	—	—	—
Total minimum lease payments	6,24.69	5,23.07	—	—
Less : Amounts representing Finance charges	(1,01.62)	—	—	—
Present value of Minimum Lease Payments	<u>5,23.07</u>	<u>5,23.07</u>	<u>—</u>	<u>—</u>

EXCEL INDUSTRIES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

39. PARTNERSHIP FIRM

The group has 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 Balance Sheet as at March 31, 2014, is as under:

	As at March 31, 2014 ₹ in Lacs	As at March 31, 2013 ₹ in Lacs
Assets	2.10	2.07
Liabilities	—	—
Income	—	—
Expense	—	0.02

Details of investment in M/s. Multichem Industries, a partnership firm:

	As at March 31, 2014		As at March 31, 2013	
Name of the Partners	Capital ₹ in Lacs	Share of Profit or Loss %	Capital ₹ in Lacs	Share of Profit or Loss %
(a) Excel Crop Care Limited	2.00	50	2.00	50
(b) Kamalijot Investments Limited	2.00	50	2.00	50
	<u>4.00</u>	<u>100</u>	<u>4.00</u>	<u>100</u>

40. 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 six 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.

41. The Company has availed of the exemption granted by notification dated 8 February 2011 issued by the Ministry of Corporate Affairs (MCA) under Section 212 of the Companies Act, 1956. The information relating to subsidiaries companies in terms of said notification is as follows:

(₹ in Lacs)

Sr. No.	Name of the Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary Company	Total Revenue	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Kamalijot Investments Limited	INR	1.00 1.00	1,99.98 (1,99.98)	1,99.81 (154.99)	12,42.94 (11,27.24)	8,43.15 (7,72.27)	10,80.76 (9,91.20)	57.40 (21.22)	52.99 (15.22)	8.17 (5.20)	44.82 (10.02)	— —
2	Excel Bio Resources Limited	INR	1.00 1.00	51.00 (51.00)	6.94 (0.93)	58.22 (52.24)	0.28 (0.31)	— —	9.45 (3.48)	8.7 (2.77)	2.7 (1.08)	6.01 (1.69)	— —

(Figures in brackets relate to the Previous Year)

Notes:

1. Details of Investment of Subsidiary Company:

	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
In equity shares (Quoted)	10,00.58	9,35.11
In equity shares (Unquoted)	20.83	8.37
In Mutual Fund (Quoted)	59.35	47.72
In Mutual Fund (Unquoted)	—	—
Total	<u>10,80.76</u>	<u>9,91.20</u>

2. Turnover includes dividend received from long-term investments.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

42. DERIVATIVES

Kamalijot Investments Limited

In accordance with the press release of The Institute of Chartered Accountants of India dated December 2, 2005, following are the quantitative and unhedged exposure disclosures of derivatives instruments outstanding as at March 31, 2014:

Particulars	No. of units		Value (₹ in Lacs)	
	Written	Purchase	Written	Purchase
March 31, 2014	250	—	0.09	—
March 31, 2013	4,550	—	2.05	—

The Company has entered into 1 written option which is outstanding as on March 31, 2014 which has been duly approved by the Board of Directors (Refer Note 9). The Company has adopted a conservative approach and has ignored the anticipated profit on such transactions and no credit is taken in the statement of profit and loss. Further as per RBI norms, Company is allowed to enter into derivatives including written options.

All open positions are clearly accounted as per closing index and measured using the mark-to-market principle with the resulting losses thereon being recorded in the statement of profit and loss.

43. PREVIOUS YEAR FIGURES

Previous Year's figures have been regrouped/reclassified, where necessary to confirm to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Firm Registration No.: 301003E
Chartered Accountants

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date : 23 May 2014

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

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Chief Financial Officer

Place : Mumbai
Date : 23 May 2014

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

1. Names of the subsidiary company	Kamaljyot Investments Limited	Excel Bio Resources Limited
2. The financial year of the subsidiary company ended on	31st March, 2014	31st March, 2014
3. Date from which it became subsidiary	30th July, 1984	30th September, 2011
4. Shares of the subsidiary company held by Excel Industries Limited at the end of the financial year of the subsidiary company:		
(a) Number and face value	1,99,982 equity shares of ₹ 100/- each	5,10,000 equity shares of ₹ 10/- each
(b) Extent of holding	100%	100%
5. Net aggregate profits/losses of the subsidiary company, so far as it concerns the members of Excel Industries Limited —		
(a) not dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2014, amounted to:		
(i) for the subsidiary company's financial year ended as in (2) above	₹ 44,81,717	₹ 6,00,924
(ii) for previous financial years of the subsidiary company	₹ 9,75,123	₹ 1,68,652
(b) dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2014, amounted to:		
(i) for the subsidiary company's financial year ended as in (2) above	₹ NIL	₹ NIL
(ii) for previous financial years of the subsidiary company	₹ NIL	₹ NIL
6. Changes in the interest of Excel Industries Limited in the subsidiary company between the end of financial year of the subsidiary company and 31st March, 2014	NOT APPLICABLE	NOT APPLICABLE
7. Material changes between the end of the financial year of the subsidiary company and 31st March, 2014		
(a) fixed assets	} NOT APPLICABLE	} NOT APPLICABLE
(b) investments		
(c) monies lent by the subsidiary company		
(d) monies borrowed by the subsidiary company for any purpose other than that of meeting current liabilities		

	For and on behalf of the Board of Directors of Excel Industries Limited	
	A. C. SHROFF	U. A. SHROFF
	Chairman & Managing Director	Executive Vice Chairperson
Place : Mumbai,	KAILAS DABHOLKAR	S. K. SINGHVI
Date : 23rd May, 2014	Chief Financial Officer	Company Secretary

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

Registered Office: 184 – 87, S. V. Road, Jogeshwari (West), Mumbai – 400 102

PROXY FORM

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

Name of the member (s) :	
Registered Address :	
E-Mail Id :	
Folio No./Client Id :	
DP ID :	

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

1. Name:

Address:

E-mail Id:

Signature: or failing him/her

2. Name:

Address:

E-mail Id:

Signature: or failing him/her

3. Name:

Address:

E-mail ID:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Friday, the 26th September, 2014 at 3.00 p.m. at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

Registered Office: 184 – 87, S. V. Road, Jogeshwari (West), Mumbai – 400 102

Resolution No.	Description	VOTE (Optional-See Note 2 and 3)	
		For	Against
	Ordinary Business:		
1	Adoption of audited financial statements of the Company for the year ended March 31, 2014 together with the Report of Directors and Auditors thereon.		
2	Declaration of dividend.		
3	Appointment of a Director in place of Mr. Dipesh K Shroff, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appointment of M/s. S R B C & CO. LLP, Chartered Accountants as Auditors of the Company for a term of three years.		
	Special Business:		
5	Re-appointment of Mr. A. C. Shroff as Chairman and Managing Director		
6	Appointment of Mr. Ravi A. Shroff as a Director liable to retirement by rotation.		
7	Appointment of Mr. Ravi A. Shroff as Whole-time Director for a term of five years.		
8	Appointment of Mr. R. N. Bhogale as an Independent Director for a term of five consecutive years.		
9	Appointment of Mr. H. N. Motiwala as an Independent Director for a term of five consecutive years.		
10	Appointment of Mr. P. S. Jhaveri as an Independent Director for a term of five consecutive years.		
11	Appointment of Mr. M. B. Parekh as an Independent Director for a term of five consecutive years.		
12	Appointment of Mr. Shailesh S. Vaidya as an Independent Director for a term of five consecutive years.		
13	Appointment of Mr. Rajeev M. Pandia as an Independent Director for a term of five consecutive years.		
14	Approve remuneration to Non Executive Directors of the Company.		
15	Accord consent to the Board for borrowing		
16	(A) Alter Article 11(a) of the Articles of Association of the Company.		
	(B) Alter Article 11(j) of the Articles of Association of the Company.		
17	Insert a new Article 13A in the Articles of Association of the Company to enable Chairperson of the company to concurrently hold the position of managing director or chief executive officer.		
18	Approve and ratify the remuneration of Cost Auditors of the Company for the financial year 2014-15.		

Signed this day of, 2014.

.....

Signature of the Member

.....

Signature of Proxy holder(s)

Affix
Re. 1/-
Revenue
Stamp

Notes:

1. This form of proxy, in order to be effective, should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. You may place tick (✓) in the columns 'For' or 'Against' – (Optional).
3. If you leave 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

Registered Office: 184 – 87, S. V. Road, Jogeshwari (West), Mumbai – 400 102

ATTENDANCE SLIP

Name of the Member(s) and address:	
Name of Proxy:	
Folio No. /Client ID:	
DP ID:	

I hereby record my presence at the 53rd Annual General Meeting of the Company being held on **Friday, the 26th September, 2014 at 3.00 p.m.** at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.

Name of the Member(s)/ Proxy (IN BLOCK LETTERS)

Signature(s) of the Member(s) or Proxy

Note: Please complete this attendance slip and hand it over at the entrance of the meeting hall.



Excel Industries Limited

Registered Office :

184 - 87, S. V. Road, Jogeshwari (West),
Mumbai 400 102, INDIA

Tel: 022 66464200 * Website: www.excelind.co.in