Excel Industries Ltd.

IS/ISO9001:2015
IS/ISO14001:2015
IS18001:2007
Certifiedby BIS.

30th August, 2021

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| BSE Ltd.<br>Listing Department,<br>PheerozeJeejeebhoy Towers,<br>Dalal Street,<br>Fort,<br>Mumbai-400 001 | National Stock Exchange of India Ltd.<br>Listing Department,<br>Exchange Plaza,<br>Bandra-Kurla Complex, Bandra (E),<br>Mumbai-400 051 |

**Sub: Submission of Annual Report.**

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

Dear Sir/Madam,

Pursuant to Regulations 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith Annual Report of financial year 2020-21 including notice of the 60th Annual General Meeting of the Company for your record.

The Annual Report including Notice of the 60th Annual General Meeting is being emailed to the shareholders today and is also available on the Website of the Company at www.excelind.co.in

Kindly take the information on record.

Thanking you,
Yours faithfully,

**For Excel Industries Limited**

Surendra
Kumar
Singhvi

Digitally signed by Surendra Kumar Singhvi
DN: c=IN, o=Personal,
2.5.4.20=c7ba014f2f2b7307c1997f9ef176a29
267350493ff4f3a80c72ebba828326bf9,
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serialNumber=5e70cc04c4ed00df99c82df47
d7291993b46a62124d4b36a2cb3ca6d5a962
295, cn=Surendra Kumar Singhvi
Date: 2021.08.30 14:49:07 +05'30'

S K Singhvi
**Company Secretary**
Encl: As above


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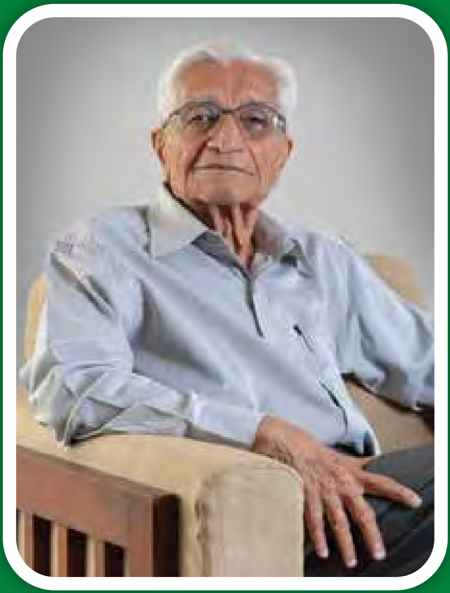
Excel Industries Limited

60th ANNUAL REPORT 2020-21


# Transformation

# Homage to Late Shri Kantisen C. Shroff



Late Shri Kantisen C Shroff, a visionary Industrialist and Environmentalist left for heavenly abode on 13 May 2021. Born on 3rd January, 1923, Mr. Kantisen C. Shroff - Kaka as he was fondly addressed, was a simple, unassuming personality, with a characteristic style of his own. He was the Co-founder of Excel Industries Limited with his elder brothers Shri C C Shroff and G C Shroff.

As a young man, Kantisen loved Art, wanted to be an artist, got trained at Shantiniketan. But at elder brother C C Shroff's calling, he joined Excel, started living at the factory, forgot about Art.

Everything about him had the elegance of simplicity, showering love to all, always an optimist believing that a solution could always be found whatever be the challenges. At times, he would be very tough and demanding, first on himself and then others, at the same time, he would be extremely sensitive to genuine problems and would give abundant love and care when needed.

He was a great technocrat, who would find innovative, out of box, very cost-effective solutions to very complicated problems. He had been a technocrat not only in Chemical technical sense, but equally in social and environmental fields.

Excel under his leadership took enormous challenges in producing some of the products which were considered impossible to be produced in India. Elemental Phosphorous, an important Raw Material for Excel, & imported into India, was produced by Excel with inhouse development of technology & project management. Excel became the first in Asia to manufacture – Endosulfan – a broad spectrum pesticide molecule – on a commercial scale entirely through its own in-house efforts.  Excel became first in Asia to manufacture Butene Diol (BD), a basic raw material used in the preparation of Endosulfan and that too in an innovative safer way. Excel was a pioneer in making Aluminium Phosphide for the first time in India. Until then it was manufactured by only one company in the world. Excel became the second in the world to produce Glyphosate, a herbicide, strictly through in-house efforts. Each and every product has its own story of Shri Kantisen's leadership, inspiration and guidance.

A close disciple of Swami Vivekanand, his life's mission was to share love and knowledge. When he went to Bhavnagar to set up a factory, he saw a leprosy home just opposite the site. Many will be surprised to know that two of the leprosy patients became the first employees of the Excel Bhavnagar Plant. His genuine concern for people, society and environment changed the quality of life of not only in arid area of Kutch, but from different parts of the country.

Keenly interested in rural development work, Kakaji devoted his time and attention for more than four decades to the drought prone areas of Kutch and other places including activities like watershed management, drought-proofing, cattle care, social forestry & other natural resource management and employment generation through Excel-sponsored NGOs like Shree Vivekanand Research & Training Institute and Shrujan. He was wholeheartedly supported by his dear wife Chandaben. It was due to his initiative that when severe cyclones struck Kutch successively in 1998 and 1999, he brought together about 14 active NGOs working in Kutch and formed a federal organisation of NGOs called Kutch Navnirman Abhiyan, or ABHIYAN for short, with a view to generate collective response to the natural calamities and effectively work towards rehabilitation of the affected areas. Thanks to his foresight of creating ABHIYAN that when the Unprecedented Earthquake of 26th January 2001 devastated most parts of Kutch, the member NGOs of ABHIYAN responded spontaneously and were in the forefront to reach out for rescue, relief, rehabilitation and re-building programmes in Kutch in a very cost effective and rapid manner.

Sustainable development and responsible use of natural resources was a subject most dear to him. Under his guidance and leadership, Rukmavati River Basin Project in Kutch was conceived & executed. Several Check Dams were made. Excel under his leadership became pioneer in converting city waste into compost, very important for soil health. It not only helped in solving the urban problem of waste disposal, but also the end product being used as nutrition to the plants. His contribution in water management and waste management decades ago, has become country's priority now.

He also devoted time in guiding the Scouts and was awarded the SILVER STAR AWARD by the Hon'ble President of India for his contribution to the Scout Movement in Maharashtra in 1991. He was also associated with the activities of Ramakrishna Mission, and was actively involved in its "Disaster Management Projects" in Surat, Andhra Pradesh, Morbi, Latur and Orissa.

He was conferred the "Lifetime Achievement Award" by ChemExcil in 2011, for his contribution to the development and growth of the Indian Chemical Industry. He was the first recipient of the ENVIRONMENTALIST OF THE YEAR : 1983" award instituted by CHEMTECH Foundation - in recognition of his pioneering work on environment issues. He was chosen as 'MAN OF THE YEAR' for 1995 by "THE WEEK" magazine of Malayala Manorama and the list goes on.

Excel is today, what it is today, is mainly on account of the immense contribution made by Shri Kantisen Shroff and his elder brothers Shri C C Shroff and G C Shroff. Excel remembers Shri Kantisen Shroff with pride and devotion for his contribution.

*P.S. Did we say, Kantisen forgot about Art!!? No, throughout his life, he was a close associate of his life partner Chanda, herself an accomplished artist who created Shrujan, the embroidery art support NGO. And in his 90's, he took up art again, and created more than 300 great paintings!*

Scroll Down For

## Corporate Overview



## Statutory Reports



## Financials



Scan this QR code to navigate investor related information

An electronic version of this Report is available online at:

**https://www.excelind.co.in/annualReports.html**

**Investor Information**

| | |
|---|---|
| Market Capitalisation as on 31st March, 2021 | : ₹ 1,057 crores |
| BSE Code | : 500650 |
| NSE Symbol | : EXCELINDUS |
| Bloomberg Code | : EXL:IN |
| Dividend | : ₹ 11.25 per share |
| AGM Date | : 24.09.2021 |
| AGM Mode: | : Audio Visual Means |
| CIN | : L24200MH1960PLC011807 |


# Transformation

- is when you reassess your actions for the benefit of generations to come.
- is when you redefine your goals because you care for the greater good.
- is when you remould your ability only to fit into a more advanced, inclusive and better tomorrow

At Excel Industries Limited, we strive to lead as environmental stewards. We aspire to be a Company that actively, consciously, and voluntarily works to create a safe and sustainable environment by adopting ethical business practices.

Since 1941, we have reassessed every process and heavily invested in our R&D and effluent management.

We have redefined our purpose wherever needed and implemented innovative initiatives to develop cleaner and sustainable manufacturing practices.

We have remoulded our abilities and responsibilities by pre-emptively setting up a zero-liquid discharge system, even before it was made compulsory.

Our consistent endeavours to remain ahead of time has not only allowed us to deliver the best quality, but it has also helped us build value-accretive solutions for our stakeholders, society, and the environment at large. We intend to be the frontrunners who bring about change and lead the ***TRANSFORMATION***. Because, if not now, then when?!

## KPIs of FY 2021

**₹ 74,946.60 Lakhs**
Revenue from Operations

**₹ 55.84**
Earnings per Share

**₹ 7,018.95 Lakhs**
Profit After Tax

**9.81%**
Return on Net Worth

**₹ 11,470.48 Lakhs**
Total Comprehensive Income

# About Us

### The Beginning of our Transformation Story

Since our establishment in 1941, Excel Industries Limited ('The Company' or 'Excel' or 'We'), has been the pioneer of India's indigenous chemical technologies and waste management practices. Headquartered in Mumbai, we are amongst the oldest players in the domestic chemical manufacturing fraternity.

### Our Proactive Approach

We manufacture Agro Chemical Intermediates, Speciality Chemicals, Polymer Inputs and Pharmaceutical API & Intermediates. Due to our products' complexity, we have always been proactive in adopting cutting-edge technological solutions. We have actively looked for ways to enhance our processes while also ensuring efficient waste management. Our state-of-the-art effluent treatment facility and our offering in waste management systems have allowed us to strengthen our positioning as a responsible corporate. We are a company that cares for the needs of the environment and the community alike.

### Our Commitment towards the Greater Good

As a Responsible Care Company, we are devoted to continually improving all aspects of our operations, which relate to protecting the health and safety of our workers and the environment. We are fully engaged in fulfilling our responsibilities under this programme. Forging strong links with the local community and protecting our workers and the planet has forever been a significant concern for Excel. This certification and our Responsible Care commitments codify and crystallize all the policies and initiatives already at work at Excel. With this streamlining of policies, we are confident that we will positively contribute to the chemical industry and work even closer with all our stakeholders for the common and greater good.

### Our Values

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

### Dynamism

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

### Compassion

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

### Expertise

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

### Tradition

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

### Employees' Loyalty

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

# Product Portfolio

## Agro Chemical Intermediates

Our products are used as intermediates in manufacturing of various insecticides and herbicides.

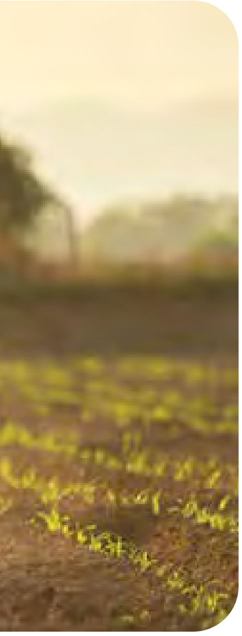
## Specialty Chemicals

We manufacture wide range of specialty and performance chemicals having diverse industrial application:

**Phosphonates:** These products have applications in soaps & detergents, industrial water treatment chemicals, textiles auxiliaries, oilfield chemicals etc.

**Biocides:** These products are used as industrial fungicides in MDF, Textiles, paints, guar gum etc. It is used slimicides and algaecides in cooling water systems.

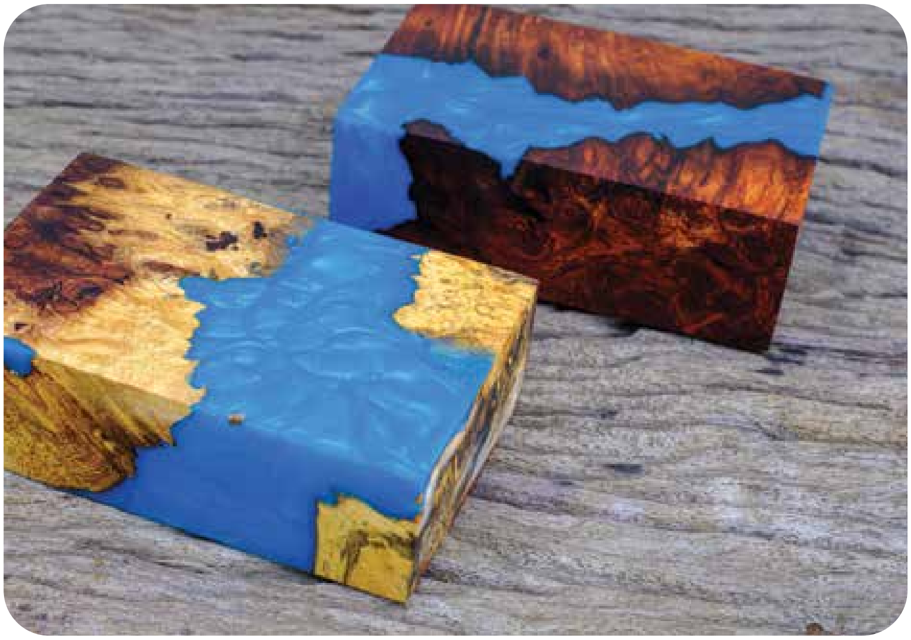
**Mining chemicals:** The Mining chemicals manufactured by Excel are used as froth flotation agents.



## Polymer Inputs

Our polymer inputs are used as cross linking or branching agent for polymers like Polycarbonates, Epoxy, Polyesters and similar systems.

We also manufacture products which find application as catalyst system for production of Polypropylene.



## Pharma APIs (Active Pharma Ingredients)

We manufacture APIs (Active Ingredients) and intermediates for APIs. Our APIs are used in anti-diabetic and anti-gout therapeutic application.

We also manufacture veterinary APIs which are used as animal feed supplements.

# Chairman's Address

*We envision a bright future for our nation and strive hard to achieve the same through synergy, innovation and hard work in our chosen sphere. What we are at Excel Industries Limited today is a result of thousands of hands working together to build a Company that serves the country in its growth and development.*

## Dear Friends,

Since our inception in 1941, the Company has come a long way. And as we commence our journey for the next years to come, we see brighter and even more promising times ahead. Even though Covid-19 dominated the whole of 2020 and tested the resilience of our business model, it helped instil greater confidence and pride in our people and processes. As a global health crisis, it forced us to pause and review the emerging trends while preparing ourselves to build a future-ready organisation. Despite all the ups and downs we witnessed last year, our grit and determination kept us motivated and driven.

Since beginning, Excel has always strived to be a robust, dynamic and forward-looking company.

We are indebted to our visionary founders for the sound foundation laid for the Company. All the stakeholders, such as investors like you have always supported and encouraged us, which has been a source of great inspiration.

Since decades, we have always strived to give back to the society, in the spirit of Gandhiji's idea of "Trusteeship" either directly or through associated NGOs.

We have always tried to engage in socially and nationally relevant businesses, for example, Excel was Independent India's first pesticide manufacturer developing a range of products, fully indigenous inhouse knowhow, to help the Green Revolution initiated by the country for food security. Similarly our pioneering work in the field of Urban Solid Waste Management has helped with cleaner city and sustainable agriculture.

We envision a bright future for our great nation and strive hard to achieve the same through synergy, innovation and hard work in our chosen sphere. What we are at Excel Industries Limited today is a result of thousands of hands working together to build a Company that serves the country in its growth and development.

Excel has invested wisely in securing raw materials, focussing on research in technological development, complying with Government policies on the environment, and supporting with needed monetary and other resources whenever needed. I am happy to state that we have always got good result from these efforts in the form of increased profits, greater customer satisfaction, and a healthier environment. We are happy to note that the covid pandemic has led to good degree of introspection by the entire human race regarding other equally disastrous threat namely climate change.

Today, waste is definitely a resource in the new concept of a circular economy that is emerging. The corporates world over are becoming more responsive to social concerns. Today, the world is moving towards environment-friendly use of resources, and even production-focussed countries like China have come up with significant reforms in their chemical industry. It fills me with a great sense of pride to state that we have always been conscious of our duty to the health of the environment in all our activities, and try to go beyond mere compliance for example effluent management through “Zero Liquid Discharge (ZLD).”

Today, when I look back on the path we travelled so far, it gives me a sense of joy and confidence in our diverse and robust company colleagues capable of handling any challenge. This pride of working with such an illustrious team drives us every day as we work to honour our stakeholders’ faith and investment in us. I want to thank our customers, suppliers, and other partners for their continued faith in our capability and for helping us improve our processes and develop ourselves into a world-class company. I would also like to thank my fellow Directors, our senior leadership team and company colleagues for their continued support and faith in our vision and for helping us drive towards success. Pandemic has been a great teacher. The VUCA (volatility, Uncertainty, Complexity and Ambiguity) challenges faced during the pandemic and ability to deal with it in quick time has built enormous confidence. All of us have learned to accept the Covid-19 situations and rise above it and deal with the “New Normal”. We feel confident about FY 2021-22 and beyond.

Here is hoping everyone gets fully vaccinated soon. I pray we come out of this challenge safe and healthy as we slowly transform for a better future ahead!

**Ashwin C. Shroff,**

Executive Chairman

# Message from the Managing Director

*Today, we are set to embark on a new phase of meaningful growth. We enjoy leadership position in certain technology platforms and market segments eg. Agrochemical intermediates and Phosphorous derivatives. We will continue to focus on and grow the agrochemical intermediates, pharmaceutical API and intermediates, polymer additives and specialty chemicals business through enhanced customer interactions. New product R&D backed by robust infrastructure and team will create new opportunities in the coming years*

## Dear Shareholders,

I hope you, your near and dear ones are safe and healthy.
The Covid-19 pandemic was a prominent part of last year, and it continues to create a disruptive impact on the lives and livelihood of people across the world. In our history of eight decades, we have not experienced anything like this pandemic before. But as they say, challenges always allow you to revisit yourself and change the approach. Last year, we changed our strategy and strengthened our core while adapting to the 'new normal'.

### Covid-19 Response

We successfully navigated the challenges posed by the Covid-19 pandemic. Excel's many products fall under the ambit of essential goods, therefore, the Company's operations continued with limited impact during the lockdown. We implemented and followed all the strict guidelines issued by the local, state and central Governments.
We also took all possible efforts to protect the health and well-being of our employees and ensured minimum disruption to our customers. We further carried out a vaccination drive for all our employees and their family members to immunize them from the Covid-19 impact.

As pioneers in indigenous chemical technology and sustainable waste management, innovation has always been a key driving force at Excel. Since our inception in 1941, we have achieved hundreds of chemical process breakthroughs while steadily contributing to the enhancement of the technological knowhow of the nation. Today, we are set to embark on a new phase of meaningful growth.
We enjoy leadership position in certain technology platforms and

market segments e.g. Agrochemical intermediates and Phosphorous derivatives. We will continue to focus on and grow the agrochemical intermediates, pharmaceutical API and intermediates, polymer additives and specialty chemicals business through enhanced customer interactions. New product R&D backed by robust infrastructure and team will create new opportunities in the coming years.

**Key Developments**

Manufacturing asset preservation has been an ongoing priority for our Company. Some of the old assets were modernised to extend their life and capabilities. Roha plant introduced automation in their agro intermediate plant to improve safety and productivity.

Aligned to market demands, both Roha and Lote Sites upgraded their production capabilities for specific products. The Company's existing ERP system was extended to the newly acquired Site at Vishakhapatnam (Vizag). Activities of Vizag site will now get integrated on a real-time basis with the rest of the Company's activities.

**Value Systems**

As I am sure you are well aware, there is a lot of public debate going on regarding the purpose and conduct of businesses and economic entities / companies. Broadly, it is covered by the currently frequent mention of ESG which stands for Environment, Society & Governance.

From the narrow view of a business to be a profit-making entity giving maximum returns to only one stakeholder, the investor, the definition is expanding to broader categories of stakeholders i.e. society at large, as also the way a business conducts its business eg. Transparency, integrity, compliances with statutory provisions, etc.

Our Company, since its founding, has always taken cognisance of all stakeholders in a fair manner, including community & society at large. CSR, a statutory provision now, has always been part of our value system.

Good values are "valued" by us, and we try to live by sound values initiated and practiced by our founders and keep adopting & refining both within the organisation as also with those associated with us.

**Recognitions**

Roha site received a Certificate of Appreciation from National Safety Council: India for appreciable occupational safety and health achievement. Similarly, a Certificate of Merit was received from the National Safety Council: Maharashtra Chapter, for achieving and maintaining zero accident frequency rate. This year we received the ICC award for Excellence in Management of Environment. Also, we received the certificate of merit for the best compliant Company for Product Safety and Stewardship code under Responsible Care from ICC.

All the Sites continued to operate, complying with high standards of safety. Regular training to employees, audits and monitoring of key safety parameters helped to keep the workplace free from incidents and accidents. There was no major reportable accident during the year under review.

The Company continues to be virtually debt-free and in a good position to support future growth opportunities. Over the years, we have built a highly resilient and diverse business with a strong foundation, and the broadness of our portfolio allows us to serve a wide range of markets and application areas. As a leading global player, we have also developed the flexibility and agility needed to compete in today's demanding markets as well as the ability to respond swiftly and effectively to fluctuations in demand.

Our journey over the years is a testimony of our commitment to our value-accretive growth. Today, we are favourably placed as an environment-friendly and quality conscious manufacturer. We aim to emerge as a preferred supplier for domestic and overseas customers and help transform the world into a better place.

Best Wishes,
**Ravi A. Shroff,**
Managing Director

# Message from the Executive Director

*The company formed a multi-location cross functional task force to assess and respond to the many changes emerging due to covid – redesigning processes to better focus on health, safety, compliances with region specific regulations etc. design and implement safe practices to avoid workplace infection. We drafted SOPs in multiple languages, and employees were trained vigorously, and the full implementation was monitored by task force members to ensure high order of compliance. The focus of all these efforts was enhanced employee care, especially in the context of Covid-19 infections.*

## Dear Members,

We have collectively witnessed an unprecedented year – physically, emotionally, financially and socially. With a dual focus on life and business continuity, we worked with tenacity, agility, creativity and connectivity. Our strong cash flow position enabled us to not only uphold our commitments to our customers, suppliers and employees, but also make investments in up gradation, expansion, product development and new talent.

We see abundant opportunities in all our businesses. We are capitalising on some in the short term and laying the foundations for growth by investments in people, processes, R&D and production capabilities.

The Environment & Biotech Division was able to sustain operations in waste management in this challenging year. While the traditional customer segment; namely the Urban Local Bodies diverted their focus and resources on covid, the company launched a new product, BioTurn, for the decentralized waste management segment with enhanced throughput and easier operations. The company also developed additional revenue streams by separating non-organic waste fraction which is being monetized as Refuse Derived Fuel used as co-processing by the cement industry, recovery of scrap metals and recyclables; and enabling Producer Responsibility Organisations (PRO) help brand owners fulfil their Extended Producer Responsibility (EPR) obligations. We look forward to providing solutions to Urban Local Bodies for Municipal Waste Management and exploring collaboration with other companies to unlock larger opportunities for transformation in India's waste management sector.

We are strategically exploring opportunities to enter into Biogas segment enabling us to offer the full bouquet of organic waste management services.

I would like to thank the leadership team for bringing around this transformation over the years in waste management and helping us move towards offering multiple solutions, continue focus on decentralised while bringing in impact through more centralised facilities. Excel is committed to creating a Swachh Bharat. In the words of Swami Vivekanand 'Arise! Awake! And stop not till the goal is reached.'

Best Wishes
**Hrishit A. Shroff,**
Executive Director

# Message from the CEO

*Product Development built on in-house Research had always been Excel's forte. Developing innovative processes and technologies and building scale in select products were the basis of innovation culture in the Company.*

*The Company wishes to strengthen these qualities further and use them in a structured manner to drive future business growth. The existing R&D team is being strengthened further.*

## Dear Shareholders,

Torn by the pandemic and disrupted by the uncertainties since Mar 2020, the past year was truly a challenging time. Quarterly planning too was uncertain as it was difficult to anticipate the magnitude of pandemic's impact on the business operations when we started the financial year 2020-21. However, thanks to the resilience & responsiveness of the employees of Excel Industries Limited and their families, the Company was able to manage the pandemic year with minimal impact. The manufacturing plants started after a brief interruption in Apr 2020 and subsequently operated as mandated by the local authorities. Employee care and well-being were the primary considerations when plants resumed operations. Thanks to the sales force & teams at all manufacturing locations, operations returned to normalcy. Activities that were planned were also implemented by the teams. Despite travel restrictions, Vizag site and its employees integrated well with the Company. Vizag plant also saw increased business activity during the year, despite the pandemic.

Implementing all these activities under trying circumstances was also a learning for all of us. It made us think & work differently, with several of us discovering our true potential and capabilities, thereby proving the adage – *when the going gets tough, the tough gets going!* With a renewed sense of vigour and action, the teams were able to deliver a satisfying performance in an otherwise challenging year.

The Company too supported those in need. Whether working from home or supporting COVID-19 recovery, or encouraging employees to get vaccinated, Excel was conscious and eager to promote a COVID-19 free environment as a pre-requisite for healthy workplace. The Company also ensured timely salary payments to its employees without any cut during this period, in order to keep up their spirit.

### Transformation

As we look forward to the next financial year, one thing is certain – Uncertainty! It is important that we anticipate and adapt ourselves more to a rapidly changing & evolving scenarios and get on with our future plans.

*We need to take charge of our destiny and implement long-term plans for a sustainable future. There are some interesting projects to be implemented in the coming financial year that are essential for the Company's growth.*

Realising these will require employees acquiring relevant skills & competencies while Company assimilates new talent. All these points to an exciting start to a wonderful transformation.

On the manufacturing front, Roha Site obtained Environmental Clearance for expansion. This was to support expansion and future growth initiatives of the Company. The newly acquired Visakhapatnam Site could get all regulatory approvals re-issued in Excel's name, thereby completing the transfer process. Lote Site started to put an expansion plan in place, aiming to increase their share of contribution to Company's performance. All the three manufacturing locations worked on improving their operating efficiencies further, with a sharp focus on enhancing capacity utilization and external customer delivery orientation.

As the year progressed, the teams had started to learn to adapt and to live with the pandemic & uncertainty. Several of our normal routine were back in place, while ensuring our self-protection against COVID-19 infection.

**Research and Development**

Product Development built on in-house Research had always been Excel's forte. Developing innovative processes and technologies and building scale in select products were the basis of innovation culture in the Company.

The Company wishes to strengthen these qualities further and use them in a structured manner to drive future business growth. The existing R&D team is being strengthened further. With the appointment of new Corporate R&D Head and with the proposed modern R&D Lab in Mumbai, we are working to build a platform that will become a fountainhead for business in the medium term. Implementing these strategies in the years ahead, we are confident to make a transformational impact around us.

On behalf of TEAM EXCEL, I would like to thank our employees, service providers, vendors, customers and all stakeholders in their unstinted support during this challenging year.

Best wishes
**N. R. Kannan,**
Chief Executive Officer

# EXCEL BIOTURN

## Fully Automatic Rotary Composter

*Excel has introduced a new product - a novel in- vessel aerobic composter for treatment of organic waste.*

*It's sleek and aesthetic design has market appeal. It's design is more space and manpower efficient; retaining the inherent quality of producing quality compost efficiently.*

*It has found positive market acceptance and will be an ideal solution for municipal corporations, agricultural produce markets, residential townships and community composting.*

EXCEL BIOTURN
Fully Automatic Rotary Composter

# Board of Directors

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

Mr. Ashwin C. Shroff, as an Executive Chairman, has always led a formidable leadership. Affectionately called Ashwin bhai in the organisation, he always leads by example and is the bearer of all the values that make life at Excel so special. He is firmly committed to the Excel way of working, building consensus and democratic processes.

He has been serving the Company for 50 years, and his leadership continues to inspire the entire group to march ahead. Mr. Shroff is on the Board of several companies, including Transpek Industry Limited, Anshul Specialty Molecules Private Limited and Kamaljyot Investments Limited.

He has been widely recognised for his contributions to the growth of the Indian chemical industry and had also received the ICC Lifetime Achievement Award in 2012.

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

Mr. Ravi A. Shroff is a young and dynamic Managing Director of the Company. He is the third generation industrialist in the A. C. Shroff Group of companies. He was an Executive Director w.e.f. 3rd September, 2014 and was elevated to Managing Director w.e.f. 3rd September, 2019. Before joining the Company, he served as an Executive Director for 7 years with Anshul Specialty Molecules Private Limited and spearheaded Anshul to the path of growth and diversification.

At Excel, he has been steering the chemical division, including the strategic new business of Pharmaceutical and Veterinary APIs and has launched several new pharmaceutical molecules/ products under his stewardship. He is also a Director on the Board of reputable companies, including Transpek Industry Limited, Anshul Specialty Molecules Private Limited, Kamaljyot Investments Limited and Transpek Industry (Europe) Limited. He is an Engineering Graduate (BE Chemical) from the Mumbai University and a Post Graduate in Chemistry from the Boston University, USA.

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

Mr. Hrishit A. Shroff was appointed as an Executive Director with effect from 27th June, 2019. He is a Commerce Graduate and a Chartered Accountant. He has also completed an executive management course from the Harvard Business School.

Before becoming the Company's Executive Director, Mr. Hrishit A. Shroff was working with the Company since 1st February, 2017 as the President (Environment & Biotech Business and Corporate Services). He has been heading and steering the Environment and Biotech Division and has successfully launched several Solid Waste Management solutions under his leadership.

Before joining the Company, he was an Executive Director at Excel Crop Care Limited and had over 10 years of experience in Agrochemicals industry and Business Management.

Amongst other positions, he holds Directorship in Excel Bio Resources Limited, a wholly owned subsidiary of the Company, MobiTrash Recycle Ventures Private Limited, Associate of the Company and Agrocel Industries Private Limited.

## Mr. Dipesh K. Shroff, *Non-Executive Director*

An industrialist with vast experience in the Chemicals and Agrochemicals Industries, Mr. Dipesh K Shroff holds diploma in civil Engineering and Owners'/ Presidents' Management Programme at Harvard Business School to his credit. He serves on the Board of a number of companies including Agrocel Industries Private Limited, Transpek Industry Limited and TML Industries Limited.

## Mr. Atul G. Shroff, *Non-Executive Director*

A highly experienced Industrialist, Mr. Atul Shroff is the promoter Director of Transpek Industry Limited. He is actively involved with the Excel Group. He is part of the Board of Transchem Agritech Private Limited and Madison Investments Private Limited.

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

Mr. Motiwalla is a Chartered Accountant by profession and a highly respected professional in corporate India. He is a senior partner of H. N. Motiwalla & Co. and Chajjed & Doshi. Mr. Motiwalla has vast experience in the field of Accounting, Audit, Finance, Taxation, Corporate Governance and Company Law. He serves as a Board member in several companies including Hitech Corporation Limited, Multibase India Limited, Balkrishna Paper Mills Limited and Ashapura Minechem Limited. He is also Chairman of the Audit Committee of several listed companies. Mr. Motiwalla has been serving the Board since 2002.

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

Mr. Jhaveri is an industrialist with vast experience in chemicals and textile auxiliary industry. He has been a Director of Excel Industries Limited since 20th October, 2002. Apart from serving as the Chairman and Managing Director of Phthalo Colours & Chemicals (I) Limited and Chairman of Indian Extractions Limited, he also holds directorship in quite a few companies including Sadhana Nitro Chem Limited. Mr. Jhaveri holds a B.Com degree from the Bombay University and a Diploma in Business Management.

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

Mr. Bhogale holds a Bachelor's degree in Mechanical Engineering and has a vast experience in auto components and kitchenware industries. He is an eminent industrialist and possesses versatile skills, experience and knowledge in the field of management and administration. Amongst other positions, he serves on the Board of Umasons Auto Compo Private Limited.

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

Mr. Rajeev M. Pandia is a highly respected corporate professional in the chemical industry and is well known for his contribution to the industry through various forums.

He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group, India) as the Vice Chairman and Managing Director from 1992 until December 2008. He was, thereafter, the Group Adviser and Director of SI Group (Global Markets), USA. During 2013, he was appointed on a Committee to draft the National Chemical Policy for India by the Ministry of Chemicals and Fertilisers, Government of India. He has been associated with high level audits for many years in respect of EHS, Sustainability and Technology functions.

He was appointed on the Jury of World Chemistry Awards 2015, a global recognition programme for the international chemical industry, being the only member from Asia. As a consultant, he now advises several Indian and international companies in the areas of Strategy, Project Execution and Operational Excellence.

He is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai, India and holds the Master's degree in the same field from Stanford University, California. Among others, he is a director in Thirumalai Chemicals Ltd, Ultramarine & Pigments Ltd, in GRP Limited and Supreme Industries Limited. He has been an Independent Director on the Board of the Company since 8th August, 2014.

## Mr. S. S. Vaidya, *Independent Director*

Mr. S. S. Vaidya is a practicing advocate and solicitor. He is a partner in Messrs. Kanga and Company, a 125-year-old reputed law firm of advocates and solicitors.

He was the President of Indian Merchants' Chamber (Premier Chamber of Commerce in the Western India) for the year 2013-14. He is a Managing Committee Member of the India Merchants' Chamber and Bombay Incorporated Law Society. He is also a director in several public limited companies, including Apcotex Industries Limited. He has been an Independent Director on the Board of the Company since 8th August, 2014.

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

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

## Dr. Meena A. Galliara, *Independent Director*

Dr. Meena A. Galliara was appointed as an Independent Director with effect from 27th June, 2019. She is a Director at Jasani Center for Social Entrepreneurship & Sustainability Management, Narsee Monjee Institute of Management Studies (NMIMS). She is alumna of Tata Institute of Social Sciences (TISS). She commenced her career as a Welfare Officer with Dharamsi Morarjee Chemicals Company Ltd. For little over a decade she worked as Faculty Member in the Department of Social Welfare Administration at TISS. In the duration of her work at TISS, she actively contributed to research in the area of political empowerment of women, impact assessment of social welfare schemes, labour welfare schemes and management of NGOs. She was deputed by TISS to set up Tata Council of Community Initiatives and was part of the Maharashtra state's research team on 73rd Amendment to the Constitution of India. She handled the field action project on humanising Child Welfare Institutions of Ulhasnagar. Apart from academics, Dr. Galliara serves as a Trustee on the Board of International Resources for Fairer Trade.

## Mr. P. K. Molri, *Nominee Director*

Mr. P. K. Molri joined the Board as LIC Nominee Director w-e-f 7th February, 2020. He is a Chartered Accountant and a Commerce Graduate (Honours) . He joined LIC of India in July 1985 and has rich work experience of more than 34 years in different senior positions at LIC including Sr. Divisional Manager of two Divisions and Chief Risk Officer of the organisation. He has recently superannuated from LIC from the post of Executive Director- Investment Operations wherein he was heading Equity, Debt, Treasury, Pension & Group schemes and ULIP Portfolios. He also holds the directorship at Ambuja Cements Limited.

# Caring for our Employees during Covid-19

This quote is especially true during the most challenging times — people always remember how you make them feel. In 10 or even 30 years, employees will remember the coronavirus pandemic and how we made them feel during this unprecedented time. We have taken proper measures and abided by the rules of the government at every stage of our workflow. Some of them being:-

- Thermal Screening and checking of Aarogya Setu app at Gate entry for all
- Social distancing at Canteen/Change rooms/Gate, Staggered shifts
- Sanitization of all Cargo vehicles (Domestic and Export), and Employees bus at Gate

- Dedicated Management employees as Covid-19 Warriors in 3 shifts to monitor compliance
- Display of posters at various locations at site and awareness videos at Canteen
- Periodic sanitization of Canteen Change rooms /plants

- For employees/families: Online awareness programmes by FMO in local language
- Mock drill exercise & simulated reporting of a positive case
- Availability of Cardiac/Normal Ambulance 24x7 at the site for employee/family

- Distribution of sanitizers, multivitamins, steam generators, and masks, among others
- Tie up with the Apollo Hospitals for telemedicine. Physical camp held at site: 27.07.20
- Tie up with various hospitals, directly and through industrial association

- Provision of SPO2 meters to all departments and regular monitoring
- Greeting recovered employees with fruit baskets, at home before joining duties

# Transforming for a better tomorrow

## Corporate Social Responsibility

₹ **296.31** Lakhs

Amount spent on CSR activities

Excel firmly believes that as a responsible part of the industry, it owes a duty of welfare to society at large.

We pursue our bit of social responsibility and carry out the social work directly and/or through other registered voluntary organisations.

Our policy on corporate social responsibility (CSR) states various activities that the Company undertakes to discharge its duties towards society.

In the FY 2020-21, we undertook various CSR activities at Roha, Lote, Vizag and Mumbai, including Conservation of Natural Resources, Rural Development, Promotion of Education, Preventive Health Care, Empowering Women and ensuring Environmental Sustainability and Swachha Bharat Abhiyaan.

For the year ended 31st March, 2021, we spent ₹ 296.31 lakhs on aforesaid CSR activities directly or through other registered voluntary organisations like Vivekanand Research & Training Institute.

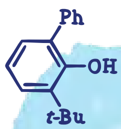
### VISION

Transcending horizons to create sustainable, empowered and responsible communities

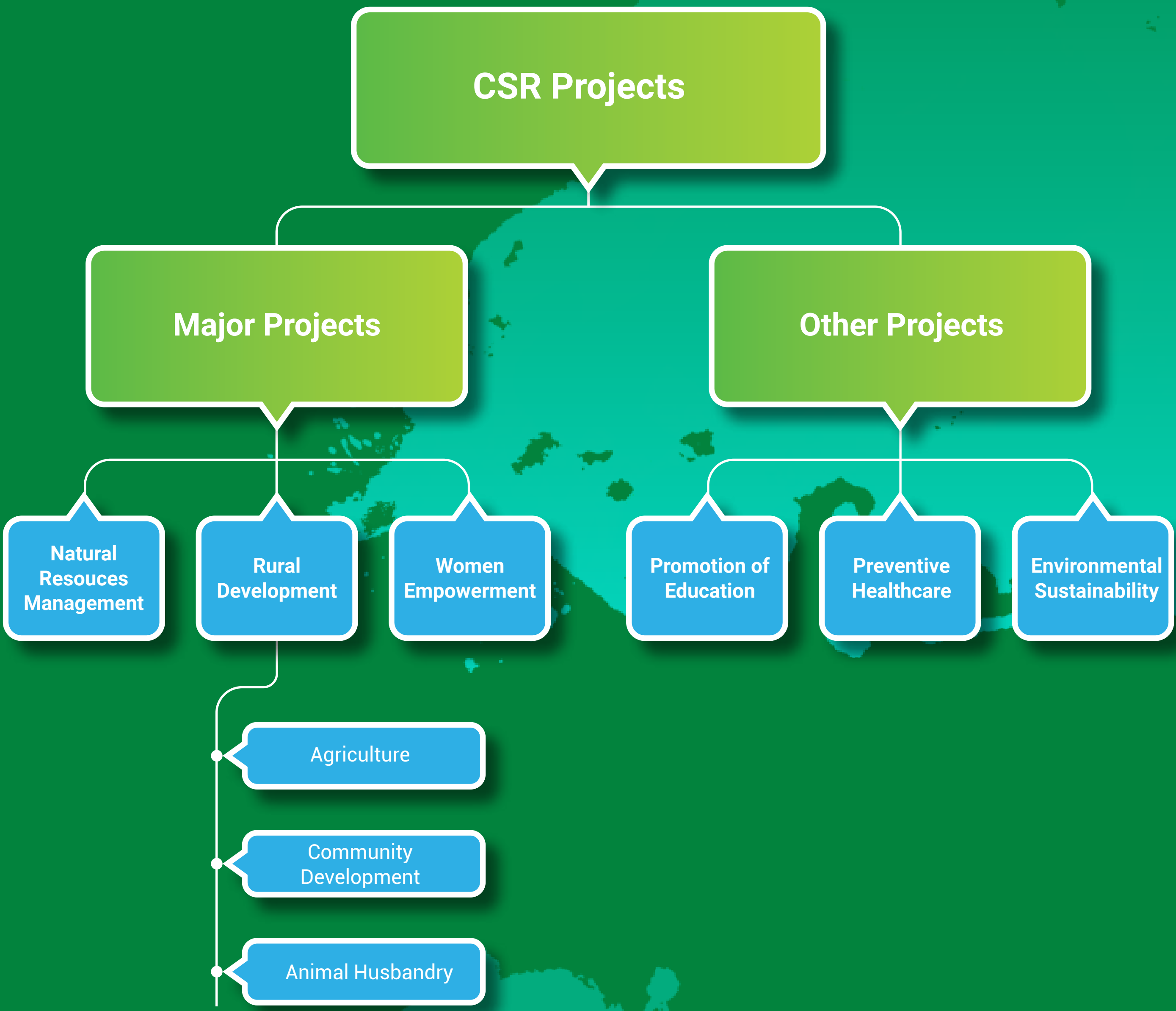
### MISSION

To be a catalyst for creating sustainable communities in and around our business operations and in other need-based locations by designing interventions in the areas of:

- Natural resource management
- Human resource development
- Socio-economic development and
- Infrastructure development



# Major Focus Areas



## Natural Resources Management

### Conservation of Natural Resources

- 10 permanent check dams were constructed
- Completed desilting work in 9 villages
- Created and recharged 25,050 Cubic Meter water storage capacity

**4,072**
Families Benefited

| Activities | No. of Villages | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Met the villagers and completed the survey | 04 | 2,900 | Identified the locations and completed documentation work with gram panchayat |
| Permanent check dam constructed at Talaghar (24mX3mX1m) | 01 | 1,500 | 15,000 m3 to 16,000 m3 water will be stored<br><br>100 acres farming land |
| Desilting of rivers and ponds of different sizes:<br><br>1000X15X2, 900X3X2, 100X16X3 & 400X20X2.5 Meters | 04 | 2,900 and dairy business with 100 cattles) | 64,200 m3 water will be stored, benefitting the well and borewells |
| Repairing permanent check dam | 01 | 350 | 27000 m3 water storage cap, one corner damaged in Nisargacyclone |
| Permanent contraction to natural stream pond (4X3X4 Meter) | 01 | 250 | Adiwasiwadi people contributed labour shramdan 48 M3 |
| Water tank provided for water storage purpose | 01 | 100 | Water storage and distribution problem solved |
| Desliting (river basin and check dam) | 2 | 3,110 | Increased water storage capacity 1,35,000 m3. There would be no water shortage in the summer for agriculture & drinking. Area under cultivation 19Acre. |
| Water collection facility for drinking | 4 | 1,120 | Sufficient water for drinking till May-end |
| Rain/natural water harvesting-borewell recharge | 1 | 360 | Will enhance the ground water table and will sustain the water supply till May-end |

## Rural Development – Agriculture

Total 1,982 farmers benefited and 584 acres land cultivated for different crops to get income for farmers.

**Kharif Season:** Promoted Nagali cultivation as a nutritious value product, workshop conducted for paddy productivity and distributed paddy seeds, support in fertilisers, horticulture, kitchen gardens and distributed kharif vegetables seeds.

**Rabi Season:** Distributed seeds and fertilisers, which resulted in large quantities cultivation of pulses and oilseed crops.

**Marketing Support:** 'Vikel te Pikel' state Government Scheme implemented for the selected 100 farmers. Joint programme inaugurated by Agriculture Commissioner (Maharashtra) Mr. Dhiraj Kumar and Agriculture District Dept., AATMA., provided stall kits like 2 trays, 1 stand, 1 umbrella.

**Demos:** Capsicom & Jiwamrut organic pest control trial project

| Activities | No. of Villages | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Meeting done with Agri. Dept. for jointly working with and getting support from NABARD, AATMA & FPO the project | Roha Taluka | 500 Farmers | Doubling the income of farmers and to get them Atmanirbhar<br>25% increase profit in their current returns |
| Interaction meeting done with the district head of agriculture department and AATMA's head from Alibaug | Roha Taluka | 500 Farmers | To start FOP and start training programmes under AATMA |
| Kharif Season farming-kitchen garden, tuber crop and turmeric seeds/saplings distribution | 27 | 200 | Farmer motivation income generation land utilisation<br>Average income of ₹ 60 -70 thousand in four months |
| Agricultural guidance workshop/ farmers meeting | 5 | 50 | Awareness created among farmers about the importance of modern and commercial farming, community farming in the village through self-help group, bamboo farming and quality agricultural production in 1R |

## Rural Development-Animal Husbandry

- Provided well nutritious cattle feed, Murgrass
- Arranged for a mosquito control spray camp with an awareness campaign.
- Helped farmers in poultry and dairy farming
- Provided support for goat and fish farming
- Provided goods for marketing support

**148**
Beneficiaries

**590**
Livestocks

| Activities | No. of Villages | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Green fodder cultivation | 1 | 10 Cattle owner | Milk production improvement |
| Eggs provided for incubator machine | 5 | 5 | Develop chicks for locally distributed to farmers (200 farmers) |
| Poultry farming | 1 | 1 | Farmer gets ₹ 10,000 to 15,000 per month. Presently, the chicks are purchased from Pune and Sangli |

- Under the State Government Scheme – Intensive Poultry Development Blocks, Fully automatic digital control setter come Hatcher & multipurpose pulverizer (30Kg Capacity/hrs) to Poultry farmer at Bhilare Ayani, Khed
- From egg hatching machine, 900 to 950 eggs are hatched to produce chicks. If the average price of a chick is around ₹ 22, then the farmer get ₹ 19,800
- Multipurpose pulverizer (30Kg Capacity/hrs): The feed preparation machine reduces the cost of purchase of feeds and the farmer can bring his raw material and prepare feed for the hens/chicks

## Rural Development-Community Development

- Constructed rangmanch for villagers' common activities programmes
- Developed road street light, creek road and sewage system
- Organised Swachatta Abhiyan by conducting awareness programmes and displayed awareness boards
- Constructed civil hospital shade for the community as well as patients

**10**
Villages Covered

**2,000**
Beneficiaries

- Organised special coaching classes through expert faculty for 10th Standard.
- Provided protection equipment like masks, spray pump, and sanitizers to schools
- Provided computer training programme to CMRC women

**3,043**
Students Covered

**17**
Schools Benefited

- Organised an income-generating training programme in tailoring, basic tailoring repairing awareness, masala preparation, beauty parlor and shevai-making machine
- Promoted value-added products of Ragi and organised taluka level Ragi products-making training programme
- Arranged value-added bamboo sky lamp preparation training programme
- Crab and fish cultivation training programme

## Women Empowerment

- Provided support to 50 ladies last year and trained them to start their own business in tailoring and beauty parlour in Roha
- Set a target for them to earn at least ₹ 10,000 per month

**3,043**
Students Covered

**17**
Schools Benefited

| Activities | No. of Villages | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Infrastructure facilitation | 3 | 400 | Used to enhance the quality of schools |

## Promotion of Education

- Organised special coaching classes through expert faculty for the 10th class
- Provided protection equipment like masks, spray pump, and sanitizers to schools
- Provided computer training programme to CMRC women

**1,945**
Ladies Covered

| Activities | No. of Village. | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Sun coats and caps provided to ASHA workers | 150 | 54 | Protection from the summer heat during Covid-19 survey |
| Sanitiser bottles provided to gram panchyat | 2 | 300 | Prevention from Covid-19 in villages |
| Prepared kits for nagar palika sweepers – 2 masks, 1 bottle of sanitiser and 1 pair of hand gloves | Roha | 70 | Provided precaution kits for the garbage collection activities, which are carried continuously |
| Created awareness on preventive health measures and cotton mask, sanitizers, thermometer and oximeter distribution | 4 | 500 | Benefited for health monitoring |
| Distributed food package | 2 | 400 | Help for the needy people during the Covid-19 lockdown period |

## Environmental Sustainability

| Activities | No. of Villages | No. of Beneficiaries | Outcomes |
|---|---|---|---|
| Swachhta abhiyaan and health & hygiene counselling | 1 | 300 | Clean drinking water for humans and animals. Separate place for animal washing and cloth washing |

### Our Partners in Transformation through all our CSR Activities:

Konkan Krushi Vidyapeeth, Dapoli

Dept. of Agriculture

### Awards Received:-

- ICC Award 2020-2021 for Best Compliant Company for the Product Safety and Stewardship Code Under Responsible Care
- ICC Award 2020-2021 for Excellence in Management of Environment

# Value Creation Model

Our business model and strategies drive stakeholder value creation. We efficiently utilise our input capitals and blend them to our processes with a clear understanding of the externalities and continuous dialogue with our stakeholders. It helps set our priorities across the value chain leading to a desirable output across financial and non-financial performance parameters.

**Inputs**

**Financial Capital**
Comprises the financial assets in the form of debt and equity

**Manufacturing Capital**
Comprises production facilities and raw materials for production

**Human Capital**
Comprises knowledge, skills and experience of employees

**Relationship Capital**
Comprises relationships with internal and external stakeholders – shareholders, Government and regulatory authorities, vendors and customers

**Intellectual Capital**
Comprises research and development, in-house engineering, continuous innovation, and goodwill

**Natural Capital**
Comprises environmental resources like land and water used by the Company in its value creation process

## Output

- A leading manufacturer of specialty and performance chemicals
- A seven-decades rich experience and understanding of indigenous chemical technologies and waste practices in India amalgamated with staunch values and a rich culture
- Complex product development has helped keep us ahead of the times through the adoption of best-in-class technological solutions
- Fully automated production facilities
- Multiple production sites
- One of the leading players in developing Chemicals
- Good financial performance
- Diversified product portfolio
- Diversified customer and market base
- Market leadership in India
- In-house research and development, driving innovations

## Value Creation for Stakeholders

**Shareholders**
Returns in the form of dividends and capital appreciation

**Government and Regulatory Authorities**
Timely compliances

Contribution to exchequers in the forms of taxes

**Vendors**
Long-standing supplier relations

Payment in time

**Employees**
Healthy and motivated work environment

Professional development

**Customers and Consumers**
Quality products

Higher satisfaction

Long-standing relationship

**Nature and Environment**
Zero-liquid discharge facilities

Green chemistry

**Society**
Job creation

Community care

# NOTICE

NOTICE is hereby given that the **60th ANNUAL GENERAL MEETING** of the members of **EXCEL INDUSTRIES LIMITED** will be held on **Friday, 24th September, 2021 at 03.00 p.m.** through two-way Video Conferencing or Other Audio Visual Means ("VC/OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 11.25 per equity share for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Mr. Hrishit A. Shroff (DIN 00033693), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

4. To approve increase in remuneration of **Mr. Hrishit A Shroff**, Executive Director 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 section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the shareholders of the Company be and is hereby accorded for increase in remuneration of Mr. Hrishit A Shroff, (DIN: 00033693), Executive Director of the Company, by way of increase in payment of commission, effective from 27th June, 2021 till the remainder of duration of his tenure i.e. up to 26th June, 2024;

   RESOLVED FURTHER THAT all other existing terms and conditions of his appointment including remuneration shall remain in force except the rate of commission which is proposed to be increased and shall be payable as under:

   COMMISSION:

   Commission of a sum calculated at 1% of the net profits of the Company in a particular financial year computed in the manner laid down in Section 198 of the Act, shall be paid within the overall ceilings stipulated in accordance with the provisions of Section 197 and other applicable provisions of the Act.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as it deems necessary and the executives of the Company be and are hereby authorized to give effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard."

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

   "RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Cost Auditors **M/s. Kishore Bhatia & Associates** (Firm Registration Number: 00294) for the financial year 2021-22, fixed at ₹ 5,00,000/- (plus applicable taxes and out-of-pocket expenses) by the Board of Directors at its meeting held on 28th May, 2021, be and is hereby ratified."

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.
2. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors being appointed /reappointed has been provided in the Annexure to this Notice.
3. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 02/2021 dated January 13, 2021 read together with Circular No. 14 dated April 8, 2020, Circular No. 17 dated April 13, 2020 and Circular No. 20 dated May 5, 2020 (hereinafter collectively referred to as "MCA Circulars") and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (the e-AGM circulars) have permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the Annual General Meeting of the Members of the Company is being held through VC/OAVM.For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at 184-87, S V Road, Jogeshwari (West), Mumbai 400102. The Members are requested to attend the AGM from their respective locations by VC and not to visit the registered office to attend the AGM.
4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to pddiwan@yahoo.co.in with copies marked to the Company at investors@excelind.com and to its Registrar & Transfer Agent (RTA) at rnt.helpdesk@linkintime.co.in.
6. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA circulars and circular issued by SEBI. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website www.excelind.co.in; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively.
8. The register of members and the share transfer books of the Company will remain closed from Saturday, the 18th September, 2021 to Friday, the 24th September, 2021 (both days inclusive).
9. Dividend as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or before 23th October, 2021 as follows: (a) to the Members holding shares in physical form and whose names appear in the Register of Members on the close of the day on 24th September, 2021; and (b) to the Members holding shares in dematerialized form and whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on the close of business hours on 17th September, 2021.

10. Payment of dividend will be made through National Electronic Clearing Service (NECS) by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and who wish to avail of NECS facility to receive dividend from the Company may furnish the information to Link Intime India Private Limited, the Registrars and Transfer Agents of the Company. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS mechanism.

11. ***Registration of email ID and Bank Account details:***

    In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories and/or not updated the Bank Account mandate for receipt of dividend, the shareholders can do so by following the below instructions:

    ***(i) In case of Shares held in Physical mode:***

    Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit. On submission of the shareholder's details an OTP will be received by the shareholder which needs to be entered in the link for verification.

    OR

    ***(ii) In the case of Shares held in Demat mode:***

    The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process mandated and advised by the DP.

    ***(iii) For temporary registration of demat shareholders:***

    The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt. Ltd. by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the e-mail registration heading and follow the registration process as stated therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id

12. Pursuant to the provisions of Sections 124(5) of the Companies Act, 2013, the amounts of dividends remaining unpaid/ unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company in pursuance of this section shall be transferred to the Investor Education and Protection Fund. The details of dividend paid for the financial year 2013-14 onwards are given below:

| Date of Declaration | Dividend for the year | Dividend ₹/ Per Share | Due date of transfer of dividend to the Investor Education & Protection Fund |
|---|---|---|---|
| 26.09.2014 | 2013-14 | 3.75 | 01.11.2021 |
| 31.10.2014 | 2014-15 (Interim Div) | 3.00 | 06.12.2021 |
| 10.09.2015 | 2014-15 | 4.00 | 16.10.2022 |
| 26.07.2016 | 2015-16 | 4.50 | 31.08.2023 |
| 03.08.2017 | 2016-17 | 6.00 | 08.09.2024 |
| 09.08.2018 | 2017-18 | 12.50 | 14.09.2025 |
| 13.08.2019 | 2018-19 | 18.75 | 18.09.2026 |
| 09.03.2020 | 2019-20 (Interim Div) | 10.00 | 14.04.2027 |

13. Members who have not encashed the dividend warrants for the year 2013-2014 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.

14. The Members, whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF 5 available on www.iepf.gov.in.

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

17. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

18. All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to InstaMeet URL: https://instameet.linkintime.co.in

    All documents referred to in the Notice will also be available on the Company's website for inspection by Members from the date of circulation of this Notice up to the date of the Annual General Meeting.

19. In case the shareholders/members have any queries or issues regarding e-voting or e-AGM, they can write an email to instameet@linkintime.co.in or investors@excelind.com or Call us: - Tel : 022-49186175.

20. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the e-AGM circulars, the Company is pleased to provide to the Members facility to attend the Annual General Meeting (AGM) through Video Conferencing (VC) /other audio visual means (OAVM) and to exercise their right to vote at the AGM by electronic means and also through remote e-voting prior to the AGM.

21. **REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:**

    The remote e-voting period begins on Tuesday, the 21st September, 2021 at 9.00 a.m. and ends on Thursday, the 23rd September, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime for voting thereafter.

    **I. INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE**

    Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with depositories and Depository Participants.

    Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

**1. Individual Shareholders holding securities in demat mode with NSDL:**

A. • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL.

Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.

• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name "Excel Industries Limited" or e-Voting service provider name "Link Intime India Private Limited" and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

B. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name "Excel Industries Limited" or e-Voting service provider name "Link Intime India Private Limited" and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**2. Individual Shareholders holding securities in demat mode with CDSL:**

A. • Existing user of who have opted for Easi / Easiest, they can login through their user id and password.

Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name "Link Intime India Private Limited" to cast your vote.

B. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:

• To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration

• Proceed to complete registration using your DP ID-Client ID (BO ID), etc.

• After successful registration, please follow steps given under point no. 2.A. above to cast your vote.

C. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication user will be provided links for the respective e-Voting service provider (ESP) where the E Voting is in progress.

**Procedure to login through their Demat Accounts/ Website of Deposotory Participants**

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
- Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**II. Facility provided by e-voting service provider M/s. Link Intime India Private Limited**

Open the internet browser and launch the URL: https://instavote.linkintime.co.in

Those who are first time users of Link Intime India Private Limited (LIIPL) e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

**1.** Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

**A. User ID:** Enter your User ID

i. Shareholders/ members holding shares **in CDSL demat account shall provide 16 Digit Beneficiary ID**

ii. Shareholders/ members holding shares **in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

iii. Shareholders/ members holding shares **in physical form shall provide Event No + Folio Number registered with the Company**

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

➢ Shareholders/ members **holding shares in CDSL demat** account shall **provide either 'C' or 'D', above**

➢ Shareholders/ members **holding shares in NSDL demat** account shall **provide 'D', above**

➢ Shareholders/ members holding shares **in physical form** but have not recorded 'C' and 'D', shall **provide their Folio number in 'D' above**

➢ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

➢ Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on **'Login'** under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour/ Against'** (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. **Favour / Against**, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian/ Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, **PAN, DOB/DOI, Bank Account Number** (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular **"Event"**.

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding remote e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022-4918 6000.

## 22. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

(i) Shareholders/Members are entitled to attend the Annual General Meeting through InstaMeet VC/OAVM facility provided by Link Intime India Private Limited by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting.

(ii) Shareholders/Members are requested to participate on first come first serve basis as the maximum number of shareholders allowed to participate through the virtual AGM is restricted to 1000 members only. Shareholders/ Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. will be allowed to the meeting without restrictions of first-come-first serve basis.

(iii) Shareholders/Member shall register their details on InstaMeet facility and attend the Annual General Meeting as under:

**Open the internet browser and launch the URL: https://instameet.linkintime.co.in**

➢ Select the **"Company"** and '**Event Date'** and register with your following details: -

**A.** • **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

• Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

• Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

• Shareholders/ members holding shares in **physical form shall provide Folio Number registered with the Company**

**B.** **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

**C.** **Mobile No.:** Enter your mobile number.

**D.** **Email ID:** Enter your email id, as recorded with your DP/Company.

➢ **Click "Go to Meeting"** (You are now registered for InstaMeet and your attendance is marked for the meeting).

On successful registration with the Registrar, the invitation to join the AGM will be sent to the Members on their registered email IDs. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members are encouraged to join the Meeting through Laptops/Desktop for better experience.

Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**Note:**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/ downloads.html/

Or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

**23. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO REGISTER AS SPEAKER DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

a. Members who would like to express their views/ask questions as a speaker at the Meeting are requested to pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investors@excelind.com, at least 4 days prior to the date of AGM i.e. on or before 3.00 p.m. on Monday, September 20, 2021. Those Members who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM on first come first served basis. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The speaker shall ensure being connected to a device with a video/camera with good internet speed. Those speakers whose names are called out by the Chairman/Moderator and are not available will not be allowed to speak later to ensure proper proceedings flow.

b. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.

c. Shareholders are requested to speak only when Chairman /Moderator of the meeting announce the name and serial number of the Speaker.

d. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.

**24. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Once the electronic voting is announced by the Chairman it will be activated by the Scrutinizer/ Moderator of the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

a. On the Shareholders VC page, click on the link for e-Voting **“Cast your vote”.**

b. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id. received during registration for InstaMeet and click on **‘Submit’**.

c. After successful login, you will see **“Resolution Description”** and against the same the option **“Favour/Against”** for voting.

d. Cast your vote by selecting appropriate option i.e. **“Favour/Against”** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **‘Favour/Against’**.

e. After selecting the appropriate option i.e. **Favour/Against** as desired and you have decided to vote, click on **“Save”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“Confirm”**, else to change your vote, click on **“Back”** and accordingly modify your vote.

f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

**OTHER INSTRUCTIONS FOR MEMBERS**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
2. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of i.e. 17th September, 2021.
3. A person, whose name is recorded in the Register of Members as on the cut-off date only, shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
4. Members seeking any information with regard to any items provided in the AGM Notice including the Annual Accounts and any queries relating to the business /operations of the Company, are requested to write to the Company mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach at least seven days prior to the AGM i.e. on or before September 17, 2021 at investors@excelind.com and the same will be replied by the Company suitably at its discretion. Only questions in the English language will be taken into account.
5. Mr. Prashant Diwan, Practicing Company Secretary, (Membership No. FCS 1403), has been appointed as the Scrutinizer to scrutinize the e-voting process to be conducted in a fair and transparent manner for the Annual General Meeting.
6. The Chairman after responding to the questions raised by the Members in advance or as a Speaker at the 60th AGM, formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 60th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 60th AGM.
7. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or person authorized by him in writing.
8. The Chairman or the person authorized by him in writing shall declare the result of the voting on or before **26th September, 2021**. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.excelind.co.in** immediately after the result is declared and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
9. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 60thAGM and the Annual Report for the year 2020-21 including therein the Audited Financial Statements for year ended 31st March, 2021, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 60th AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered online by following the steps mentioned at note no. 11 herein above or by sending email at investors@excelind.com.

   For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company's Registrar and Transfer Agent (in case of shares held in physical mode) and with relevant depository participant (in case of shares held in demat mode). A Resident individual shareholder holding PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending email at exceldivtax@linkintime.co.in Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year does not exceed ₹ 5,000/-.Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by submitting these declarations / documents on email at exceldivtax@linkintime.co.in

    The forms for tax exemption can be downloaded from M/s. Link Intime's website. The URL for the same is as under:

    https://www.linkintime.co.in/client-downloads.html - On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

    The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below

    https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html. On this page the user shall be prompted to select / share the following information to register their request.

    1. Select the company (Dropdown)
    2. Folio / DP-Client ID
    3. PAN
    4. Financial year (Dropdown)
    5. Form selection
    6. Document attachment – 1 (PAN)
    7. Document attachment – 2 (Forms)
    8. Document attachment – 3 (Any other supporting document)

    Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before 17th September, 2021 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 17th September, 2021, 6:00 PM.

    Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

    All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address rnt.helpdesk@linkintime.co.in

11. This AGM is being held through VC, therefore, the route map is not annexed to this Notice.

REQUEST TO THE MEMBERS

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Executive Chairman
DIN: 00019952

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

Mumbai, 13th August, 2021.

**ANNEXURE TO THE NOTICE**

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

**Item No. 4**

Mr. Hrishit A. Shroff is a commerce graduate and a Chartered Accountant. He has also successfully completed an executive management course at Harvard Business School. Before joining the Company he was an Executive Director at Excel Crop Care Limited and has over 10 years of experience in agro chemicals industry and business management. Amongst others, he holds Directorship in Excel Bio Resources Limited, wholly owned subsidiary of the Company, MobiTrash Recycle Ventures Private Limited, Associate of the Company, Anshul Specialty Molecules Private Limited and Agrocel Industries Private Limited.

The shareholders at the 58th Annual General Meeting (AGM) of the Company held on 13th August, 2019 had approved the appointment of Mr. Hrishit A Shroff as an Executive Director of the Company with effect from 27th June, 2019 for a period of 5 years. The remuneration payable to Mr Hrishit A Shroff, inter-alia, included payment of commission at a rate of 0.5% of the net profits of the Company in a financial year. Considering the performance of Mr Hrishit A Shroff and that of the Company, the Nomination and Remuneration Committee and the Board of Directors at their meeting held on 13th August, 2021 have recommended and approved increase in the remuneration of Mr. Hrishit A Shroff by way of increase in rate of commission from 0.5% to 1% of the net profits of the Company subject to approval of the shareholders. The increased commission will be effective from 27th June, 2021 till the remainder of his tenure i.e. up to 26th June, 2024. All other existing terms of his remuneration shall remain unchanged.

A copy of the Service Agreement executed with Mr. Hrishit A Shroff and a draft of the amendment to the said Service Agreement ("Draft Amendment") is available for inspection at the registered office of the Company for all the members of the Company between 2 pm to 4 pm except Saturdays, Sundays and public holidays upto the date of AGM. The Service Agreement and the Draft Amendment can also be accessed at the website of the Company at www.excelind.co.in.

Mr. Hrishit A Shroff and his relatives Mr. Ashwin Shroff and Mr. Ravi Shroff are interested in this resolution.

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

The increase in remuneration of Mr. Hrishit A Shroff is subject to the approval of shareholders of the Company.

The Board recommends the ordinary resolution as set out at item no. 4 of this Notice for the approval by the members.

**Item No. 5**

The Board of Directors at its meeting held on 28th May, 2021 appointed M/s Kishore Bhatia & Associates, practicing cost accountants, as Cost Auditors of the Company, in terms of section 148 of the Companies Act, 2013 and fixed a sum of ₹ 5,00,000/- plus out of pocket expenses and taxes, as applicable, as the remuneration payable for the financial year 2021-22.

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

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

The Board recommends the resolution set out at item no. 5 of the Notice for approval of the members.

# ANNEXURE I:

**Agenda No. 3.**

| | |
|---|---|
| Name of Director | Mr. Hrishit A Shroff |
| Date of Birth | 21.02.1980 |
| Academic Qualifications | Chartered Accountant, Executive Management course from Harvard Business School, Boston, USA. |
| Experience and Expertise | Being a Chartered Accountant he has vast knowledge and expertise in Accounts, Audit, Finance, Taxation and Company Law. Also, he has long experience in agro chemicals industry and Business Management. |
| Terms & Conditions of Appointment | He shall be liable to retire by rotation. |
| Date of appointment on the Board | 27.06.2019 |
| Directorship in other public companies | Excel Bio Resources Limited |
| No. of Membership/Chairmanship of Board Committees in other Companies | None |
| No. of Shares held in the Company | 47669 |
| DIN | 00033693 |
| Relation with other Directors or Key Managerial Personnel | Son of Mr. Ashwin Shroff, Nephew's of Mr. Dipesh Shroff and Atul Shroff and Brother of Mr. Ravi A Shroff. |
| Number of Board Meetings attended during the financial year | 6 |

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Executive Chairman
DIN: 00019952

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

Mumbai, 13th August, 2021.

## DIRECTORS' REPORT

To,
The Members,
Excel Industries Limited

Your Directors are pleased to present the 60th Annual Report on the business affairs of your Company together with the Audited Financial Statements for the year ended 31st March, 2021 including the Auditors Report thereon.

### FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2021 is summarized below:

₹/Crores

| | **2020-21** | | 2019-20 | |
|---|---|---|---|---|
| Revenue from Operations | **749.47** | | 702.48 | |
| Profit before Tax before exceptional item | | **99.70** | | 112.21 |
| **Provision for Taxation:** | | | | |
| – Current Tax | **21.62** | | 26.27 | |
| – Deferred Tax | **7.89** | **(29.51)** | (7.53) | (18.74) |
| **Profit After Tax** | | **70.19** | | 93.47 |
| Other Comprehensive Income | | **44.51** | | (39.25) |
| **Total Comprehensive Income** | | **114.70** | | 54.22 |

### DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

Your Directors have recommended a dividend of ₹ 11.25 (225%) per equity share of Face Value of ₹ 5 each as against the dividend of ₹ 10.00 (200%) paid for the previous financial year 2019-20. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

The Board has formulated a dividend distribution policy in pursuance to amendment to regulation 43A of the SEBI Listing regulations vide its notification no. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021. The dividend distribution policy of the Company lays down the parameters that the Board will consider for recommendation of dividend from time to time. The policy is available on the website of the Company and can be accessed at https://www.excelind.co.in/companyPolicies.html.

### AMOUNT TRANSFERRED TO GENERAL RESERVE

Your Company has transferred ₹ 50 crores to the General Reserve for the financial year 2020-21.

### PERFORMANCE REVIEW

During the year under review, the net revenue from operations increased by 7% from ₹ 702.48 crores to ₹ 749.47 crores, mainly due to volume increase on account of addition of new manufacturing site at Visakhapatnam. Company's profit before tax declined by 11% from ₹ 112.21 crores to ₹ 99.70 crores largely on account of change in product mix and market mix. Consequently, net profit after tax for the year decreased by 25% from ₹ 93.47 crores to ₹ 70.19 crores due to fall in contribution from sales and higher incidence of income tax.

The reserves excluding revaluation reserves as on 31.03.2021 are at ₹ 709.57 crores.

During the year, CRISIL Limited reviewed and reaffirmed the Credit Rating of the Company as "A+/Stable" for Long Term bank loan facilities and "A1" for Short Term bank loan facilities.

## COVID-19 PANDEMIC AND ITS IMPACT

The Company has successfully handled the effect of the Covid-19 pandemic. Your Company's products fall under the ambit of essential goods, therefore, the operations of the Company continued with limited impact during lockdown.

The Company has been strictly following the guidelines issued by the local, state and central governments and took all possible efforts to protect the health and well-being of its employees and ensured minimum disruption to its customers. The Company also has been focusing on vaccination drive for all its employees and their family member to immunize the employees from the COVID-19 impact.

Company's continuous focus on working capital management and Cash Flow management has stood it in good stead during the Covid-19 pandemic situation. The Company's Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and is of the opinion that there would not be any significant impact of COVID-19 on its business operations. However, the Company will continue to monitor the future developments and design its response appropriately.

## MODERNIZATION / EXPANSION

Manufacturing asset preservation has been an ongoing priority for your company. Some of the old assets were modernized to extend their life and capabilities. Roha plant introduced automation in their agro intermediate plant in order to improve safety and productivity. Additionally Lote plant further fine-tuned Solvent Recovery system to improve recovery of various solvents used in the manufacturing. This will also help the Company to save operating costs.

Aligned to market demands, both Roha and Lote Sites upgraded their production capabilities for specific products. Company's existing ERP system was extended to the newly acquired Site at Visakhapatnam. Activities of Visakhapatnam site is now getting integrated on a real time basis with rest of the Company's activity.

## ENVIRONMENT, HEALTH AND SAFETY

Due to ongoing COVID-19 pandemic, the Company enhanced its focus on employee care and prevention of infection at workplace. Under the guidance of the Factory Medical Officer, each site instituted rigorous protocols for enabling COVID appropriate behavior. Regular awareness program was provided to the employees and their families across all locations as to how to manage and survive the pandemic. In addition to these, telemedicine support, health camps, testing, provision of masks & sanitizers were all arranged to ensure that workplace does not become a hotspot for transmission of infection.

On the Environment front, Roha site obtained Environment Clearance for Expansion. This was to support future growth initiatives and expansion of select existing products and addition of certain new products. The newly acquired Visakhapatnam site was able to get all regulatory approvals re-issued in Excel's name, completing the transfer process. While Lote and Visakhapatnam improved their operating efficiency of Zero Liquid Discharge (ZLD) facilities, Roha site too completed up-gradation of its waste water treatment system.

Roha site has received a Certificate of Appreciation from National Safety Council: India for appreciable achievement in occupational safety and health. Similarly, a Certificate of Merit was received from National Safety Council: Maharashtra Chapter, for achieving and maintaining zero accident frequency rate. This year the Company received the ICC award for Excellence in Management of Environment and also received the certificate of merit for the best compliant company for Product Safety and Stewardship code under Responsible Care.

All the Sites continued to operate complying to high standards of Safety. Regular training to employees, audits and monitoring of key safety parameters helped to keep the workplace free from incidents and accidents. There was no major reportable accident during the year under review.

## QUALITY

Our Lote unit has been audited by WHO-GMP team and the certificate is awaited any time. Our Quality Control laboratory at Roha, installed four new fume chambers for conducting performance trials of various products as per customers' requirements.

## RESEARCH & DEVELOPMENT

The Company has been a pioneer in developing products and processes in house. The current portfolio of products that are manufactured were totally developed in Company's own R&D Lab. In addition to new process & product development, the R&D team also focusses on continuous improvements of process efficiency, improvement in quality and reduction in cycle time.

The R&D teams operate from both Roha & Lote sites, in addition to the central R&D team at Mumbai. The team at Mumbai focusses primarily on development of new processes and technologies, while the site R&D team focusses on improvements in existing processes, in addition to scale up. Presently the R&D teams are engaged in developing a range of products for future launch. Different chemistries and technologies are being evaluated for commercialization of products. In line with future requirements, the R&D Set up at Mumbai is also being strengthened. A standalone new location for the Mumbai lab is finalized and required infrastructure is being added, which will serve as the fountainhead for all new product launches.

## INSURANCE

The Company continues to carry adequate insurance cover for all its assets against perils like fire, flood, earthquake, etc. The Company continues to maintain Loss of Profit (Fire and allied perils) Policy and the Liability Insurance Policy as per the provisions of Public Liability Insurance Act. The Company has also taken a Directors and Officers' Responsibility Policy. All the employees of the Company are insured against the COVID disease.

## HUMAN RESOURCES

Last financial year was the year of the pandemic. During this period, the Company formed a task force to design and implement safe practices across the company to avoid workplace infection. SOPs were drafted in multiple languages, employees were trained vigorously with the whole implementation being monitored by task force members in order to ensure high order of compliance. The Company distributed vitamin tablets and medicines and supported people with 24X7 telemedicine facility from Apollo Hospital. Other Hospitals tie ups were done to support employees and their families. The Company distributed masks and sanitizers for employees and families and in surrounding villages and Gram Panchayats. The focus of all these efforts enhanced employee care, especially in the context of COVID-19 infection.

Employees operating from Mumbai office worked from home initially. All team members were supported with necessary IT infrastructure and connectivity at their homes. The teams collaborated well on various virtual platforms. Weekly meetings between sites and functions ensured good coordination thereby resulting in sharper customer focus.

Even during the year of Pandemic, the Company ensured that employees' salaries were paid on time every month. Employees, realizing the magnitude of business challenges faced, truly rose up to the occasion in the second half of the year to delivery an encouraging performance in all functions, thereby making up for the lost opportunities in the first half.

The labour relations across sites continued to be good and jointly many initiatives were undertaken. Wage agreement for Roha Site was amicably signed during lockdown period.

The focus of HR team was to continue to maintain the employee connect and engagement. The Company conducted many webinars and virtual trainings focusing on employees' wellbeing while working from home. Programs on health, nutrition, yoga, technical subjects, Safety, IT, Finance etc. were regularly conducted.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. Also, there has been no change in the nature of business of the Company.

## PUBLIC DEPOSITS

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

(a) The Company stopped accepting and renewing fixed deposits with effect from 1st April, 2014.

(b) There are no existing deposits from the public and the shareholders of the Company at the end of the FY 2020-21.

Total 13 Deposit holders did not claim their deposits after the date on which the deposits became due for payment. The amount due on such deposits and remaining unclaimed as on 31st March, 2021, was ₹ 5,32,600/-.

(c) There has been no default in repayment of deposits or payment of interest thereon during the year under review.

(d) All unclaimed deposits of the Company are in compliance with the requirements of Chapter V of the Act.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The loans, guarantees or investments made by the Company during the financial year 2020-21 are provided in Notes to Standalone Financial Statements.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

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

The salient features of the financial statements of the subsidiaries and the associate company as required under section 129 (3) of the Companies Act, 2013 are furnished in the annexures forming part of the financial statements.

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

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

During the year, there was no addition of subsidiaries, associate companies or joint ventures of the Company neither any of the subsidiaries or associate company ceased to be so.

Kamaljyot Investments Limited is an Investment Company registered under the provisions of RBI Act as a NBFC. The turnover for the year 2020-21 was ₹ 57.41 lakhs and Profit after tax was ₹ 20.44 lakhs.

Excel Bio-Resources Ltd. is a Company formed for carrying on the business of processing all kinds of waste including but not limited to municipal solid waste, urban waste, domestic waste, industrial waste, food processing waste etc. The turnover for the year 2020-21 was ₹ 9.09 lakhs and profit after taxation was ₹ 2.42 lakhs.

Mobitrash Recycle Ventures Pvt Ltd is a Company involved in recycling of all kinds of waste and scrap. The turnover of the Company for the year 2020-21 is ₹ 170.60 lakhs and loss incurred is ₹ 18.98 lakhs.

The contribution of the aforesaid subsidiaries and associate company to the overall performance of the Company is to the extent as provided in the consolidated financial statements of the Company.

## NUMBER OF MEETINGS OF THE BOARD

During the FY 2020-21, six meetings of the Board of Directors were held; details of the meetings held are provided in the Corporate Governance Report forming part of this Annual Report.

## DIRECTORS

## APPOINTMENTS AND RESIGNATIONS OF DIRECTORS

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Hrishit A. Shroff, Executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

The brief resume and other related information of Mr. Hrishit A. Shroff are provided in **Annexure-I** to the Notice of this Annual General Meeting.

## KEY MANAGERIAL PERSONNEL

Mr. Ashwin C. Shroff, Executive Chairman, Mr. Ravi A. Shroff, Managing Director, Mr. Hrishit A. Shroff, Executive Director, Mr. N. R. Kannan, Chief Executive Officer, Mr. Devendra Dosi, Chief Financial Officer and Mr. Surendra Singhvi, Company Secretary are the key managerial personnel of the Company.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names of top ten employees and their other particulars relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in **Annexure I,** forming part of this Report.

## INDEPENDENT DIRECTOR

### (i) Declaration from Independent Directors

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (ii) Criteria for Performance Evaluation

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

### (iii) Details of Familiarization Programme

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

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

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy which lays down the criteria and manner of Performance Evaluation of the Board as a whole, its Committees and individual Directors. The Nomination and Remuneration Policy of the Company as approved by the Board may be accessed on the Company's website at the link http://excelind.co.in/companyPolicies.html.

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a formal annual evaluation of the performance of the Board, its Committees and of individual directors.

The Board as a whole is evaluated *inter-alia* on its ability to effectively supervise the functioning of the management, to discuss on operational and strategic issues, to take decisions in the best interest of the organization. The Committees of the Board are evaluated on their ability to address effectively the matters delegated to them in the charter, the ability to report to the Board the broad areas of concern appropriately and satisfactorily.

The evaluation of each of the directors was done, *inter-alia,* on the basis of his advisory role and contribution in the decision making, understanding of Company's business and risks and on the basis of the overall directions and guidance provided to the senior executives and supervision over their performance.

## RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the year were on arm's length basis and there were no material related party transactions during the year, therefore Form AOC – 2 is not provided.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval is obtained on a yearly basis for transactions which are of repetitive nature and are anticipated to be entered during the year. Transactions entered into pursuant to omnibus approval are placed before the Audit Committee for review on a quarterly basis. All related party transactions during the year are mentioned in the Notes to the Financial Statements. Anshul Specialty Molecules Pvt. Ltd. is a part of the Promoter group and holds 42.63% of the share capital of the Company. In pursuance to regulation 2A of Schedule V of the SEBI (Listing Obligations and Requirements) Regulations, 2015, the transactions with Anshul Specialty Molecules Pvt Ltd are provided in Notes to Financial Statements. The Related Party Transaction Policy of the Company as approved by the Board may be accessed on the Company's website at the link http://excelind.co.in/companyPolicies.html.

Non-Executive Directors including Independent Directors are not considered as Key Managerial Personnel (KMP) of the Company in view of the definition of KMP under Section 203 of the Companies Act, 2013. However, under Indian Accounting Standard (Ind AS) 24, Non-Executive Directors including Independent Directors of the Company are considered as KMP which is reflected in Note no. 48 of the Notes to the Financial Statements.

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

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

## NOMINATION AND REMUNERATION POLICY

The Company has a Nomination and Remuneration Policy for the appointment and remuneration of the directors, key managerial personnel (KMP) and other employees, approved by the Board on the recommendation of Nomination and Remuneration Committee.

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and formulate the criteria and manner of effective evaluation of performance of the Board, its Committees and individual directors and review its implementation and compliance.

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

As per the Policy, the remuneration/ compensation to whole time Directors and senior management shall be recommended by the Nomination and Remuneration Committee to the Board for its approval. However, the remuneration / compensation to whole-time Directors shall be subject to the approval of the shareholders of the Company and will be in accordance with Section 197 of the Companies Act, 2013 read with Schedule V to the Act. Further, the Non-Executive Directors shall be entitled to fees for attending meetings of Board and Committees, and also to commission within the overall limit prescribed in the Companies Act, 2013 and as approved by the shareholders of the Company. Commission to the Non-Executive Directors is approved by the Board.

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

## CORPORATE SOCIAL RESPONSIBILITY

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

The Company's policy on Corporate Social Responsibility states various CSR activities that the Company could undertake to discharge its responsibilities towards the society. The Company's Policy on Corporate Social Responsibility can be accessed at http://www.excelind.co.in/companyPolicies.html

In the FY 2020-21, the Company has undertaken various CSR activities at Roha, Lote, Visakhapatnam and Mumbai. The CSR activities include Conservation of Natural Resources, Rural Development, Promotion of Education, Preventive Health Care, Empowering Women and ensuring Environmental Sustainability and Swachha Bharat Abhiyaan.

For the year ended 31st March, 2021, the Company has spent ₹ 296.31 lacs on aforesaid CSR activities directly or through other registered voluntary organizations like Vivekanand Research & Training Institute, etc.

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

## BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report forms part of the Annual Report.

## RISK MANAGEMENT

Constitution of a Risk Management Committee is mandatory for top 1000 listed companies vide SEBI notification no. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021

The risk management committee of your company is composed of Four Members including two independent Directors, the Managing Director and the Chief Executive Officer of the Company.

On the recommendation of the Risk Management Committee, the Board has approved a Risk Management Policy. Your Company recognizes that risk is an integral part of business process and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses the current and future risks existing in the internal and external environment and initiate actions to mitigate them. The Company has formulated a detailed risk management policy. The policy is available on the website of the Company and can be accessed at https://www.excelind.co.in/companyPolicies.html.

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

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

## AUDIT COMMITTEE

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

## AUDITORS AND AUDITORS' REPORT

### STATUTORY AUDITORS

At the 56th Annual General Meeting of the Company held on 03rd August, 2017, the members of the Company had approved the appointment of Price Water House, Chartered Accountants, LLP (Registration No. 012754N/N500016), as the Auditors of the Company for a term of 5(five) consecutive years from the conclusion of the 56th annual general meeting until the conclusion of the 61st annual general meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditors' Report on the Financial Statements for the year ended 31st March, 2021 does not contain any qualification, reservation, adverse remark or disclaimer and notes thereto are self-explanatory and do not require any explanations.

### SECRETARIAL AUDITOR

The Board has appointed, Mr. Prashant Diwan, Practising Company Secretary as the Secretarial Auditor of the Company for the year 2020-21 to conduct Secretarial Audit of the Company. The Secretarial Audit Report of the Company issued by Mr. Prashant Diwan for the financial year ended 31st March 2021 is attached with this Report as **Annexure III.**

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### COST AUDITORS

As per the requirements of Section 148 of the Companies Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. Accordingly, the cost accounts and records have been prepared and maintained relating to applicable products.

The Board of Directors at its meeting held on 26th June, 2020 had appointed M/s Kishore Bhatia & Associates (Firm Registration No. 00294), Cost Accountants, as the Cost Auditors of the Company for the financial year 2020-21 to conduct cost audit of all the applicable products of the Company. The Cost Audit Report for the year ended 31st March, 2020, which was required to be filed with the Ministry of Corporate Affairs on or before 31.12.2020, was filed on 16.10.2020.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

## CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

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

## ANNUAL RETURN

Pursuant to provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website and can be accessed at Investor Relations section at http://www.excelind.co.in/annual-return.html.

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

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

## MATERIAL ORDERS PASSED BY THE REGULATORY AUTHORITIES OR COURT

There is no significant material order passed by the regulators / courts / tribunals which can impact the going concern status of the Company and its future operations.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

## SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards have been duly followed by the Company. The Secretarial Auditor in his Secretarial Audit report confirms the same.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2021, the Board of Directors hereby confirms that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace. All individuals who are at the Company's premises, irrespective whether employees of the Company or outsiders are covered under this Policy. The Company has constituted an Internal Complaints committee to consider and resolve sexual harassment complaints lodged with the Committee. The constitution of the Committee is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was received from any employee during FY 2020-21 and hence no complaint is outstanding as on March 31, 2021 for redressal.

## INSOLVENCY AND BANKRUPTCY CODE

The requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

## ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Ashwin C. Shroff

Executive Chairman
DIN: 00019952

Date: 13th August, 2021
Place: Mumbai

# ANNEXURE I TO DIRECTORS' REPORT

**Disclosure required under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. **Ratio of the remuneration of each director to the median remuneration of the employees for the FY 2020-21 and percentage change in the remuneration of each director in the FY 2020-21:**

| Name of Directors | Designation | Ratio of remuneration of the Director to the median remuneration of the employees | % increase/ decrease in Remuneration (-) indicates decrease |
|---|---|---|---|
| Ashwin C. Shroff | Executive Chairman | 38.77 | 8.24* |
| Ravi A. Shroff | Managing Director | 45.73 | 14.05* |
| Hrishit A. Shroff | Executive Director | 19.74 | -29.35* |
| Dipesh K. Shroff | Non Executive Director | 1.28 | 5.56 |
| Atul G. Shroff | Non Executive Director | 1.21 | 0 |
| H. N. Motiwalla | Independent Director | 2.03 | -3.20 |
| R. N. Bhogale | Independent Director | 1.95 | 2.65 |
| M. B. Parekh | Independent Director | 1.28 | 11.76 |
| P. S. Jhaveri | Independent Director | 1.81 | -1.82 |
| S. S. Vaidya | Independent Director | 1.28 | 8.57 |
| R. M. Pandia | Independent Director | 1.90 | 6.60 |
| Meena Galliara | Independent Director | 1.33 | 9.72 |
| P K Molri | Nominee Director | 1.21 | # |

**Note:**

# Mr. P. K. Molri held the office of Director only for a short period in the year 2019-20 i.e. with effect from 7th February, 2020, hence his remuneration for 2019-20 and 2020-21 is not comparable.

* Mr. Ashwin Shroff, Mr. Ravi Shroff and Mr. Hrishit Shroff had forgone 50% of their salaries for the period 1st April, 2020 to 31st January, 2021 in view of uncertainties during Covid-19 pandemic situation.

2. **Percentage increase in the remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2020-21:**

| Name | Designation | % increase in Remuneration |
|---|---|---|
| N.R. Kannan | Chief Executive Officer | 3.18 |
| Devendra Dosi | Chief Financial Officer | 6.53 |
| S. K. Singhvi | Company Secretary | 3.99 |

3. **The median remuneration of employees of the Company has been increased by 20% in the FY 2020-21 over the median remuneration of employees of the Company in FY 2019-20.**

4. **There were 1015 permanent employees on the roll of the Company at the end of the FY 2020-21.**

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

   The average increase in the salary of the employees other than the managerial personnel in FY 2020-21 is 6.83% and for managerial personnel there is increase of 0.37%.

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

   **Note:**

   Managerial Personnel includes Executive Chairman, Managing Director and the Executive Director.

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

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Executive Chairman
DIN: 00019952

Date: 13th August, 2021
Place: Mumbai

# ANNEXURE I TO DIRECTOR'S REPORT

**Disclosure required under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Top ten employees in terms of remuneration drawn**

| Sr. No. | Name | Designation | Actual Remuneration (₹ in Lacs) | Nature of employment (Contractual or otherwise) | Qualifications | Experience (Years) | Joining Date | DOB | Age (Years) | Last Employment | % of Equity shares held by the Employee along with spouse and children | Relative of any Director / Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | ASHWIN CHAMPRAJ SHROFF | Executive Chairman | 231.09@ | Contractual | B. Sc | 55 | 01.09.1965 | 22.01.1945 | 76 | NA | 0.66 | Mr. Ashwin C Shroff, Mr, Ravi A Shroff and Mr. Hrishit A Shroff are relatives |
| 2 | RAVI ASHWIN SHROFF | Managing Director | 272.58@ | Contractual | BE-Chemical, PG in Chemistry, Boston University, USA | 18 | 03.09.2014 | 05.02.1978 | 43 | ANSHUL SPECIALTY MOLECULES PVT LTD | 0.38 | |
| 3 | HRISHIT ASHWIN SHROFF | Executive Director | 117.66@ | Contractual | CA, Executive Management from Harvard Business School, Boston, USA | 15 | 01.02.2017 | 21.02.1980 | 41 | Excel Crop Care Limited | 0.38 | |
| 4 | N.R. KANNAN | CEO | 95.86 * ^ | Permanent | B.Sc., B.Sc. (Tech) | 33 | 17.07.2017 | 08.09.1963 | 57 | Sanmar Specialty Ltd | 0 | |
| 5 | DEVENDRA PARASMAL DOSI | CFO | 74.87* | Permanent | C.A. | 24 | 01.11.2017 | 22.06.1972 | 48 | H R Johnson (A division of Prism Johnson Ltd.) | 0 | — |
| 6 | ADITYA KUMAR NIGAM | Sr. VP - Manufacturing | 72.77* | Permanent | B.Tech | 34 | 18.08.2017 | 21.08.1962 | 58 | Cheminova India Ltd. | 0 $ | — |
| 7 | PRADEEP N GHATTU | COO | 69.21* | Permanent | MBA | 28 | 03.11.2004 | 02.01.1970 | 51 | ABB India Ltd. | 0 $ | — |
| 8 | SAURABH ANIL SHAH | VP - E&BT Business | 54.40* | Permanent | M. S, MBA | 17 | 03.10.2012 | 14.12.1980 | 40 | Deccan Aviation Pvt. Ltd. | 0 | — |
| 9 | DR. MAHESH PATIL | VP - R&D | 18.90* # | Permanent | M.Sc, Ph.D | 27 | 01.12.2020 | 01.05.1973 | 48 | Anar Chemicals, LLP | 0 | — |
| 10 | RAVI TUKADEV KULKARNI | Asst VP - Operations | 50.43* | Permanent | BE (Chemical) | 28 | 12.12.2018 | 28.10.1969 | 51 | Sequent Scientific Limited | 0 | — |

Notes: * The remuneration figures are as per the terms of employment

\# Remuneration drawn only for the part of the year

@ Mr. Ashwin Shroff, Mr. Ravi Shroff and Mr. Hrishit Shroff had forgone 50% of their salaries for the period 1st April, 2020 to 31st January, 2021 in view of uncertainties during Covid-19 pandemic situation. The remunerations mentioned aforesaid are on actual receipt basis.

^ The remuneration figure of Mr. Kannan is on CTC basis. Mr. Kannan had forgone 20% of his salary for the period 1st April, 2020 to 31st January, 2021

$ Mr. Aditya Nigam holds 64 shares of the Company and Mr. Pradeep Ghattu holds 50 shares of the Company

# ANNEXURE II TO DIRECTORS' REPORT

**Details on CSR Activities of the Company for the financial year 2020-21**

1. Brief outline on CSR Policy of the Company:

   The Company's CSR Policy is available on the website of the Company http://excelind.co.in/companyPolicies.html It encompasses the Company's philosophy in pursuit of inclusive growth and equitable development and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR approach focuses on development of communities around the vicinity of its plants and other offices for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

2. Composition of CSR Committee:

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Ashwin C. Shroff, Chairman | Promoter, Executive Chairman | 3 | 3 |
| 2 | Mr. R. N. Bhogale, Member | Independent Director | 3 | 2 |
| 3 | Mr. M. B. Parekh, Member | Independent Director | 3 | 2 |
| 4 | Mr. R. M. Pandia, Member | Independent Director | 3 | 3 |
| 5 | Dr. Meena Galliara, Member | Independent Director | 3 | 3 |

| | | |
|---|---|---|
| 3. | Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. | http://www.excelind.co.in/csr.html |
| 4. | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). | NA |
| 5. | Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any | Nil |
| 6. | Average net profit of the company as per section 135(5). | 14742.47 Lakhs |
| 7. | (a) Two percent of average net profit of the company as per section 135(5) | 294.85 Lakhs |
| | (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. | Nil |
| | (c) Amount required to be set off for the financial year, if any | Nil |
| | (d) Amount unspent in the previous year i.e. 2019-20 | Nil |
| | (e) Total CSR obligation for the financial year (7a+7b- 7c+7d) | 294.85 Lakhs |

8. (a.) CSR amount spent or unspent for the financial year:

| | Amount Unspent (₹ In lakhs) | | | | |
|---|---|---|---|---|---|
| Total Amount Spent for the Financial Year (₹ In Lakhs) | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 296.31 | NA | NA | NA | NA | NA |

(b.) Details of CSR amount spent against ongoing projects for the financial year:

No ongoing projects undertaken

(c.) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - | Mode of implementation - Through implementing agency. | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State. | District. | | Direct (Yes/No). | | |
| | | | | | | | | Name. | CSR registration number. |
| 1 | Permanent Check Dams, Loose Bolders, CCT, Desilting, Vanrai Bandharas, Bore well Recharge | Conservation of Natural Resources | Yes | Maharashtra | Roha - Raigad | 16,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Permanent Check Dams, Drinking water facility, Bore well recharge, rainwater harvesting, Desilting, Rejuvenation of natural water stream, springs, Water harvesting by diverting its flow | Conservation of Natural Resources | Yes | Maharashtra | Lote - Ratnagiri | 22,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 2 | Rural Development | Rural Development | | | | | | | |
| 2.1 | Three Season Crops Cultivation, Zero till farming, Cash Crop Cultivation, Seed and fertilizer Support, Support of Tools Bank, Demonstration, Exposure Visits of Farmers, Krushi Melava & Exhibition, Farmer Workshop, Drip Irrigation, Group farming, Horticulture, Mechanization | Agriculture | Yes | Maharashtra | Roha - Raigad | 22,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Group farming-Kharif crops & Rabi crops (Seed distribution), Vermibed distribution, Krushi melava, Horticulture youth & farmers training, Kitchen gardening, Nursery preparation, mechanization, Bio-Gas, Irrigation facility, 365 days Agriculture practices | Agriculture | Yes | Maharashtra | Lote - Ratnagiri | 20,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State. | District. | | | Name. | CSR registration number. |
| 2.2 | Support for Community infrastructure | Community Development | Yes | Maharashtra | Roha - Raigad | 1,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Infrastructure development for community- Approach road at creek area, pick up shed at jetty, street light in Bhoiwadi, Community hall infrastructure, students hostel & kitchen repairing, Dhobi Ghat at Songaon | Community Development | Yes | Maharashtra | Lote - Ratnagiri | 9,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 2.3 | Animal Data, Fodder Management, AI & Vaccination Camp, Cattle Melava, Poultry & Goat Management training Program, Support to Bio Gas, Workshops, Group Fish Farming, Exposures Visit, Chara Bank - Mechanization Panchayat Samiti - Vet. Department. Vaccination Drive Deworming Drive Nutritious Powder Drive Health Camp - Quarterly | Animal Welfare | Yes | Maharashtra | Roha - Raigad | 4,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Fodder cultivation, Infrastructure facility, Bird flu awareness, Vaccination training program, Mechanization - Chaff cutter, Grass cutter etc. | Animal Welfare | Yes | Maharashtra | Lote - Ratnagiri | 3,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 2.4 | Emergency on Roha Site Requirement - Local appeals | Emergency Site Requirement | Yes | Maharashtra | Roha - Raigad | 6,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 3 | Pradnya Vikas Program - Support to School, Training Program to Teachers, Skill development - Workshop, Science Lab in New Schools, Sports, School Infrastructure, Safe Drinking Facility in Schools | Promotion of Education | Yes | Maharashtra | Roha - Raigad | 5,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Gunvatta Vikas, Special coaching for 10th Std., Teacher training, MPSC/UPSC, School Infrastructure, Digital school, “Educate the under privileged” 10th std. program for needy students during pandemic. | Promotion of Education | Yes | Maharashtra | Lote - Ratnagiri | 9,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - | Mode of implementation - Through implementing agency. | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State. | District. | | Direct (Yes/No). | | |
| | | | | | | | | Name. | CSR registration number. |
| 4.1 | Preventive Health Program for Ladies & youngsters, Doctors Program in Village, Best Practices Awareness - Handwash etc, Eye -Camps, Yoga for Ladies | Preventive Health Care | Yes | Maharashtra | Roha - Raigad | 5,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Immunity boosters plants distribution, HB Checking camp, Medicines & Doctor charges at SGVT | Preventive Health Care | Yes | Maharashtra | Lote - Ratnagiri | 4,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Rural Development | Rural Development | | Andra Pardesh - Vishakhapatnam | Vizag | 1,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 4.2 | Food Processing Value added training Program, Skill development training, Support to Mechanization, Exposure Visit, Marketing Training | Women Empowerment | Yes | Maharashtra | Roha - Raigad | 5,00,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Cashew processing unit,Nagali value addition, fish value addition, spices preparation, Advanced Beauty parlor, Fiber Boat preparation, Fish & Crab cultivation training, Bamboo value addition (Sky Lamp) | Women Empowerment | Yes | Maharashtra | Lote - Ratnagiri | 8,66,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 4.3 | Sewage Water - Sand filters, Nirdhur Chulla, Tree plantation nursery, Compost Fertilizer Units - Bags | Environmental Sustainability | Yes | Maharashtra | Roha - Raigad | 2,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Tree plantation, Sanitation, Solar lamp, Hydel power generation, organic manure preparation, Bio-Gas | Environmental Sustainability | Yes | Maharashtra | Lote - Ratnagiri | 4,80,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 4.4 | Training Hall, Tool Banks Shade, Office renovation | Rural Development and Infrastructure | Yes | Maharashtra | Roha - Raigad | 1,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | Medicinal plant demonstration plot, Infrastructure for office building | Rural Development and Infrastructure | Yes | Maharashtra | Lote - Ratnagiri | 3,54,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - | Mode of implementation - Through implementing agency. | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State. | District. | | Direct (Yes/No). | | |
| | | | | | | | | Name. | CSR registration number. |
| 5 | Ventilator, Cotton Masks, Face shield Sanitizers, Food Pkts, Swab Testing Cabin, Immunity Booster Powders etc. Spray Pumps distribution for sanitizing, PPE kit, thermometer & oximeter,Grocery distribution, Medicines (Ayurvedic, Homeopathic) Awareness program on prevention from COVID, | COVID – 19 | Yes | Maharashtra | Roha - Raigad, Lote - Ratnagiri, Mumbai, Vizag | 35,81,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| 6 | Rural Development | Rural Development | Yes | Gujarat | Baroda | 15,00,000 | No | ATTAPI | |
| 7 | Seaweed Projects | Environmental Sustainability. | Yes | Gujarat | Kutch | 40,00,000 | No | ICCSIR | |
| 8 | Rural Development | Rural Development | Yes | Gujarat | Baroda | 19,00,000 | No | NCCSD | |
| 9 | VRTI Mandvi | Rural Development - Water & Agriculture | Yes | Gujarat | Kutch | 26,50,000 | No | Shri Vivekananda Research And Training Institute | CSR00000085 |
| | **TOTAL (c)** | | | | | **2,92,31,000** | | | |

d. Amount spent in Administrative Overheads: 4 lakhs

e. Amount spent on Impact Assessment, if applicable: NA

f. Total amount spent for the Financial Year (8b+8c+8d+8e): 296.31 Lakhs

g. Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **NA**

11. Specify reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

For and on behalf of the Board of Directors

Ashwin C. Shroff
Executive Chairman and
Chairman of CSR committee
Din: 00019952

Ravi A Shroff
Managing Director
Din: 00033505

Date: 13th August, 2021
Place: Mumbai

## ANNEXURE III TO DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT**
**FORM NO. MR-3**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Excel Industries Limited** having CIN: L24200MH1960PLC011807 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through digital mode the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (d) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

(v) Further, as representation made by the management and relied upon by me, during the period under review, provisions of the Drugs and Cosmetics Act, 1940 and The Drugs and Cosmetics Rules, 1945 to the extent of filing of returns, maintaining records and renewal of requisite license were complied by the Company.

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

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

   (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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

(i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to this report.

I further report that:

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

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

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

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

As per the explanations given to me and the representations made by the management and relied upon by me, I further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affair.

CS PRASHANT DIWAN
*Practicing Company Secretary*
FCS: 1403 CP: 1979
PR: 530/2017
UDIN: F001403C000781941

Date: 13th August, 2021

Place: Mumbai

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

## Annexure "A"

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have not carried out the physical verification of any records due to prevailing conditions of COVID-19 in the country. I have relied on the records as made available by the Company through digital mode as well as I have also relied on the Management representation made by the Company.

CS PRASHANT DIWAN
*Practicing Company Secretary*
FCS: 1403 CP: 1979
PR: 530/2017
UDIN: F001403C000781941

Date: 13th August, 2021
Place: Mumbai

# ANNEXURE IV TO DIRECTORS' REPORT 2020-21

(A) CONSERVATION OF ENERGY

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

Installation of 17 Nos of 60 W. automatic solar street lights across site saving 2450 KWH electricity per year.

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

Procured 70 Lacs units at Roha and 56 Lacs Units at Lote of renewable electrical power supply (Solar & wind) through open access scheme, reducing the carbon emission approximately by 10.30 MT.

(iii) The capital investment on energy conservation equipment was ₹ 1 lakh.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption and benefits derived thereof:

1. Startup of in-house solvent recovery unit has resulted in high throughput of solvent reuse in all the production units.
2. Capacity expanded with automated systems leading to approximately 40% rise in production of a water treatment chemical and 200% rise in production of a Specialty Chemical.
3. In one of the Veterinary API, change in process of crystallization has resulted in yield improvement by 20%.
4. Introduction of Reverse Osmosis process and Scale ban technology in waste water treatment has resulted in reuse of water @ 200 KLD.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil.

(iii) The expenditure incurred on R& D for the FY 2020-21

(₹ in Lacs)

| | |
|---|---|
| Capital | 1000.70 |
| Recurring | 579.78 |
| Total | 1580.48 |
| Total R&D expenditure as a percentage of total turnover | 2.11% |

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the FY 2020-21 is ₹ 13,672.58 lakhs and the foreign exchange outgo in terms of actual outflows during the FY 2020-21 is ₹ 14,426.72 lakhs.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Executive Chairman
DIN: 00019952

Date: 13th August, 2021
Place: Mumbai

# MANAGEMENT DISCUSSION AND ANALYSIS

## CHEMICALS BUSINESS

The Company has two divisions viz the Chemicals Division and the Environment and Biotech Division. The total revenue from operations of the Company for the year 2020-21 was ₹ 749.47 crores as against ₹ 702.48 crores for 2019-20.

The revenue from operations of the Chemicals Division for the year 2020-21 was ₹ 729.94 crores (₹ 684.70 crores for FY 2019-20) and that of the Environment and Biotech Division was ₹ 19.53 crores (₹ 17.78 crores for FY 2019-20)

The Chemicals Business is engaged in the manufacture of specialty chemicals, intermediates and actives catering to various end user segments like Agrochemicals, Water Treatment, Soaps & Detergents, Lube Oil Additives, Mining Chemicals, Polymer Additives and Pharmaceuticals.

### Industry Structure and Developments:

- The Company is a leading manufacturer of specialty and performance chemicals.
- Specialty and performance chemicals are knowledge chemicals which require specialized skills and knowledge in terms of chemistry and engineering capabilities, Environment, Health and Safety (EHS) management, material handling and effluent treatment.
- Specialty chemicals are required in a number of end use applications ranging from the Life Sciences (Agrochemicals and Pharmaceuticals) to Fast Moving Consumer Goods (FMCG). Production of specialty chemicals requires good knowledge of the requirements of the end user applications to whose needs they are meant to cater.
- All specialty chemicals are subject to varying degrees of regulatory requirements and the demand for these chemicals can be impacted by changes in regulations.
- The Size of the Indian chemicals industry is estimated at US $ 178 billion. (Source: www.investindia.gov.in.) Even though there are varying estimates, the share of the speciality chemicals can be considered to be at 25% of the total chemicals industry.
- Given the specialized knowledge component involved, there are limited number of producers in India for the range of products manufactured by the Company. However, there is a stiff competition from China given the huge capacities of Chinese producers and their access to locally available feedstock.
- Most of the basic raw materials (feedstock) required for the products manufactured by the Company are imported because the domestic availability is either non-existent / limited.

### Performance of the year 2020-21 and Outlook 2021-22

- The disruption in the wake of the Covid-19 pandemic adversely impacted the financial performance during Q1 2020-21. This impact spilled over into Q2 as well.
- The Company showed resilience in significantly improving its performance during the second half. This was done by a sharp focus on market share, agile supply chain management to secure the raw materials, management of logistics under challenging circumstances, asset utilization and efficient working capital management.
- Agriculture was amongst the few sectors which was not impacted by the Covid-19 pandemic and the demand for agrochemicals (and consequently agrochemical intermediates) was strong. There was an increased demand for sanitization products like cleaners and soaps and detergents.
- The above translated into a robust demand for the Agrochemical Intermediates and Specialty Chemicals manufactured by the Company.

- The Indian Meteorological Department (IMD) and other weather agencies have forecasted normal monsoon for the year 2021 – 22. Going forward, we are cautiously optimistic on the demand prospects, in the wake of favourable monsoon and increased economic activity once the Covid-19 restrictions imposed after the second wave are completely lifted. However, in recent years, we have been seeing erratic weather patterns. If this happens, the monsoon might be sub optimal despite the positive forecasts which will have an impact on the demand for agrochemical intermediates and agrochemicals.

**Opportunities:**

- In light of the supply disruptions from China in recent years, there is a conscious strategic drive on the part of customers to mitigate the risk of sourcing from China. The Company as an established player in the manufacture of the specialty and performance chemicals sees itself as well poised to take advantage of this opportunity.
- Many Agrochemicals are slated to go off patent during 2021-2026. Many Pharmaceutical actives will also be going off patent. With its process R & D and manufacturing capabilities, the Company is well poised to take advantage of these opportunities to enter into the manufacture of some of these agrochemical technicals and their intermediates.
- The Company is actively working on developing a line of new products to take advantage of the opportunities. The new product development strategy is centered around themes like new chemistry platforms, integrated manufacturing from Raw Material to end product stage, export focus and emerging as a solution provider in meeting customer requirements.

**Risks and concerns:**

- The supply chain disruptions which the Company have experienced in the wake of the Covid-19 pandemic have resulted in tightness in availability as well as increase in prices of key feedstock. The ocean freight rates have gone up to unprecedented levels and this increasing trend is expected to continue for some time to come.
- The above developments have the potential to adversely impact the cost structure of the Company. In order to mitigate these risks, the Company will continue to be agile in monitoring the emerging trends, developing long term sustainable relationships with supply chain partners and going for backward integration wherever possible.
- The Company is competing directly with Chinese manufacturers for many of its products. The Chinese producers have an advantage of locally available feedstock like Yellow Phosphorous, Acetic Acid, etc. India has to depend on imports for key feedstock. China has a track record of taking advantage of this situation by pegging the price of the Raw Materials at a high level and at the same time pricing the downstream intermediates and finished goods aggressively. This places the domestic producers of intermediates in a disadvantageous position. In order to overcome this challenge, the Company continuously works on cost improvement measures like efficiency and process improvements.

## ENVIRONMENT AND BIOTECH BUSINESS

### Industry Structure & Development

The waste management activity took a big hit across India in the financial year 2020-21. This was due to the Urban Local Bodies' focus shifting from all other functions to managing COVID-19 and slowdown in real estate business for most part of the year.

The solid waste management business saw partial revival in the Q4 where businesses started to open up and people were moving about freely post the first wave of COVID-19.

### Opportunities and Threats

The uncertainty to businesses brought by the second wave of COVID-19 in the first quarter of 2021-22 will continue to loom heavily on the solid waste management (SWM) business for the rest of the year. One will need to adjust, refocus and pivot the business during the good times and wait patiently if there is another wave of COVID-19. This uncertainty is likely to continue until COVID-19 is completely eliminated.

Decentralized Waste Management will continue to offer opportunities with cities, corporates and real estate truly meaning to adopt sustainable solutions. Unfortunately, the pandemic has led to a permanent shut down of several recent entrants in the market. Excel has stood the test of time and offered unwavering service to its customers during the bad times too.

Company is continuously providing MSW processing services to Ahmadabad Municipal Corporation & Varanasi Nagar Nigam in Centralized Waste Management arena.

Excel's brand name coupled with strong lead generation through the digital medium is likely to help the Company to get business from the best clients in the country for the foreseeable future.

### Segment Performance & Outlook

The FY 2021-22 will be an unpredictable year. One hopes that India does not get hit by another wave of the corona virus. The company will focus in strengthening its position as the premium decentralized organic waste treatment products and services provider in India.

The Company shall also augment its capabilities with introduction of complementary technologies such as Biogas/ Bio CNG and Biological treatment of sewage water.

There will also be opportunities in Plastic Waste Management i.e. Extended Producers Responsibility services, Material Recovery Facilities and infrastructure for plastic recycling on the back of the new legislation for the same.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

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

## FINANCIAL PERFORMANCE AND ANALYSIS

During the year under review, the net revenue from operations increased by 7% from ₹ 702.48 crores to ₹ 749.47 crores, mainly due to volume increase on account of addition of new manufacturing site at Vizag. Company's profit before tax declined by 11% from ₹ 112.21 crores to ₹ 99.70 cores largely on account of change in product mix and market mix. Consequently, net profit after tax for the year decreased by 25% from ₹ 93.47 crores to ₹ 70.19 crores due to fall in contribution from sales and higher incidence of income tax.

The reserves excluding revaluation reserves as on 31.03.2021 are at ₹ 709.57 crores.

During the year, CRISIL Limited reviewed and reaffirmed the Credit Rating of the Company as "A+/Stable" for Long Term bank loan facilities and "A1" for Short Term bank loan facilities.

## KEY FINANCIAL RATIOS

In accordance with the amended SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

The Company has identified following ratios as key financial ratios:

| Particulars | FY 2020-21 | FY 2019-20 | % Change |
|---|---|---|---|
| Debtors Turnover Ratio | 4.65 | 4.63 | 0.47% |
| Inventory Turnover Ratio | 10.22 | 9.77 | 4.54% |
| Interest Coverage Ratio*1 | 149.49 | 78.04 | 91.55% |
| Current Ratio | 2.04 | 1.81 | 12.58% |
| Debt Equity Ratio*2 | 0.01 | 0.04 | -76.02% |
| Operating Profit Margin (%) | 16.11% | 18.43% | -12.56% |
| Net Profit Margin (%)*3 | 9.26% | 13.15% | -29.58% |
| Return on Net Worth (RONW) (%)*4 | 9.81% | 15.55% | -36.94% |

*1 Change in interest coverage ratio is due to reduction in borrowings and interest cost thereon.

*2 Change in debt equity ratio is due to reduction in utilisation of bank credit facilities, due to surplus fund available with the company during the year.

*3 Change in profit margin ratio is due to change in product mix and market mix in the year 2020-21 and also due to one-time reversal of Deferred tax liability in the year 2019-20 pursuant to change in Corporate tax rates.

*4 Change in RONW is mainly due to reduction in profitability.

## HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

Last financial year was the year of the pandemic. During this period, the Company formed a task force to design and implement safe practices across the company to avoid workplace infection. SOPs were drafted in multiple languages, employees were trained vigorously with the whole implementation being monitored by task force members in order to ensure high order of compliance. The Company distributed vitamin tablets and medicines and supported people with 24X7 telemedicine facility from Apollo hospital. Other Hospitals tie ups were done to support employees and their families. The Company distributed masks and sanitizers for employees and families and in surrounding villages and Gram Panchayats. The focus of all these efforts was enhanced employee care, especially in the context of COVID-19 infection.

Employees operating from Mumbai office worked from home initially. All team members were supported with necessary IT infrastructure and connectivity at their homes. The teams collaborated well on various virtual platforms. Weekly meetings between sites and functions ensured good coordination thereby resulting in sharper customer focus.

Even during the year of Pandemic, the Company ensured that employees' salaries were paid on time every month. Employees, realizing the magnitude of business challenges faced, truly rose up to the occasion in the second half of the year to delivery an encouraging performance in all functions, thereby making up for the lost opportunities in the first half.

The labour relations across sites continued to be good and jointly many initiatives were undertaken. Wage agreement for Roha Site was amicably signed during lockdown period.

The focus of HR team was to continue to maintain the employee connect and engagement. The Company conducted many webinars and virtual trainings focusing on employees' wellbeing while working from home. Programs on health, nutrition, yoga, technical subjects, Safety, IT, Finance etc. were regularly conducted.

Employee strength of the Company as on 31st March, 2021 was 1015.

## CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in Government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT:

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. has made good Corporate Governance sin-quo-non of modern management.

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

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

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

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

2. **Board of Directors**

   a) As on March 31, 2021, the Company's Board consists of Thirteen (13) Directors out of which Three (3) are Whole-time Directors and Ten (10) are Non-Executive Directors. Out of the Ten (10) Non-Executive Directors, two (2) are Promoter Directors, Seven (7) are Independent Directors and One (1) is Nominee Director of LIC of India.

   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 and also number of other directorships/ memberships of committees of other companies are as under:

| Name | Category of Directorship in Excel industries Limited | No. Of Board Meetings Attended During 2020-21 | Attendance At Last AGM (25/09/2020) | No. Of Directorship Held In Listed Public Limited Companies | Name of listed companies where he/she is a Director | | Membership of committees | Chairmanship of committees |
|---|---|---|---|---|---|---|---|---|
| | | | | | Company | Type of directorship | | |
| Mr. Ashwin C. Shroff (Promoter) (DIN: 00019952) | Executive Chairman | 6 | Yes | 2 | Excel Industries Limited | Executive Chairman | Nil | Nil |
| | | | | | Transpek Industry Limited | Promoter Director | | |
| Mr. Ravi A Shroff (Promoter) (DIN: 00033505) | Managing Director | 6 | Yes | 2 | Excel Industries Limited | Managing Director | 2 | Nil |
| | | | | | Transpek Industry Limited | Promoter Director | | |

| Name | Category of Directorship in Excel industries Limited | No. Of Board Meetings Attended During 2020-21 | Attendance At Last AGM (25/09/2020) | No. Of Directorship Held In Listed Public Limited Companies | Name of listed companies where he/she is a Director | | Membership of committees | Chairmanship of committees |
|---|---|---|---|---|---|---|---|---|
| | | | | | Company | Type of directorship | | |
| Mr. Hrishit A. Shroff (Promoter) (DIN: 00033693) | Executive Director | 6 | Yes | 1 | Excel Industries Limited | Promoter Executive Director | Nil | Nil |
| Mr. Atul G. Shroff (Promoter) (DIN: 00019645) | Promoter – Non-Executive | 6 | Yes | 2 | Excel Industries Limited | Promoter Non-Executive Director | 1 | Nil |
| | | | | | Transpek Industry Limited | Managing Director | | |
| Mr. Dipesh K. Shroff (Promoter) (DIN: 00030792) | Promoter – Non-Executive | 6 | Yes | 2 | Excel Industries Limited | Promoter Non-Executive Director | 1 | 1 |
| | | | | | Transpek Industry Limited | Promoter Director | | |
| Mr. R. N. Bhogale (DIN: 00292417) | Independent Director | 6 | Yes | 1 | Excel Industries Limited | Independent Director | 1 | Nil |
| Mr. H. N. Motiwalla (DIN: 00029835) | Independent Director | 6 | Yes | 6 | Excel Industries Limited | Independent Director | 2 | 4 |
| | | | | | Multibase India Limited | | | |
| | | | | | Ashapura Minechem Limited | | | |
| | | | | | Balkrishna Paper Mills Limited | | | |
| | | | | | Orient Abrasives Limited | | | |
| | | | | | Hitech Corporation Limited | | | |
| Mr. P.S. Jhaveri (DIN: 00045038) | Independent Director | 5 | Yes | 3 | Excel Industries Limited | Independent Director | 3 | Nil |
| | | | | | Sadhana Nitro Chem Limited | Independent Director | | |
| | | | | | Indian Extractions Limited | Chairman & Managing Director | | |

| Name | Category of Directorship in Excel industries Limited | No. Of Board Meetings Attended During 2020-21 | Attendance At Last AGM (25/09/2020) | No. Of Directorship Held In Listed Public Limited Companies | Name of listed companies where he/she is a Director | | Membership of committees | Chairmanship of committees |
|---|---|---|---|---|---|---|---|---|
| | | | | | Company | Type of directorship | | |
| Mr. M. B. Parekh (DIN: 00180955) | Independent Director | 5 | Yes | 3 | Excel Industries Limited<br>Pidilite Industries Limited<br>Vinyl Chemicals (India) Limited | Independent Director<br>Executive Chairman<br>Chairman & Managing Director | 2 | Nil |
| Mr. S. S. Vaidya (DIN: 00002273) | Independent Director | 6 | No | 2 | Excel Industries Limited<br>Apcotex Industries Limited | Independent Director | Nil | 1 |
| Mr. R. M. Pandia (DIN: 00021730) | Independent Director | 6 | Yes | 6 | Excel Industries Limited<br>Thirumalai Chemicals Limited<br>Ultramarine & Pigments Limited<br>Supreme Petrochem Limited<br>GRP Limited<br>Supreme Industries Limited | Independent Director | 4 | 1 |
| Dr. Meena Galliara (DIN: 07118699) | Independent Director | 6 | Yes | 1 | Excel Industries Limited | Independent Director | Nil | Nil |
| Mr. P.K. Molri (DIN: 07810173) | Nominee Director (Equity Investor LIC of India) | 6 | Yes | 2 | Excel Industries Limited<br>Ambuja Cements Limited | Nominee Director | Nil | Nil |

**Notes:**

1) Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.

2) Membership and Chairmanship of the Audit Committee and Stakeholders Relationship Committee are only considered.

3) Details of Director(s) retiring or being re-appointed are given in Annexure I to the Notice of Annual General Meeting.

4) Brief profiles of each of the above Directors are available on the Company's website:http://www.excelind.co.in/

b) Six Board meetings of the Company were held during the year 2020-21. Dates of Board meetings held were:

| | | |
|---|---|---|
| 26/06/2020 | 13/08/2020 | 25/09/2020 |
| 06/11/2020 | 12/02/2021 | 26/03/2021 |

c) Mr. Ashwin C. Shroff, Mr. Atul G. Shroff and Mr. Dipesh K. Shroff are cousin brothers and Mr. Ravi A. Shroff and Mr. Hrishit Shroff are sons of Mr. Ashwin C. Shroff and Late Mrs. Usha A. Shroff.

d) **No. of Shares held by Promoter Non-Executive Directors as on March 31, 2021**

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

e) **Familiarization Program for Independent Directors:**

The Company has conducted familiarization Program during the year for Independent Directors so as to assist them in performing their role as Independent Directors. Details of the Program are available on Company's website at http://www.excelind.co.in/companyPolicies.html.

f) **Skill, expertise and competence of the Board of Directors**

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

The table below summarizes the list of core skills, expertise, competencies identified by the Board as required in the context of the Company's business and as possessed by individual members of the Board. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

| Expertise in | Chemical Industry, Biotech and other allied industries | Business Management & Leadership | Finance | Legal Compliances | Corporate Governance | Global Business Development | Corporate Social Responsibility |
|---|---|---|---|---|---|---|---|
| Description | Knowledge and experience of Chemical and Biotech industry structure, manufacturing, operations and Research & Development. | Knowledge and experience in corporate strategy, planning, risk management and business sustainability.<br>Leadership experience in advisory and supervising corporate management. | Expert knowledge and understanding in Accounts, Finance, Banking, Auditing and Financial Control System. | Knowledge in the field of law and legal compliance management. | Experience in developing good governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values. | Expertise in global business development, operation and strategy. | Experience and knowledge in the matters of Corporate Social Responsibility including environment protection and social development. |

| Expertise in | Chemical Industry, Biotech and other allied industries | Business Management & Leadership | Finance | Legal Compliances | Corporate Governance | Global Business Development | Corporate Social Responsibility |
|---|---|---|---|---|---|---|---|
| Ashwin C Shroff | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Ravi A Shroff | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Hrishit A Shroff | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Atul G Shroff | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Dipesh K Shroff | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| H. N. Motiwalla | | | ✓ | ✓ | ✓ | | |
| R. N. Bhogale | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| P. S. Jhaveri | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Rajeev M Pandia | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| S. S. Vaidya | | | | ✓ | ✓ | | |
| M. B. Parekh | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Meena Galliara | | | | | ✓ | | ✓ |
| P. K. Molri | | ✓ | ✓ | ✓ | ✓ | | |

g) **Confirmation of Independence**

There are seven Independent Directors on the Board of the Company. All the Independent Directors have provided a declaration of their independence for the year 2020-21 to the Board. The Board after undertaking due assessment of the veracity of the declaration is of the opinion that each Independent Director fulfills the conditions of independence as specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations and is independent of the management. No Independent Director has resigned during the year 2020-21 before the expiry of his/ her tenure.

3. **Audit Committee**

a) **Terms of reference and composition:**

The role of the Audit Committee is to supervise the Company's financial reporting process, internal control 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 adequacy of internal control systems, the scope of audit including observations of the Auditors, major accounting policies and practices, compliances with IND AS, Listing Regulations and other legal requirements concerning financial statements and related party transactions. The Committee also reviews the Company's risk management systems and the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

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

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

d) The Audit Committee of the Board of Directors of the Company comprised of five Members during the year 2020-21. Composition and attendance at the Committee Meetings during the financial year 2020-21 was as follows:

| NAME OF DIRECTOR | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|---|---|---|---|
| Mr. H. N. Motiwalla, Chairman | Independent Director | 6 | 5 |
| Mr. P. S. Jhaveri, Member | Independent Director | 6 | 5 |
| Mr. R. N. Bhogale, Member | Independent Director | 6 | 6 |
| Mr. R. M. Pandia, Member | Independent Director | 6 | 6 |
| Mr. Ravi A. Shroff, Member | Promoter, Managing Director | 6 | 5 |

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

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

e) The Audit Committee meetings were held on the following dates during the financial year 2020-21.

| | | |
|---|---|---|
| 26/06/2020 | 13/08/2020 | 25/09/2020 |
| 06/11/2020 | 12/02/2021 | 26/03/2021 |

4. **Nomination and Remuneration Committee**

a) **Terms of reference and composition:**

The broad terms of reference of the Company's Nomination and Remuneration Committee are to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment/removal, to formulate the criteria for evaluation of Independent Directors and the Board, to determine and recommend to the Board the remuneration payable to Whole-time Directors and senior management, to determine and recommend to the Board the payment of annual increments and commission to the Whole-time Directors and to formulate and recommend policy for remuneration to directors, key managerial personnel and other employees.

b) The Nomination and Remuneration Committee comprised of three Members during the year 2020-21. Composition and attendance at the Committee Meetings during the financial year 2020-21 was as follows:

| NAME OF DIRECTOR | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|---|---|---|---|
| Mr. H. N. Motiwalla, Chairman | Independent Director | 3 | 3 |
| Mr. R. N. Bhogale, Member | Independent Director | 3 | 3 |
| Mr. P. S. Jhaveri, Member | Independent Director | 3 | 2 |

c) The Nomination and Remuneration Committee meetings were held on the following dates during the financial year 2020-21.

| | | |
|---|---|---|
| 26/06/2020 | 22/09/2020 | 12/02/2021 |

5. **Stakeholders' Relationship Committee:**

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

b) The Stakeholders' Relationship Committee comprised of three members during the year 2020-21. Composition and attendance of Committee meetings during the financial year 2020-21 are as follows:

| NAME OF DIRECTOR | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|---|---|---|---|
| Mr. Dipesh K. Shroff, Chairman | Promoter, Non-Executive Director | 7 | 4 |
| Mr. H. N. Motiwalla, Member | Independent Director | 7 | 7 |
| Mr. Ravi A. Shroff, Member | Promoter, Managing Director | 7 | 7 |

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

d) The Stakeholders' Relationship Committee meetings were held on the following dates during the financial year 2020-21.

| | | | |
|---|---|---|---|
| 26/06/2020 | 13/08/2020 | 06/11/2020 | 22/12/2020 |
| 12/02/2021 | 26/02/2021 | 24/03/2021 | |

e) During the year, 5 complaints were received from the investors, all of which were resolved to the satisfactions of shareholders. There are no pending complaints as on March 31, 2021.

6. **Corporate Social Responsibility Committee (CSR):**

a) The Board of Directors of the Company in its meeting held on March 28, 2014 constituted the Corporate Social Responsibility Committee.

b) The Role of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall take into account the recommendations of the Committee, and include guiding principles for selection, implementation and monitoring of activities as well as formulation of annual action plan. Board may alter such plan at any time during the financial year, as per the recommendations of the Committee, based on the reasonable justifications to that effect, and to review and amend, the Corporate Social Responsibility Policy of the Company whenever required.

c) The Corporate Social Responsibility Committee comprised of five members during the year 2020-21. Composition and attendance of Committee meetings during the financial year 2020-21 was as follows:

| NAME OF DIRECTOR | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|---|---|---|---|
| Mr. Ashwin C. Shroff, Chairman | Promoter, Executive Chairman | 3 | 3 |
| Mr. R. N. Bhogale, Member | Independent Director | 3 | 2 |
| Mr. M. B. Parekh, Member | Independent Director | 3 | 2 |
| Mr. R. M. Pandia, Member | Independent Director | 3 | 3 |
| Dr. Meena Galliara, Member | Independent Director | 3 | 3 |

d) The Corporate Social Responsibility Committee meetings were held on the following dates during financial year 2020-21.

| | | |
|---|---|---|
| 24/06/2020 | 06/11/2020 | 22/03/2021 |

7. **Risk Management Committee:**

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

b) The Committee comprised of four members during the year 2020-21. Composition and attendance of Committee meetings during the financial year 2020-21 was as follows:

| NAME OF DIRECTOR AND EXECUTIVES | CATEGORY | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|---|---|---|---|
| Mr. Rajeev M. Pandia, Chairman | Independent Director | 2 | 2 |
| Mr. H. N. Motiwalla, Member | Independent Director | 2 | 2 |
| Mr. Ravi A. Shroff, Member | Promoter, Managing Director | 2 | 2 |
| Mr. N.R. Kannan, Member | Chief Executive Officer | 2 | 2 |

c) The Risk Management Committee meetings were held on 22/09/2020 and 22/03/2021 during the financial year 2020-21.

8. **Remuneration of Directors:**

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

b) The Company pays remuneration to its Executive Chairman, Managing Director and Executive Director by way of salary, commission, perquisites and allowances. Remuneration is 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 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 Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013 and Listing Regulations.

The criteria of making payments to the Non-Executive Directors are laid down in the Nomination & Remuneration Policy of the Company which is available on Company's website at http://www.excelind.co.in/companyPolicies.html.

c) Given below are the details of remuneration paid to the Directors during the financial year 2020-21:

| DIRECTORS | SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹) | SALARIES, WAGES, BONUS AND OTHER PERQUISITES (₹) | COMMISSION (₹) | TOTAL (₹) |
|---|---|---|---|---|
| Mr. Ashwin C. Shroff (Executive Chairman) | N.A. | 12,781,619 | 103,26,899 | 23,108,518@ |
| Mr. Ravi A. Shroff (Managing Director) | N.A. | 11,767,547 | 154,90,349 | 27,257,896@ |
| Mr. Hrishit A Shroff (Executive Director) | N.A. | 6,602,279 | 51,63,450 | 11,765,729@ |
| Mr. Atul G. Shroff (Non-Executive Director) | 1,20,000 | N.A. | 6,00,000 | 7,20,000 |
| Mr. Dipesh K. Shroff (Non-Executive Director) | 1,60,000 | N.A. | 6,00,000 | 7,60,000 |

| DIRECTORS | SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹) | SALARIES, WAGES, BONUS AND OTHER PERQUISITES (₹) | COMMISSION (₹) | TOTAL (₹) |
|---|---|---|---|---|
| Mr. R. N. Bhogale (Independent Director) | 3,60,000 | N.A. | 8,00,000 | 11,60,000 |
| Mr. H. N. Motiwalla (Independent Director) | 4,10,000 | N.A. | 8,00,000 | 12,10,000 |
| Mr. P. S. Jhaveri (Independent Director) | 2,80,000 | N.A. | 8,00,000 | 10,80,000 |
| Mr. M. B. Parekh (Independent Director) | 1,60,000 | N.A. | 6,00,000 | 7,60,000 |
| Mr. S. S. Vaidya (Independent Director) | 1,60,000 | N.A. | 6,00,000 | 7,60,000 |
| Mr. R. M. Pandia (Independent Director) | 3,30,000 | N.A. | 8,00,000 | 11,30,000 |
| Dr. Meena Galliara (Independent Director) | 1,90,000 | N.A. | 6,00,000 | 7,90,000 |
| Mr. P. K. Molri (Nominee Director - LIC of India) | 1,20,000 | N.A. | *6,00,000 | 7,20,000 |

* When the individual retires from LIC but continues to be a LIC Nominee Director on the Board of the Company, the sitting fees is paid to the individual, however the commission is paid to LIC.

@ Mr. Ashwin Shroff, Mr. Ravi Shroff and Mr. Hrishit Shroff had forgone 50% of their salaries for the period 1st April, 2020 to 31st January, 2021 in view of uncertainties during Covid-19 pandemic situation. The remunerations mentioned aforesaid are on actual receipt basis.

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

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

f) The Company offers benefits to retired 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 its discretion.

g) The Independent Directors were appointed for a period of five years pursuant to the provisions of sections 149, 150, 152 read with schedule IV and all other applicable provisions, and are not liable to retire by rotation.

h) Performance evaluation criteria for Independent Director:

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

9. **General Body Meetings:**

a) Location and time of the last three Annual General Meetings:

| AGM | YEAR | LOCATION | DAY/DATE | TIME | NO. OF SPECIAL RESOLUTIONS |
|---|---|---|---|---|---|
| 57th | 2017-18 | Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020 | Thursday, 09th August, 2018 | 3.00 P.M. | 0 |

| AGM | YEAR | LOCATION | DAY/DATE | TIME | NO. OF SPECIAL RESOLUTIONS |
|---|---|---|---|---|---|
| 58th | 2018-19 | Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020 | Tuesday, 13th August, 2019 | 3.00 P.M. | 8 |
| 59th | 2019-20 | Two Way Video Conferencing | Friday, 25th September, 2020 | 3.00 P.M. | 0 |

b) Postal Ballot:

During the financial year 2020-21, no resolution was passed through postal ballot. No special resolution is proposed to be passed through postal ballot. Postal Ballot, whenever conducted, will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.

10. **Means of Communication:**

a) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirements of the Listing Regulations. However, The SEBI had issued relaxation from compliance with certain provisions of the SEBI (LODR) Regulations, 2015 due to the Covid -19 virus Pandemic vide is circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020.

b) The financial results of the Company are published in the newspapers viz. Business Standard (English) (All Edition) and Free Press Journal (English), and Navshakti (Marathi).

c) The financial results are also displayed on the Company's Website: http://www.excelind.co.in

d) NEAPS and BSE Listing are web-based application designed by NSE and BSE respectively for corporate filing. All periodical compliance filings, *inter-alia,* shareholding pattern, corporate governance report, corporate announcements amongst others are also filed electronically through their portal.

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

f) Management Discussion and Analysis Report forms part of the Annual Report.

11. **General Shareholder Information:**

(a) **Annual General Meeting**

Date and Time : Friday, 24th September, 2021 at 3.00 p.m.

Venue : The Annual General Meeting will be held through Video-Conferencing.

(b) **Financial Year** : April 01, 2020 to March 31, 2021

(c) **Dividend payment date** : On or before 23rd October, 2021

(d) **Listing on Stock Exchanges** : The Company's Equity shares are listed on the following Stock Exchanges:

1) BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

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

The Company has paid the listing fees to these Stock Exchanges for the year 2020-21.

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

The Bombay Stock Exchange, (Physical Segment) : 650

The Bombay Stock Exchange, (Demat Segment) : 500650

National Stock Exchange of India Limited : EXCELINDUS

Demat ISIN Number in NSDL and CDSL : INE 369A01029

(f) **Market Price Data:**

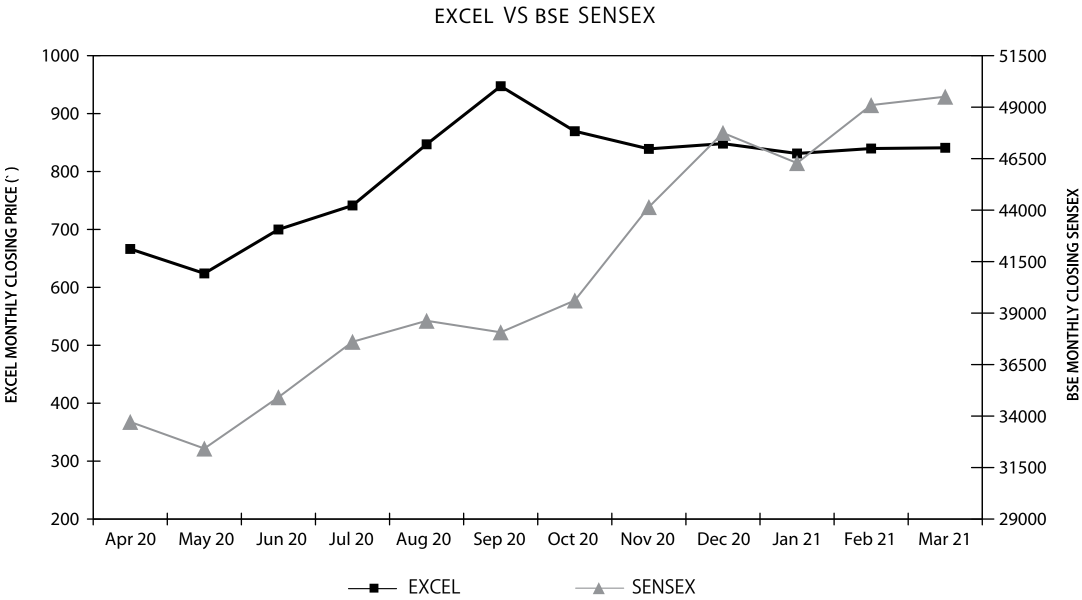
(₹)

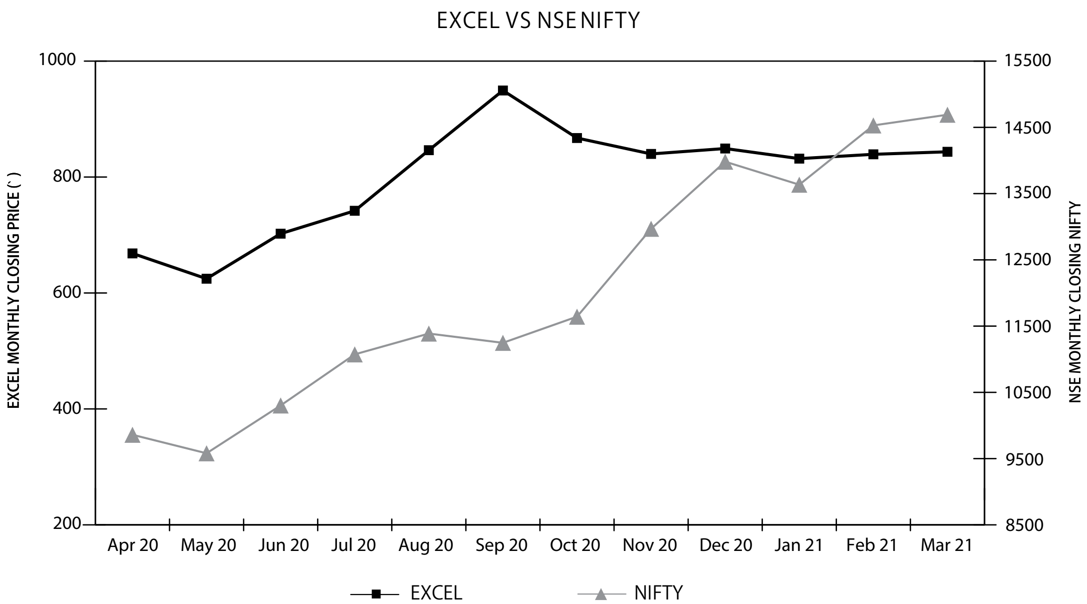
| MONTH | BOMBAY STOCK EXCHANGE | | NATIONAL STOCK EXCHANGE | |
|---|---|---|---|---|
| | HIGH | LOW | HIGH | LOW |
| April-2020 | 693.25 | 415.55 | 723 | 439.95 |
| May-2020 | 712.35 | 535.45 | 718.20 | 536.15 |
| June-2020 | 778 | 620.5 | 778 | 621.05 |
| July-2020 | 820 | 705.9 | 818 | 703.35 |
| August-2020 | 956.65 | 735.95 | 959 | 742.4 |
| September-2020 | 994 | 812.05 | 980 | 811.35 |
| October-2020 | 1024.5 | 837 | 1024 | 821.05 |
| November-2020 | 949.95 | 831.7 | 923.95 | 830.10 |
| December-2020 | 936.9 | 789.2 | 936.7 | 785 |
| January-2021 | 950 | 825 | 951.75 | 824 |
| February-2021 | 929.6 | 827.7 | 928.9 | 811 |
| March-2021 | 943.15 | 823.65 | 944.95 | 826.8 |

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

(g) **Share Price Movements:**

Share Price Movement for the period from April, 2020 to March 2021 Excel Industries Limited v/s BSE Sensex & NSE Nifty.



(h) **Share Transfer System:**

The share transfer function is carried out by the Registrar and Transfer Agent-Link Intime India Pvt. Ltd. SEBI vide its notification dated June 8, 2018, has amended the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from processing request for transfer of shares which are held in physical form, with effect from April 1, 2019. The shareholders, who continue to hold shares of the Company in physical form even after this date, will not be able to lodge the shares with the Company / RTA for further transfer. Shareholders will need to convert them to demat form compulsorily, if they wish to affect any transfer. Only the requests for transmission and transposition of shares in physical form will be accepted by the Company / RTA.

All the shareholders who are holding shares in physical form, should consider opening a demat account and submit request for dematerialization of their shares in order to protect the liquidity of the shares.

Requests for share transmission, transposition, duplicate share certificates etc. can be lodged at the office of Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 (Tel: +91 22 49186000 Fax: +91 22 49186060).

(i) **Distribution of Shareholdings as on March 31, 2021**

- **By Folio Wise:**

| SHAREHOLDING OF NOMINAL VALUE (INR) | NO. OF SHAREHOLDERS | PERCENTAGE | NO. OF SHARES | PERCENTAGE |
|---|---|---|---|---|
| 1 - 2500 | 21791 | 94.03 | 16,59,948 | 13.20 |
| 2501 - 5000 | 779 | 3.36 | 5,62,281 | 4.47 |
| 5001 - 10000 | 318 | 1.37 | 4,51,992 | 3.60 |
| 10001 - 15000 | 88 | 0.38 | 2,17,214 | 1.73 |
| 15001 - 20000 | 42 | 0.18 | 1,47,826 | 1.18 |
| 20001 - 25000 | 31 | 0.14 | 1,43,542 | 1.14 |
| 25001 - 50000 | 53 | 0.23 | 3,73,242 | 2.97 |
| Above 50000 | 72 | 0.31 | 90,14,647 | 71.71 |
| **Total** | **23,174** | **100.00** | **1,25,70,692** | **100.00** |

**PAN wise Categories of Shareholders as on March 31, 2021**

| CATEGORY | NO. OF SHAREHOLDERS | NO. OF SHARES | VOTING STRENGTH % |
|---|---|---|---|
| Promoters | 26 | 65,84,199 | 52.38 |
| Body Corporates | 179 | 3,06,873 | 2.44 |
| Non-Resident Individuals | 465 | 1,94,418 | 1.55 |
| Indian Banks, Financial Institutions and Mutual Funds | 11 | 8,91,987 | 7.10 |
| Foreign Institutional Investors & Foreign Banks | 7 | 422 | 0.00 |
| Others | 21810 | 45,92,793 | 36.53 |
| **Total** | **22498** | **1,25,70,692** | **100.00** |

(j) **Dematerialization of Shares and Liquidity:**

98.61% of the Company's share capital is held in dematerialized form as on March 31, 2021. The Company's shares are regularly traded on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

(k) Outstanding GDRs, ADRs, Warrants or any convertible instruments – Not issued.

(l) Commodity Price Risk and Commodity Hedging Activities: The Company is not exposed to any commodity price risk.

(m) **Unclaimed Shares**

In compliance with Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI to the Regulations, the unclaimed shares of the Company were lying in the "Excel Industries Limited Unclaimed Share Suspense Account" in demat form. Reminder letters were sent to the concerned shareholders at their registered address to claim their shares. Shares are transferred from the Unclaimed Share Suspense Account to the concerned shareholders account, who approach the Company in this regard. Balance shares lying under the Unclaimed Share Suspense account were transferred to IEPF Account, pursuant to the provision of Section 124(6) of the Companies Act, 2013.

(n) **The details of unclaimed dividends and shares transferred to the IEPF during the year 2020-21 are as follows:**

| Financial year | Amount of unclaimed dividend transferred | Number of shares transferred |
|---|---|---|
| 2012-13 | 4,81,428 | 3276 |

The details of unclaimed dividend lying in the Unclaimed Dividend Accounts of the Company, details of shares transferred to IEPF and the shares due to be transferred to IEPF in the year 2021-22 are available on the website of the Company at www.excelind.co.in.

(o) **Plant Locations:**

| | | | |
|---|---|---|---|
| (a) | Plot No. 112, M.I.D.C. Industrial Area,<br>Dhatav, Roha,<br>Dist. Raigad-402 116. | (c) | Narol Sarkhej Octroi Naka,<br>Near Sewage Farm,<br>Baherampura, Ahmedabad-380 022. |
| (b) | D-9, M.I.D.C., Lote Parshuram,<br>Tal: Khed, Dist. Ratnagiri-415 722. | (d) | Plot No. 15, 15A, APSEZ, Atchutapuram,<br>Visakhapatnam, Andhra Pradesh - 531011 |

(p) **Address for correspondence:**

Excel Industries Limited,
184-87, Swami Vivekanand Road, Jogeshwari (West),
Mumbai-400 102.
Tel.: 6646 4200
investors@excelind.com

(q) **Address for correspondence for share related work:**

LINK INTIME INDIA PVT. LTD.
C-101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai-400 083
Tel: +91 22 49186000 Fax: +91 22 49186060

**Help Desk contact**

E-mail: rnt.helpdesk@linkintime.co.in

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

investors@excelind.com

(r) **Credit Ratings**

CRISIL ratings on the bank facilities to the Company received during the year

| | |
|---|---|
| Total Bank Loan Facilities Rated | ₹ 149.5 Crores |
| Rating on Long-Term bank loan facilities | CRISIL A+/Stable (Reaffirmed) |
| Rating on Short-Term bank loan facilities | CRISIL A1 (Reaffirmed) |

## DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company is committed to provide all its employees an environment free of gender based discrimination. In furtherance of this commitment, the Company strives to provide all its employees with equal opportunity and conditions of employment, free from gender based coercion, intimidation or exploitation. The Company is dedicated to ensure enactment, observance and adherence to guidelines and best practices that prevent and prosecute commission of acts of sexual harassment.

a. Number of complaints filed during the Financial year 2020-21- NIL

b. Number of complaints disposed of during the Financial year 2020-21- NIL

c. Number of complaints pending as on end of the Financial year 2020-21- NIL

12. **Other Disclosures:**

| Particulars | Legal requirement | Details | Website link for details/policy |
|---|---|---|---|
| Related party Transactions | Regulation 23 of SEBI Listing Regulations and as defined under the Act | There were no material significant related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company. (Related Party Transaction Policy) | http://www.excelind.co.in/companyPolicies.html |
| Details of Non-Compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets, during the last three years | Schedule V(C) 10(b) to the SEBI Listing Regulations | There were no cases of non-compliance during the last three financial years, 2018-19, 2019-20 and 2020-21. There were no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any Statutory Authority on any matter related to capital markets during the last three years. | |

| Particulars | Legal requirement | Details | Website link for details/policy |
|---|---|---|---|
| Whistle Blower Policy/Vigil Mechanism | Regulation 22 of SEBI Listing Regulations | The Company has adopted a Whistle Blower Policy/ vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company. (Whistle Blower Policy) | http://www.excelind.co.in/companyPolicies.html |
| Subsidiary Companies | Regulation 24 of SEBI Listing Regulations | The Audit Committee reviews the quarterly financial statements of the Subsidiary Companies and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted Indian subsidiary company. The Company has a policy for determining material subsidiaries which is disclosed on its website. (Material Subsidiary) | http://www.excelind.co.in/companyPolicies.html |
| Policy on determination of materiality for disclosure | Regulation 23 of SEBI Listing Regulations | The Company has adopted a policy on determination of materiality of events for disclosures.(Determining Materiality of Events) | http://www.excelind.co.in/companyPolicies.html |
| Policy on archival and preservation of documents | Regulation 9 of SEBI Listing Regulations | The Company has adopted a policy on archival and preservation of documents. (Preservation of Documents) | http://www.excelind.co.in/companyPolicies.html |
| Code of Conduct | Regulation 17 of SEBI Listing Regulations | The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Chief Executive Officer on the compliance declarations received from Directors and Senior Management (EIL Code of Conduct & Ethics) | http://www.excelind.co.in/companyPolicies.html |
| Terms of Appointment of Independent Directors | Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act | Terms and conditions of appointment of Independent Directors are available on the Company's website. (Terms of appointment of Independent Director) | http://www.excelind.co.in/companyPolicies.html |

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

    The discretionary requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

14. **Particulars of Cost Auditor:**

| | |
|---|---|
| Name of the Cost Auditor | M/s. Kishore Bhatia & Associates |
| Firm Registration No. | 00294 |
| Date of Appointment for the year 2020-21: | 26/06/2020 |
| Filing of Cost Audit Report for FY 2019-20: | |
| Due Date | 31/12/2020 |
| Actual Date | 16/10/2020 |

15. Mr. Prashant Diwan, Practicing Company Secretary has given a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report.

16. There was no instance during the financial year 2020-21, where the Board of Directors had not accepted the recommendation of any Committee of the Board which it was mandatorily required to accept.

17. Total fees for all services paid by the Company to the statutory auditor are provided in Note no. 40 of the Notes to Standalone Financial Statements forming part of this Annual Report. The Statutory Auditors have not provided any services to the subsidiaries of the Company.

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

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Executive Chairman
DIN: 00019952

Date: 13th August, 2021
Place: Mumbai

**Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of Excel Industries Limited

We have examined the compliance of conditions of Corporate Governance by Excel Industries Limited ('The Company'), for the year ended March 31st, 2021 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872
UDIN: 21115872AAAADT4800

Place: Mumbai
Date: August 13, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
**Excel Industries Limited**
184-187, Swami Vivekanand Road
Jogeshwari (West), Mumbai – 400 102

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Excel Industries Limited** having CIN: L24200MH1960PLC011807 and having registered office at 184-187, Swami Vivekanand Road, Jogeshwari (West), Mumbai – 400 102 (hereinafter referred to as 'the Company'), produced before me by the Company through digital mode for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company, Directors & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, RBI or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment | Date of Cessation |
|---|---|---|---|---|
| 1 | Ashwin Champraj Shroff | 00019952 | 01/02/2010 | – |
| 2 | Ravi Ashwin Shroff | 00033505 | 03/09/2014 | – |
| 3 | Atul Govindji Shroff | 00019645 | 26/08/1994 | – |
| 4 | Shailesh Shankarlal Vaidya | 00002273 | 08/08/2014 | – |
| 5 | Rajeev Mahendra Pandia | 00021730 | 08/08/2014 | – |
| 6 | Harish Narendra Motiwalla | 00029835 | 24/05/2002 | – |
| 7 | Dipesh Kantisen Shroff | 00030792 | 03/09/2003 | – |
| 8 | Priyam Shantilal Jhaveri | 00045038 | 20/10/2002 | – |
| 9 | Madhukar Balvantray Parekh | 00180955 | 25/03/2005 | – |
| 10 | Ramchandra Neelkanth Bhogale | 00292417 | 06/12/2001 | – |
| 11 | Meena Amar Galliara | 07118699 | 27/06/2019 | – |
| 12 | Hrishit Ashwin Shroff | 00033693 | 27/06/2019 | – |
| 13 | Praveen Kumar Molri | 07810173 | 07/02/2020 | |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification through digital mode. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS PRASHANT DIWAN**
**Practicing Company Secretary**
FCS No.: 1403 / CP No.: 1979
PR: 530/2017
UDIN: F001403C000633320

Date: 14.07.2021
Place: Mumbai

# BUSINESS RESPONSIBILITY REPORT

**[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | | |
|---|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | : | L24200MH1960PLC011807 |
| 2 | Name of the Company | : | EXCEL INDUSTRIES LIMITED |
| 3 | Registered Address | : | 184-87, S.V. Road, Jogeshwari West, Mumbai-400102 |
| 4 | Website | : | www.excelind.co.in |
| 5 | E-mail –Id | : | surendra.singhvi@excelind.com |
| 6 | Financial Year reported | : | April 1, 2020 to March 31, 2021 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | : | Chemicals<br>NIC code: 20119<br>Environment & Biotech<br>NIC code: 3821 |
| 8 | The key products/services that the Company manufactures/provides (as per Balance sheet) | : | Diethyl ThioPhosphoryl Chloride |
| 9 | Total number of locations where business activity is undertaken by the Company | : | Number of International Locations - NIL<br>Number of National Locations -6 |
| 10 | Markets served by the Company | : | National and International |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | | |
|---|---|---|---|
| 1 | Paid up Capital (INR) | : | 6,28,53,460 |
| 2 | Total Turnover (INR) | : | 74,946.60 lakhs |
| 3 | Profit After Tax (INR) | : | 7018.95 lakhs |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | : | Company's total spending on CSR for the Financial Year 2020-21 is ₹ 296.31 Lakhs which is 2.01% of average profit of the last three years. |
| 5 | List of activities in which expenditure in 4 above has been incurred:- | | **A. Conservation of Natural Resources**<br>**B. Rural Development**<br>• Agriculture<br>• Community Development<br>• Animal Welfare<br>**C. Promotion of Education**<br>**D. Others**<br>• Preventive Health Care<br>• Women Empowerment<br>• Environmental Sustainability |

## SECTION C: OTHER DETAILS

| | | | |
|---|---|---|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | : | Yes. The Company has two wholly owned subsidiaries. |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | : | The subsidiary companies participate in the BR initiates of the Company by following the basic principles and practices of the Parent Company, to the extent applicable. |
| 3 | Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? | : | The Company encourages its Business Associates to support Company's BR initiatives, to the extent feasible. |

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for Business Responsibility

| | | | | | |
|---|---|---|---|---|---|
| A | Details of the Director/ Directors responsible for implementation of the BR policy/policies | a | DIN Number | : | 00033693 |
| | | b | Name | : | Hrishit A Shroff |
| | | c | Designation | : | Executive Director |
| B | Details of the BR head | a | Name | : | Surendra K. Singhvi |
| | | b | Designation | : | Company Secretary |
| | | c | Email ID | : | surendra.singhvi@ excelind.com |

### 2. Principle-wise(as per National Voluntary Guidelines(NVGs))Business Responsibility(BR)Policy/policies

At Excel Industries Limited, the Business Responsibility is guided by "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, which articulates nine principles as below:

| | |
|---|---|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| P3 | Businesses should promote the well-being of all employees. |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| P5 | Businesses should respect and promote Human Rights. |
| P6 | Business should respect, protect and make efforts to restore the environment. |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| P8 | Businesses should support inclusive growth and equitable development. |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

### (a) Details of Compliances

| S. no. | Question(s) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy/ policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify? | Most of the policies are aligned to National Guidelines on Responsible Business Conduct (NGRBC) issued by Ministry of Corporate Affairs and some other standards such as Responsible Care principles. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Policies are approved by the Board of Directors and signed by the Executive Chairman of the Company. | | | | | | | | |
| 5 | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | The Board from time to time oversee the implementation of respective policies. The Functional Heads are authorized to oversee the implementation thereof. | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | The policies are placed on the website of the Company can be viewed on http://www.excelind.co.in/companyPolicies.html | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | All the policies have been communicated to all relevant internal and external stakeholders of the Company. The policies for all relevant stakeholders are available on Company's website http://www.excelind.co.in/companyPolicies.html | | | | | | | | |
| 8 | Does the Company have in-house structure to implement the policy/ policies? | Yes, the Company has necessary structure in place to implement the policies. | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes, the Company provides redressal mechanism for all kinds of grievances. | | | | | | | | |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | The Policy relating to Environment, Health and Safety are evaluated by internal as well as external ISO audit agencies. Other policies are evaluated internally or by respective Committee. | | | | | | | | |

## 3. Governance related to BR

a. Q. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Ans. The Executive Chairman, The Managing Director, the Executive Director, CEO, and CS review the Business Responsibility performance of the Company during the Annual review meetings. Besides, the CSR Committee of the Board reviews the social performance of the Company on regular basis.

b. Q. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Ans. The Business Responsibility Report forms part of the Directors' Report. The Report can be viewed on the website of the Company at www.excelind.co.in.

## SECTION E: PRINCIPLE WISE PERFORMANCE

### Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

| | | | |
|---|---|---|---|
| 1 | Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others? | : | The Company strives to adhere to the highest standards of integrity and behavior and ensure compliance and adherence to law and internal policies through its compliance systems.<br>The Board of Directors of the Company has also adopted a Code of Conduct ('Çode') which applies to the Board Members, Key Managerial Personnel and other employees in the category "General Manager and above" of the Company. The Company obtains an annual confirmation of compliance with the Code from the Directors, Key Managerial Personnel and the Senior Management employees every year. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. | : | The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2020-21. |

### Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

| | | | |
|---|---|---|---|
| 1 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | | (a) Lonzacure P25i.<br>(b) Phenyl Hydrazine.<br>(c) O',O', Dimethyl thiophosphoryl Chloride (DMTC). |
| 2 | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): | | Lote site of the Company has achieved the status of Zero Liquid Discharge (ZLD). Roha site has installed MEE, RO and conservation of water is in progress. Electricity procurement through open access system allows us to get Electricity generated from renewable resources. Sustainable processes developed by R&D are helping the Company in reduction of waste in various facets.<br>Use of bigger tankers for larger volumes, use of jumbo bags etc, are aimed at decreasing Carbon dioxide emissions. Use of Pressure Swing technology for distillation of imported ethanol, consumes lesser energy as compared to traditional distillation process. |
| | a. | Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? | |
| | b. | Reduction during usage by consumers (energy, water) has been achieved since the previous year? | |
| 3 | Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? | | Yes.<br>Company select suppliers keeping in mind the sustainability aspect. The Company has dedicated fleets for Transportation. |

| | | |
|---|---|---|
| 4 | Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Yes.<br>Local vendors provide us Product labels, shipping marks, Special marks and printing on packaging goods etc. They also supply us with printed TREM Cards, MSDS, which are required for each sample / shipment. They also provide us EIP (Emergency Information Panel) labels for each tanker, truck and export shipment. Similarly, local vendors have been developed for wood packaging, stretch wrapping for export and pharma customers, carpentry, fabrication, ISO container lining, coal transport or contract labor etc. Every individual is provided safety trainings before entry at site. |
| 5 | Does the Company have a mechanism to recycle products and waste? | With the help of our in-house R&D team, we are producing products like 30% HCI, NaHS, KHSO4, Ortho Phosphoric acid, Low grade Sulphur from various waste streams, which are either consumed in-house at our various sites or sold in the market. Ammonium Sulfate is the next byproduct in pipeline. |

**Principle 3 : Businesses should promote the wellbeing of all employees**

| | | |
|---|---|---|
| 1 | Total number of Employees | 1015 |
| 2 | Total number of employees hired on temporary/ contractual/ casual basis | 828 |
| 3 | Number of permanent women employees. | 32 |
| 4 | Number of permanent employees with disabilities | 2 |
| 5 | Do you have an employee association that is recognized by management | We do not have an Employee Association. However, the Company has recognized union at Roha, Lote and Mumbai |
| 6 | What percentage of your permanent employees is members of this recognized employee association? | NA, Union percentage is 52% to the strength of staff worker. |
| 7 | Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as at the end of the Financial Year. | |

| **s. no.** | **Category** | **No. of Complaints filed during the Financial Year** | **No. of Complaints pending as at the end of Financial Year** |
|---|---|---|---|
| 1 | Child Labour / Forced Labour / Involuntary Labour | Nil | Nil |
| 2 | Sexual Harassment | Nil | Nil |
| 3 | Discriminatory Employment | Nil | Nil |

**8. Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?**

| **s. no.** | **Employees Category** | **Employees imparted safety training** | **Employees imparted skill up-gradation training** |
|---|---|---|---|
| a. | Permanent Employees | 901 | 692 |
| b. | Permanent Women Employees | 32 | 26 |
| C. | Casual/Temporary/Contractual Employees | 637 | 160 |
| d. | Employees with Disabilities | 2 | 2 |

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

| | | |
|---|---|---|
| 1 | Have the Company mapped its internal and external stakeholders? | The Company has mapped its internal and external stakeholders. They are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders. |
| 2 | Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? | The Company has identified poor, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company has undertaken various programs under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups. |
| 3 | Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders | The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure–II of the Directors' Report. |

**Principle 5 : Businesses should respect and promote human rights**

| | | |
|---|---|---|
| 1 | Does the policy of the Company on Human Rights cover only the Company or extend to the Group / Joint Ventures / Suppliers/Contractors/NGOs/Others? | The Company follows its policy on Human Rights which are applicable to the Company, its Subsidiary and Contractors. |
| 2 | How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management? | The Company has not received any stakeholder complaints in the Financial Year 2020-21 related to Human Rights. |

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

| | | |
|---|---|---|
| 1 | Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/ Contractors/ NGOs / others? | The Policy related to adopting low-carbon technologies, is being monitored continuously. Water conservation, ZLD, procurement of electricity from renewable resources, recycling and optimization of raw materials is a norm followed at all our sites. This extends to all the Group companies and stakeholders. |
| 2 | Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyper link for web page etc. | Yes, through implementation of the principles of Responsible Care and regular training from various agencies for reducing the carbon footprint, the company is aiming to address issues related to climate change, global warming etc. |
| 3 | Does the Company identify and assess potential environmental risks? | Yes. The R&D has been providing continual insights to developing process which are cleaner, greener and more sustainable.<br>Also, the Risk Management Committee regularly identify and assess the potential environmental risks. |

| | | |
|---|---|---|
| 4 | Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed? | Yes, the Company constantly endeavors in improving its environmental performance / GHG reduction for its existing & new products by optimizing the process parameters and also monitoring emissions. State pollution control Board has provided good ratings to our production units after survey. |
| 5 | Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc. | The Company has adopted many ideas for green initiatives and resource efficiency improvements. Specific measures are isolation & recycle of byproducts from waste streams, procurement of renewable electricity through open access, installation of motion sensitive lights in offices and acoustic generators etc. |
| 6 | Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported? | Yes, the emissions and wastes generated by manufacturing facilities of the Company are within the permissible limits given by SPCB. |
| 7 | Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year. | There were no pending show cause / legal notices received from Central and State Pollution Control Boards at the end of Financial year 2020-21. |

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

| | | |
|---|---|---|
| 1 | Is the Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with. | As on March 31, 2021, your Company is a member of the following trade associations:<br>i. FICCI - Federation of Indian Chambers of Commerce and Industry<br>ii. BCCI - Bombay Chamber of Commerce and Industry<br>iii. ICC - Indian chemical council |
| 2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others). | The Company supports the initiatives taken by above associations in their endeavor for the advancement or improvement of public good. |

**Principle 8 : Businesses should support inclusive growth and equitable development**

| | | |
|---|---|---|
| 1 | Does the Company have specified programs/initiatives/ projects in pursuit of the policy related to Principle 8? | The Company takes up program/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified program and initiatives undertaken during the Financial Year 2020-21 in pursuit of the CSR Policy has been given in Annexure-II to the Directors' Report. |
| 2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization? | The programs/projects are undertaken through Implementing Agency, Shri Vivekanand Research & Training Institute (SVRTI) Foundation. |

| | | |
|---|---|---|
| 3 | Have you done any impact assessment of your initiative? | The CSR programs and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Directors and the management periodically to understand the impact of these programs. |
| 4 | What is your Company's direct contribution to community development projects. | During the Financial Year 2020-21, the Company spent ₹ 296.31 Lakhs on various CSR initiatives, detailed in Annexure - II to the Directors' Report. |
| 5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? | Implementation of the CSR programs/ projects by the community is ensured through meetings, site visits, obtaining periodic progress reports from Implementing Agency. |

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

| | | |
|---|---|---|
| 1 | What percentage of customer complaints/consumer cases are pending as on the end of Financial Year. | There were no complaints pending as at the end of the Financial year. |
| 2 | Does the Company display product information on the product label, over and above what is mandated as per local laws? | Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label. |
| 3 | Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year. | There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and as at the end of Financial Year 2020-21. |
| 4 | Did the Company carry out any consumer survey/ consumer satisfaction trends? | The Company interacts periodically with its customers and channel partners to obtain feedback on the product quality, adherence to delivery schedules and service levels. The feedback so obtained is reviewed internally and appropriate improvement actions are finalized and implemented. |

For and on behalf of the Board

*ASHWIN C. SHROFF*
*Executive Chairman*
DIN: 00019952

Date: 13th August, 2021
Place: Mumbai

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

## Report on the audit of the Standalone financial statements

### Opinion

1. We have audited the accompanying standalone financial statements of Excel Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Assessment of the valuation of investment in unquoted equity instruments:**<br><br>(Refer Note 2(a) and 8 to the standalone financial statements)<br><br>The Company has investments in an investee Company amounting to ₹ 14,486.37 lakhs in unquoted equity instruments valued at 'Fair value through Other comprehensive income' in accordance with Accounting Standard (Ind AS 109), Financial Instruments at each reporting date.<br><br>An independent external professional valuation expert is engaged by the management to determine the fair value, who ascertains the fair value based on the Comparable Companies' Multiple Inputs.<br><br>The key judgements involved in the valuation are identification of comparable companies, assessment of maintainable EBIDTA and other relevant valuation parameters. | Our procedures in relation to management's assessment of the valuation of investments in unquoted equity instruments include following:<br><br>• Understanding and evaluation of the design and testing of operating effectiveness of controls over determination of fair value (including valuation model and assumptions / judgements).<br><br>• Evaluation of competence, capabilities and objectivity of the independent external professional valuation expert engaged by the Management.<br><br>• Using auditors' expert to assist in audit of valuation approach, methodology and key valuation assumptions.<br><br>• Assessing the reasonableness of the input data provided by management to the external professional valuation expert, such as revenue, EBIDTA, PAT of investee company for the year ended March 31, 2021. |

| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. | • Testing the mathematical accuracy of the valuation report.<br>• Assessing adequacy of relevant disclosures in the standalone financial statements.<br>Based on the audit procedures performed, we found management's assessment of valuation of investment in the unquoted equity instruments and related disclosures were considered to be reasonable. |

**Other Information**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of management and those charged with governance for the standalone financial statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

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

14. As required by Section 143(3) of the Act, we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 49 to the standalone financial statements;

        (ii) The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses;

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

        (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872
UDIN: 21115872AAAABK6774

Place: Mumbai
Date: May 28, 2021

## Annexure A to Independent Auditors' Report

*Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Excel Industries Limited on the standalone financial statements as of and for the year ended March 31, 2021*

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Excel Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872

Place: Mumbai
Date: May 28, 2021

## Annexure B to Independent Auditors' Report

*Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Excel Industries Limited on the standalone financial statements as of and for the year ended March 31, 2021*

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment, Note 4 on Right of use assets and Note 5 on Investment properties to the to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or made any investments, or provided any guarantees and security to the parties covered under Section 185.

v. In our opinion, and according to the information and explanations given to us, the Company has complied with the applicable provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax and other material statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, duty of customs and duty of excise as at March 31, 2021 which have not been deposited on account of dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in lakhs)* | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax Demand | 613.90 | Assessment year 1998-99 to 2000-01 and 2002-03 | High Court |
| Income Tax Act, 1961 | Income Tax Demand | 844.38 | Assessment year 2010-11 to 2012-13 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax Demand | 63.11 | Assessment year 2016-17 | Commissioner of Income Tax – Appeals |
| The Customs Act, 1962 | Custom Duty | 137.64 | Financial Year 2011-2012 and 2012-2013 | Customs, Excise and Service tax Appellate Tribunal |

| Name of the statute | Nature of dues | Amount (₹ in lakhs)* | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Excise Duty | 34.81 | June 2008 to November 2015 | Customs, Excise and Service tax Appellate Tribunal |
| Central Excise Act, 1944 | Excise Duty | 2.80 | December 15 to June 17 | Commissioner Appeals |

** Net of amount paid including under protest*

Further, according to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, value added tax and goods and services tax as at March 31, 2021 which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at Balance Sheet date. The Company does not have any loans or borrowings from Government, nor has it issued any debentures as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. (Also refer paragraph 15 of our main audit report).

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him covered within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872

Place: Mumbai
Date: May 28, 2021

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 34,593.80 | 33,201.52 |
| Right-of-use assets | 4 | 2,289.50 | 2,356.37 |
| Capital work-in-progress | | 1,685.19 | 933.67 |
| Investment properties | 5 | 85.32 | 142.13 |
| Intangible assets | 6 | 1,918.46 | 1,940.72 |
| Intangible assets under development | | — | 21.18 |
| Investments in subsidiaries and joint venture | 7 | 421.47 | 421.47 |
| Financial assets | | | |
| (i) Investments | 8 | 19,627.22 | 14,304.67 |
| (ii) Loans | 9 | 622.62 | 534.39 |
| (iii) Other financial assets | 10 | 4.17 | — |
| Current tax assets (net) | | 1,803.98 | 1,462.58 |
| Other non-current assets | 11 | 218.32 | 157.92 |
| **Total non-current assets** | | **63,270.05** | **55,476.62** |
| **Current assets** | | | |
| Inventories | 12 | 6,897.11 | 7,771.97 |
| Financial assets | | | |
| (i) Investments | 13 | 869.67 | 837.48 |
| (ii) Trade receivables | 14 | 17,264.02 | 14,972.97 |
| (iii) Cash and cash equivalents | 15 | 4,210.40 | 1,696.79 |
| (iv) Bank balances other than (iii) above | 16 | 954.97 | 134.53 |
| (v) Loans | 17 | 128.90 | 123.18 |
| (vi) Other financial assets | 18 | 83.17 | 90.17 |
| Other current assets | 19 | 1,662.20 | 1,166.01 |
| **Total current assets** | | **32,070.44** | **26,793.10** |
| **Total assets** | | **95,340.49** | **82,269.72** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 20 | 628.53 | 628.53 |
| Other equity | 21 | 70,956.87 | 59,486.39 |
| **Total equity** | | **71,585.40** | **60,114.92** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 22 | 0.55 | 2.12 |
| (ii) Lease liabilities | 23 | 217.33 | 251.05 |
| (iii) Other financial liabilities | 24 | — | 889.19 |
| Employee benefit obligations | 25 | 1,296.45 | 1,273.41 |
| Deferred tax liabilities (net) | 26 | 6,503.73 | 4,937.42 |
| **Total non-current liabilities** | | **8,018.06** | **7,353.19** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 27 | 607.12 | 2,126.15 |
| (ii) Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 28 | 1,160.87 | 666.57 |
| (b) total outstanding dues other than (ii) (a) above | 28 | 11,137.58 | 9,823.46 |
| (iii) Lease liabilities | 29 | 33.73 | 28.52 |
| (iv) Other financial liabilities | 30 | 1,552.10 | 1,250.98 |
| Employee benefit obligations | 31 | 735.93 | 678.78 |
| Current tax liabilities (net) | | 178.14 | — |
| Other current liabilities | 32 | 331.56 | 227.15 |
| **Total current liabilities** | | **15,737.03** | **14,801.61** |
| **Total liabilities** | | **23,755.09** | **22,154.80** |
| **Total equity and liabilities** | | **95,340.49** | **82,269.72** |
| Significant accounting policies | 1 | | |
| Critical estimates and judgements | 2 | | |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
Partner
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 33 | 74,946.60 | 70,248.44 |
| Other income | 34 | 825.78 | 807.87 |
| **Total income** | | **75,772.38** | **71,056.31** |
| **EXPENSES** | | | |
| Cost of materials consumed | 35 | 35,904.44 | 33,128.61 |
| Purchase of stock-in-trade | 36 | 223.21 | 503.49 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 37 | 793.96 | (774.90) |
| Employee benefit expenses | 38 | 8,938.07 | 8,460.63 |
| Depreciation and amortisation expense | 39 | 2,715.32 | 2,278.05 |
| Other expenses | 40 | 17,009.53 | 15,984.70 |
| Finance costs | 41 | 217.57 | 255.21 |
| **Total expenses** | | **65,802.10** | **59,835.79** |
| **Profit before tax** | | **9,970.28** | **11,220.52** |
| Income tax expense | 26 | | |
| — Current tax | | 2,162.07 | 2,626.76 |
| — Deferred tax | | 789.26 | (753.58) |
| — Tax in respect of earlier years | | — | — |
| **Total tax expense** | | **2,951.33** | **1,873.18** |
| **Profit for the year** | | **7,018.95** | **9,347.34** |
| **Other comprehensive income** | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement gains/(losses) on net defined benefit plans | 42 | (93.97) | (224.65) |
| Changes in Fair Value of Equity Instruments | 8 | 5,322.55 | (4,483.72) |
| (ii) Tax relating to above | 26 | (777.05) | 783.02 |
| B (i) Items that will be reclassified to profit or loss | | — | — |
| (ii) Tax relating to above | | — | — |
| **Other comprehensive income for the year, net of tax** | | **4,451.53** | **(3,925.35)** |
| **Total comprehensive income for the year** | | **11,470.48** | **5,421.99** |
| **Earnings per share (in INR)** | 50 | | |
| Basic | | 55.84 | 74.36 |
| Diluted | | 55.84 | 74.36 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
Partner
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| **Profit before tax** | **9,970.28** | **11,220.52** |
| **Adjustments for:** | | |
| Depreciation and amortisation expenses | 2,715.32 | 2,278.05 |
| Finance costs | 217.57 | 255.21 |
| Provision for doubtful debts (net) | 154.64 | (53.95) |
| Provision for doubtful advances | 83.78 | — |
| Unrealised exchange differences (net) | 13.68 | (27.22) |
| Dividend income | (372.43) | (609.53) |
| Interest income | (153.61) | (41.90) |
| Gain on fair valuation of investments through profit and loss | (1.58) | (11.85) |
| Profit on sale of investment | — | (32.37) |
| Profit on sale of investment property | (137.05) | — |
| Net loss on sale / discard of property, plant and equipment | 38.58 | 42.10 |
| **Operating profit before working capital changes** | **12,529.18** | **13,019.06** |
| **Adjustments for:** | | |
| (Increase) / decrease in Inventories | 874.86 | (897.29) |
| (Increase) / decrease in Trade receivables | (2,452.39) | 1,085.05 |
| (Increase) / decrease in Other bank balances | (820.44) | (30.89) |
| (Increase) / decrease in Loans (Current and Non current) | (93.95) | (159.30) |
| (Increase) / decrease in Other financial assets (Current and Non current) | 3.35 | 113.97 |
| (Increase) / decrease in Other assets (Current and Non current) | (604.13) | 8.28 |
| Increase / (decrease) in Trade payables | 1,801.44 | 369.76 |
| Increase / (decrease) in Other financial liabilities (Current and Non current) | 11.86 | (109.66) |
| Increase / (decrease) in Employee benefit obligations (Current and Non current) | (13.78) | 259.66 |
| Increase / (decrease) in Other current liabilities | 104.41 | 71.93 |
| | **11,340.41** | **13,730.57** |
| Less: Income taxes paid (net of refunds) | 2,325.33 | 2,692.79 |
| **NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES — [A]** | **9,015.08** | **11,037.78** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of Property, plant and equipment (including capital work-in-progress, capital advances and capital vendor) | (4,769.46) | (6,445.51) |
| Purchase of Intangible assets | (2.04) | (51.78) |
| Payment towards Acquisition of business (Refer Note 47) | (750.00) | (6,750.00) |
| Proceeds from sale of Property, plant and equipment | 16.24 | 4.08 |
| Proceeds from sale of Investment property | 191.94 | — |
| Proceeds from sale of Current investments | — | 12,932.37 |
| Interest received | 153.09 | 32.94 |
| Dividend received | 372.43 | 609.53 |
| Purchase of Current investments | (30.61) | (6,831.98) |
| **NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES — [B]** | **(4,818.41)** | **(6,500.35)** |

## STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds from Borrowings | — | 1,510.77 |
| Repayment of Borrowings | (1,523.16) | (83.26) |
| Principal elements of Lease payments (Refer Note 55) | (50.39) | (24.34) |
| Transfer of Fixed deposits accepted from public (including Interest) | (0.97) | (1.14) |
| Dividend paid (Including Dividend distribution tax) | — | (4,356.95) |
| Interest paid | (108.54) | (190.47) |
| **NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES — [C]** | **(1,683.06)** | **(3,145.39)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS — [A+B+C]** | 2,513.61 | 1,392.04 |
| Add: Cash and cash equivalents at the beginning of the year (Refer Note 15) | 1,696.79 | 304.75 |
| Cash and cash equivalents at the end of the year | **4,210.40** | **1,696.79** |
| **<u>Components of cash and cash equivalents</u>** | | |
| Balances with Banks: | | |
| In current accounts | 498.83 | 1,688.76 |
| Cash on hand | 0.82 | 8.03 |
| Deposits with maturity of less than three months | 3,710.75 | — |
| **Total cash and cash equivalents** | **4,210.40** | **1,696.79** |

Notes:

1. The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
Partner
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

### A. EQUITY SHARE CAPITAL

| Particulars | Note | Amount |
|---|---|---|
| **As at March 31, 2020** | | **628.53** |
| Changes in equity share capital | 20 | — |
| **As at March 31, 2021** | | **628.53** |

### B. OTHER EQUITY

| Particulars | Notes | Attributable to owners of Excel Industries Limited | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Reserves and surplus | | | Other reserves | | | |
| | | Securities premium | General Reserve | Capital redemption reserve | Capital Reserve | Retained Earnings | FVOCI – Equity investments | Total Other Equity |
| **Balance at March 31, 2019** | | **534.37** | **29,537.32** | **16.75** | **0.01** | **13,478.05** | **14,854.85** | **58,421.35** |
| Profit for the year | | — | — | — | — | 9,347.34 | — | 9,347.34 |
| Other comprehensive income | 21 | — | — | — | — | (168.11) | (3,757.24) | (3,925.35) |
| **Total comprehensive income for the year** | | **—** | **—** | **—** | **—** | **9,179.23** | **(3,757.24)** | **5,421.99** |
| Transfer from Retained Earnings | | — | 5,000.00 | — | — | (5,000.00) | — | — |
| Dividend paid (Including dividend distribution tax) | 45 | — | — | — | — | (4,356.95) | — | (4,356.95) |
| **Balance at March 31, 2020** | | **534.37** | **34,537.32** | **16.75** | **0.01** | **13,300.33** | **11,097.61** | **59,486.39** |
| Profit for the year | | — | — | — | — | 7,018.95 | — | 7,018.95 |
| Other comprehensive income | 21 | — | — | — | — | (70.32) | 4,521.85 | 4,451.53 |
| **Total comprehensive income for the year** | | **—** | **—** | **—** | **—** | **6,948.63** | **4,521.85** | **11,470.48** |
| Transfer from Retained Earnings | | — | 5,000.00 | — | — | (5,000.00) | — | — |
| Dividend paid (Including dividend distribution tax) | 45 | — | — | — | — | — | — | — |
| **Balance at March 31, 2021** | | **534.37** | **39,537.32** | **16.75** | **0.01** | **15,248.96** | **15,619.46** | **70,956.87** |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
Partner
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

**BACKGROUND**

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

These standalone financial statements were authorised for issue by the Company's Board of Directors on May 28, 2021.

**A. Basis of preparation**

**(i) Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical Cost Convention**

The standalone financial statements have been prepared on historical cost basis, except the following:

- certain financial assets and liabilities (including derivative instruments) and deferred consideration is measured at fair value;
- defined benefit plans - plan assets measured at fair value.
- assets and liabilities acquired on account of business combination are measured at fair value.

**(iii) Amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2020.

* Amendments to Ind AS 1 and Ind AS 8, Definition of material.
* Amendments to Ind AS 103, Definition of Business.
* Amendments to Ind AS 116, Covid-19 related concessions.
* Amendments to Ind AS 109 and Ind AS 107, interest rate benchmark reform.

The amendments listed above did not have any impact on the standalone financial statements.

**(iv) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**B. Segment Reporting**

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Executive Chairman and Managing Director are designated as CODM. Refer Note 46 for segment information presented.

**C. Foreign Currency translation**

**(i) Functional and presentation currency**

Items included in the standalone financial statements of each of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency for the Company.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognised in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign entity are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognised in the Statement of Profit and Loss.

**D. Revenue recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services over time when the performance obligation is completed.

**Sale of goods:**

Revenue from sale of products is recognized when the Company satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolesce and loss pass to the customer and the Company has present right to payment, all of which occurs at a point in time upon shipment or delivery of goods. The Company collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**Income from services**

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**Export incentives**

Income from export incentives such as Duty drawback / MEIS scheme etc. are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

**Interest Income**

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.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**Dividend**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**E. Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**F. Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Profit and Loss Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**G. Leases**

**As a lessee**

The leases are recognised as a right-of-use assets and corresponding liability at the date at which the leased assets are available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in contract to the lease and non-lease components based on their relative stand-alone prices. However, for lease of real estate for which the Company is lessee, it has elected not to separate lease and non-lease components and instead accounts for these as single lease components.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (as applicable):

(a) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(b) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(c) Amounts expected to be payable by the Company under residual value guarantees

(d) The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and

(e) Payments of the penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the leases in the Company, the lessees's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

(a) where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

(b) uses a build up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and

(c) makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on the index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following (as applicable):

(a) the amount of the initial measurement of lease liability,

(b) any lease payments made at or before the commencement date less any lease incentives received,

(c) any initial direct costs, and

(d) restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less. Low value assets comprises IT equipment and small items of office furniture.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**H. Impairment of Non-Financial Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

Non-financial assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

**I. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**J. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**K. Inventories**

Raw materials, stores and spares, packing material, work in progress, stock in trade and finished goods are stated as lower of cost and net realisable value. Cost of Raw material, stores and spares, packing material and traded goods comprises of cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of monthly moving weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Materials and other supplies held for use in production of inventories (work-in-progress and finished goods) are not written down below the cost if the finished products in which they will be used are expected to sell at or above the cost.

By-products and unserviceable / damaged finished goods are valued at estimated net realisable value.

**L. Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**M. Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt Instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

**Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Statement of Profit and Loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the Statement of Profit and Loss.

**Fair Value through Other Comprehensive Income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses are presented as separate line item in the Statement of Profit and Loss.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**Fair Value through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(v) Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(vi) Income recognition**

**Interest income**

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the Statement of Profit and Loss as part of other income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Dividends**

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in the Statement of Profit and Loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

**N. Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and impact is recorded in the Statement of Profit and Loss account.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 43. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**O. Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**P. Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairments, if any. Historical cost includes tax, duties, freight and other incidental expenditure that is directly attributable to the acquisition of the items. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the year end.

**Depreciation methods, estimated useful lives and residual value**

Following assets have different useful life from those prescribed in Schedule II of the Companies Act 2013, below on evaluation of estimated useful lives done by the management.

| Description of Asset | Depreciation years | Schedule II years |
|---|---|---|
| Plant and Machinery - Metallic | 1 to 18 years | 20 years |
| Plant and Machinery - Non-metallic | 1 to 8 years | 20 years |
| Electrical installations | 1 to 10 years | 10 years |
| Buildings | 3 to 60 years | 60 years |
| Road | 5 to 10 years | 10 years |
| Laboratory equipment | 2 to 10 years | 10 years |
| Furniture, fixture and office equipment | 2 to 10 years | 10 years |

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

Assets individually costing INR 25,000 or less are depreciated fully in the year of acquisition.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives are based on historical experience with similar assets as well as anticipation of future events which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**Q. Investment property**

Properties that are held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that are not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably. All the other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de recognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on historical experience with similar assets as well as anticipation of future events.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

**R. Intangible assets and Amortisation**

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, but not exceeding the period given here under:

**(i) Goodwill**

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose. The units of groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segment.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

**(ii) Computer software**

| | |
|---|---|
| Computer software | 4 years |

**(iii) Research and development**

Research expenditure and development expenditure that do not meet the criteria mentioned in Ind AS 38 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**S. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**T. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**U. Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**V. Provisions, Contingent Liabilities and Contingent Assets**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent asset is disclosed and not recognised, where an inflow of economic benefits is probable.

**W. Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liability are presented as current employee benefits obligation in the balance sheet.

**(ii) Long-term employee benefit obligations**

Leave Obligation:

The liabilities for leave obligation by actuaries which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

Long Service awards:

The Company provides for the long service awards for eligible employees as per the scheme announced by the Company. The liability towards the long services awards is provided at each balance sheet date on the basis of independent actuary valuation.

Defined benefit plan - Gratuity

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

<u>Defined benefit plan - Voluntary early separation scheme:</u>

The Company also has a defined benefit plan for its employees, i.e. Medical Voluntary retirement scheme in which employees suffering from continued ill-health not amounting to occupational disease and thereby unable to perform normal duties of their post. Under the Scheme, the benefits will be given for a retired employee for a maximum period up to 10 years or age of retirement, whichever is earlier. In case of early death of the employee, the legal heir of the employee shall get 50% of separation benefit for the rest of the benefit period. The costs of providing benefits under the said plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. This Scheme is not funded.

<u>Defined Contribution Plan - Provident Fund:</u>

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

<u>Defined Contribution Plan - Superannuation Fund:</u>

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Company has no obligation to the scheme beyond its monthly contributions.

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 a insurance Company in the form of qualifying insurance policies.

**(iii) Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**X. Business Combination**

The Company applies the acquisition method in accounting for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred to the former owners of acquired business, the equity interests issued by the Company and fair value of any assets or

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** *(Contd.)*

liabilities resulting from a contingent / deferred consideration arrangement as at the acquisition date i.e. date on which it obtains control of the acquired business. Acquisition related costs are recognised in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable tangible and intangible assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired business and acquisition date fair value of any previous equity interest held in acquired entity/business, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Deferred consideration is classified as financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in the Statement of Profit and Loss.

**Y. Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Z. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**AA. Earnings Per Share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**AB. Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**NOTE 2 - CRITICAL ESTIMATES AND JUDGEMENTS**

In preparing the financial statements in confirming with accounting principle generally accepted in India, managements is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explains areas that are considered more critical, involving a higher degree of judgement and complexity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 2 - CRITICAL ESTIMATES AND JUDGEMENTS** *(Contd.)*

(a) Estimated fair value of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. This involves selection of valuation method, developing estimates, identification of comparable companies, assessment of maintainable EBITA and other relevant valuation parameters. Estimated fair values may vary from the actual price that would be achieved in an arms length transaction at the reporting date. (Refer Note 43)

(b) Useful lives of Property plant and equipment and Intangible assets

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

(c) Estimation of long term employee benefits:

The liabilities of the Company arising from long term employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions.

(d) Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash generating units which are benefiting from the synergies of the acquisition and which represents the lower level at which goodwill is monitored for internal management purposes i.e. chemical segment.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital, and estimated operating margins. Cash flow projection takes into account past experience and represents management's best estimate about future developments. (Refer Note 46)

## NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

| Particulars | Freehold Land | Buildings | Plant and machinery | Data processing equipment | Electrical installation | Laboratory equipment | Furniture, fixture and office equipment | Vehicles | Technical books | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2020** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount | **524.81** | **4,558.86** | **19,412.57** | **314.22** | **844.15** | **418.20** | **1,177.22** | **314.73** | **2.40** | **27,567.16** |
| Reclassification of assets classified as held for sale (Refer Note 52) | 21.54 | 11.59 | 381.54 | 8.31 | 0.23 | 0.85 | 7.34 | 34.19 | 0.15 | 465.74 |
| Additions | — | 95.59 | 6,140.08 | 32.80 | 378.72 | 103.11 | 218.29 | 14.49 | — | 6,983.08 |
| On account of business acquisition (Refer Note 47) | — | 1,596.77 | 3,245.25 | 1.17 | 120.86 | 10.34 | 23.42 | 4.56 | — | 5,002.37 |
| Disposals | — | (0.12) | (174.21) | (9.30) | — | (3.43) | (50.81) | (15.42) | — | (253.29) |
| **Closing gross carrying amount** | **546.35** | **6,262.69** | **29,005.23** | **347.20** | **1,343.96** | **529.07** | **1,375.46** | **352.55** | **2.55** | **39,765.06** |
| **Accumulated Depreciation** | | | | | | | | | | |
| Opening accumulated depreciation | **—** | **377.77** | **3,328.85** | **132.50** | **206.28** | **83.78** | **253.85** | **89.56** | **0.77** | **4,473.36** |
| Reclassification of Accumulated depreciation classified as held for sale (Refer Note 52) | — | 0.66 | 74.46 | 4.77 | 0.24 | 9.12 | 2.46 | 9.48 | 0.13 | 101.32 |
| Depreciation charge during the year | — | 170.61 | 1,561.49 | 58.20 | 103.51 | 46.81 | 211.74 | 43.20 | 0.41 | 2,195.97 |
| Disposals | — | (0.12) | (141.58) | (9.06) | — | (1.03) | (49.60) | (5.72) | — | (207.11) |
| **Closing accumulated depreciation** | **—** | **548.92** | **4,823.22** | **186.41** | **310.03** | **138.68** | **418.45** | **136.52** | **1.31** | **6,563.54** |
| **Net carrying amount** | **546.35** | **5,713.77** | **24,182.01** | **160.79** | **1,033.93** | **390.39** | **957.01** | **216.03** | **1.24** | **33,201.52** |

| Particulars | Freehold land | Buildings | Plant and machinery | Data processing equipment | Electrical installation | Laboratory equipment | Furniture fixture and office equipment | Vehicles | Technical books | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2021** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount | **546.35** | **6,262.69** | **29,005.23** | **347.20** | **1,343.96** | **529.07** | **1,375.46** | **352.55** | **2.55** | **39,765.06** |
| Additions | 980.44 | 302.25 | 2,146.71 | 35.29 | 50.41 | 4.28 | 528.77 | — | — | 4,048.15 |
| Disposals | — | — | (139.22) | (13.39) | — | — | (3.96) | (19.15) | — | (175.72) |
| **Closing gross carrying amount** | **1,526.79** | **6,564.94** | **31,012.72** | **369.10** | **1,394.37** | **533.35** | **1,900.27** | **333.40** | **2.55** | **43,637.49** |
| **Accumulated Depreciation** | | | | | | | | | | |
| Opening accumulated depreciation | **—** | **548.92** | **4,823.22** | **186.41** | **310.03** | **138.68** | **418.45** | **136.52** | **1.31** | **6,563.54** |
| Depreciation charge during the year | — | 204.61 | 1,956.86 | 60.24 | 123.43 | 49.01 | 186.14 | 41.68 | 0.26 | 2,622.23 |
| Disposals | — | — | (112.11) | (12.76) | — | — | (3.63) | (13.58) | — | (142.08) |
| **Closing accumulated depreciation** | **—** | **753.53** | **6,667.97** | **233.89** | **433.46** | **187.69** | **600.96** | **164.62** | **1.57** | **9,043.69** |
| **Net carrying amount** | **1,526.79** | **5,811.41** | **24,344.75** | **135.21** | **960.91** | **345.66** | **1,299.31** | **168.78** | **0.98** | **34,593.80** |

Notes:

(a) Buildings include cost of shares in co-operative housing societies INR 0.01 lakhs (Previous Year: INR 0.01 lakhs) and Freehold Land include cost of shares in co-operative Industrial Estate Limited INR 0.01 lakhs (Previous Year: INR Nil lakhs).

(b) Property, plant and equipment pledged as security
Refer Note 27 (c) for information on property, plant and equipments pledged as security by the Company.

(c) Contractual obligations
Refer Note 49 (c) (i) for disclosure of contractual commitments for the acquisition of property, plant and equipments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 4 - RIGHT OF USE ASSETS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Building * | 63.46 | 94.30 |
| Land * | 2,226.04 | 2,262.07 |
| **Total** | **2,289.50** | **2,356.37** |

* Refer Note 55 for additional disclosure as per Ind AS 116

**NOTE 5 - INVESTMENT PROPERTIES**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gross Carrying amount** | | |
| Opening gross carrying amount | 159.53 | 159.53 |
| Disposals | (60.10) | — |
| **Closing gross carrying amount** | **99.43** | **159.53** |
| **Accumulated depreciation** | | |
| Opening accumulated depreciation | **17.40** | **14.18** |
| Depreciation charge for the year | 1.92 | 3.22 |
| Disposals | (5.21) | — |
| **Closing accumulated depreciation** | **14.11** | **17.40** |
| **Net Carrying amount** | **85.32** | **142.13** |

**(i) Amounts recognised in the Statement of Profit or Loss for investment properties**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Rental income from operating leases | 54.80 | 44.54 |
| Direct operating expenses for property that generated rental income | 1.47 | 1.03 |
| Direct operating expenses for property that did not generate rental income | — | 0.71 |
| **Profit from investment properties before depreciation** | **53.33** | **42.80** |
| Depreciation | 1.92 | 3.22 |
| **Profit from investment properties** | **51.41** | **39.58** |

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within 1 year | 53.85 | 43.58 |
| Later than 1 year but not later than 5 years | 82.39 | 82.26 |
| Later than 5 years | — | — |
| **Total** | **136.24** | **125.84** |

**(iii) Fair value of investment properties**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Investment Properties | 631.99 | 714.74 |

**(iv) Estimation of fair value**

The Company periodically obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by independent valuer who holds recognised and relevant professional qualification.

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 6 - INTANGIBLE ASSETS

| Particulars | Computer software | Goodwill | Total |
|---|---|---|---|
| **Year ended March 31, 2020** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | **157.50** | **—** | **157.50** |
| Additions | 51.78 | — | 51.78 |
| On account of business acquisition (Refer Note 47) | — | 1,885.28 | 1,885.28 |
| **Closing gross carrying amount** | **209.28** | **1,885.28** | **2,094.56** |
| **Accumulated amortisation** | | | |
| Opening accumulated amortisation | 125.51 | — | 125.51 |
| Amortisation charge for the year | 28.33 | — | 28.33 |
| **Closing accumulated amortisation** | **153.84** | **—** | **153.84** |
| **Closing Net carrying amount** | **55.44** | **1,885.28** | **1,940.72** |
| **Year ended March 31, 2021** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 209.28 | 1,885.28 | 2,094.56 |
| Additions | 2.04 | — | 2.04 |
| **Closing gross carrying amount** | **211.32** | **1,885.28** | **2,096.60** |
| **Accumulated amortisation** | | | |
| Opening accumulated amortisation | 153.84 | — | 153.84 |
| Amortisation charge for the year | 24.30 | — | 24.30 |
| **Closing accumulated amortisation** | **178.14** | **—** | **178.14** |
| **Closing net carrying amount** | **33.18** | **1,885.28** | **1,918.46** |

**Impairment charges:**

The goodwill is tested for impairment annually. No impairment charges were identified for the year ended March 31, 2021 and March 31, 2020.

**Significant Cash Generating Units (CGUs)**

The Company has identified its reportable segments, i.e. Chemical and Environment as the CGUs. The goodwill acquired through business combination has been allocated to CGU 'Chemical' segment of the Company. The carrying amount of goodwill is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Chemical | 1,885.28 | 1,885.28 |
| **Total** | **1,885.28** | **1,885.28** |

Following key assumptions were considered while performing impairment testing

The recoverable amount of CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Annual/Terminal Growth rate | 4.00% | 4.00% |
| Weighted Average Cost of Capital % (WACC) post tax (Discount rate) | 10.95% | 10.95% |
| Average segmental margin | 49.75% | 52.89% |

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

Average segmental margins are based on FY 2020-21 performance

The Company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 7 - INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unquoted equity instruments at cost** | | |
| Investments in wholly owned subsidiaries | | |
| 199,982 (March 31, 2020: 199,982) Equity shares of INR 100 each fully paid up in Kamaljyot Investments Limited | 370.34 | 370.34 |
| 510,000 (March 31, 2020: 510,000) Equity shares of INR 10 each fully paid up in Excel Bio Resources Limited | 51.13 | 51.13 |
| | 421.47 | 421.47 |
| Investment in joint venture | | |
| 468,000 (March 31, 2020: 468,000) Equity shares of Hong Kong $ 1 each fully paid up in Wexsam Limited, Hong Kong | 27.26 | 27.26 |
| Less: Impairment in value of investment | (27.26) | (27.26) |
| | — | — |
| **Total** | **421.47** | **421.47** |
| Aggregate amount of unquoted Investments | 421.47 | 421.47 |

Note: Wexsam Limited, Hong Kong, was dissolved on July 15, 2016 and is fully impaired in the financial statements.

**NOTE 8 - NON-CURRENT INVESTMENTS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investment in Equity Instruments (fully paid-up)** | | |
| **Quoted at FVOCI** | | |
| 584,977 (March 31, 2020: 584,977) Equity shares of INR 10 each fully paid up in Punjab Chemicals and Crop Protection Limited | 5,120.01 | 1,823.37 |
| 4,285 (March 31, 2020: 4,285) Equity shares of INR 10 each fully paid up in TIL Limited | 6.50 | 4.27 |
| 13,400 (March 31, 2020: 13,400) Equity shares of INR 10 each fully paid up in Bank of India | 9.09 | 4.32 |
| | 5,135.60 | 1,831.96 |
| **Unquoted at FVOCI** | | |
| 888,750 (March 31, 2020: 888,750) Equity shares of INR 10 each fully paid up in TML Industries Limited | — | — |
| 1,067,450 (March 31, 2020: 1,067,450) Equity shares of INR 10 each fully paid up in Transpek-Silox Industry Private Limited | 14,486.37 | 12,467.46 |
| 2,500 (March 31, 2020: 2,500) Equity shares of INR 10 each fully paid up in The Saraswat Co-operative Bank Limited | 0.25 | 0.25 |
| 50,000 (March 31, 2020: 50,000) Equity shares of INR 10 each fully paid up in Biotech Consortium India Limited | 5.00 | 5.00 |
| | 14,491.62 | 12,472.71 |
| **Total** | **19,627.22** | **14,304.67** |
| Aggregate amount of unquoted Investments | 14,491.62 | 12,472.71 |
| Aggregate amount of quoted Investments | 5,135.60 | 1,831.96 |

**NOTE 9 - LOANS – NON-CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Loans to employees | 5.14 | 7.27 |
| Security deposits | 617.48 | 527.12 |
| **Total** | **622.62** | **534.39** |

**NOTE 10 - OTHER NON-CURRENT FINANCIAL ASSETS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Margin Money deposits with maturity of more than 12 months* | 4.17 | — |
| **Total** | 4.17 | — |

* Refer Note 16

**NOTE 11 - OTHER NON-CURRENT ASSETS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Capital advances | | |
| Unsecured, considered good | 125.87 | 89.63 |
| Unsecured, considered doubtful | 76.62 | 76.62 |
| | 202.49 | 166.25 |
| Provision for doubtful capital advances | (76.62) | (76.62) |
| | 125.87 | 89.63 |
| Prepaid expenses | 41.58 | 38.75 |
| Balances with Government Authorities | 50.87 | 29.54 |
| **Total** | **218.32** | **157.92** |

**NOTE 12 - INVENTORIES**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw materials [including stock-in-transit INR 742.15 lakhs (March 31, 2020: INR 456.00 lakhs)] | 1,960.48 | 2,126.04 |
| Packing materials | 145.44 | 128.29 |
| Finished goods | 1,693.54 | 2,068.90 |
| Work-in-progress | 2,427.77 | 2,820.27 |
| Traded goods | 103.86 | 129.96 |
| Stores and spares (including fuel and coal) | 566.02 | 498.51 |
| **Total** | **6,897.11** | **7,771.97** |

Refer Note 1(k) for basis of valuation.

**Amounts recognised in Statement of Profit or Loss:**

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Writedowns of inventories as at year end amounted to INR 118.25 lakhs (as at March 31, 2020 - INR 67.06 lakhs). These writedowns were recognised as an expense and included in ‘changes in inventories of finished goods, stock-in-trade and work-in-progress’ in the Statement of Profit and Loss.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 13 - CURRENT INVESTMENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investments in Mutual Funds** | | |
| **Unquoted at FVPL** | | |
| Edelweiss Liquid Fund - Direct Plan - Daily Dividend 1,869.270 (March 31, 2020: 1,807.055) units of INR 1,000 fully paid up | 18.75 | 18.12 |
| Kotak Liquid - Direct Plan - Daily Dividend 1,204.917 (March 31, 2020: 1,166.404) units of INR 1,000 fully paid up | 14.73 | 14.26 |
| Kotak Equity Arbitrage Fund - Direct Plan - Monthly Dividend 7,467,467.770 (March 31, 2020: 7,206,309.476) units of INR 10 fully paid up | 836.19 | 805.10 |
| **Total** | **869.67** | **837.48** |
| Aggregate amount of unquoted Investments | 869.67 | 837.48 |

## NOTE 14 - TRADE RECEIVABLES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade receivables from related parties (Refer Note 48) | 43.52 | 30.93 |
| Other Trade receivables | 17,509.39 | 15,076.29 |
| Less: Allowance for doubtful debts/Expected credit loss | 288.89 | 134.25 |
| **Total** | **17,264.02** | **14,972.97** |
| Current portion | 17,264.02 | 14,972.97 |
| Non-current portion | — | — |

**Break-up of security details**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured, considered good | - | - |
| Unsecured, considered good | 17,264.02 | 14,972.97 |
| Doubtful | 288.89 | 134.25 |
| **Total** | **17,552.91** | **15,107.22** |
| Less : Allowance for doubtful debts / Expected credit loss | (288.89) | (134.25) |
| **Total** | **17,264.02** | **14,972.97** |

Note: For credit risk and provision for loss allowance (Refer Note 44)

## NOTE 15 - CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with Banks: | | |
| In Current accounts | 498.83 | 1,688.76 |
| Cash on Hand | 0.82 | 8.03 |
| Deposits with maturity of less than three months | 3,710.75 | — |
| **Total** | **4,210.40** | **1,696.79** |

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 16 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Margin money deposits (Refer Note below) | 262.63 | 37.60 |
| Unclaimed dividend account | 82.02 | 96.93 |
| Deposits with maturity of more than three months but less than 12 months | 610.32 | — |
| **Total** | **954.97** | **134.53** |

**Note:**
Margin money deposits of INR 266.80 lakhs (March 31, 2020: INR 37.60 lakhs) have been given against Letter of Credit, Bank guarantees and other deposits. (also Refer Note 10)

## NOTE 17 - LOANS – CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Loans to employees | 34.51 | 16.51 |
| Security deposits | 94.39 | 106.67 |
| **Total** | **128.90** | **123.18** |

## NOTE 18 - OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Interest accrued | 30.18 | 29.66 |
| Foreign exchange forward contracts | 2.02 | 44.98 |
| Export benefit receivable | 14.43 | 13.78 |
| Others | 36.54 | 1.75 |
| **Total** | **83.17** | **90.17** |

## NOTE 19 - OTHER CURRENT ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Balances with Government Authorities | 17.17 | 204.36 |
| Prepaid expenses | 228.19 | 219.38 |
| Advances to suppliers | | |
| Unsecured considered good | 963.73 | 340.54 |
| Unsecured considered doubtful | 83.78 | — |
| | 1,047.51 | 340.54 |
| Provision for doubtful advances | (83.78) | — |
| | **963.73** | **340.54** |
| Export benefits receivable | 452.58 | 401.23 |
| Others | 0.53 | 0.50 |
| **Total** | **1,662.20** | **1,166.01** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 20 - EQUITY SHARE CAPITAL

| Particulars | No. of shares | Amount |
|---|---|---|
| **Authorised shares** | | |
| **As at March 31, 2021** | | |
| Equity shares of INR 5/- each | 38,000,000 | 1,900.00 |
| 11% Cumulative Redeemable Preference Shares of INR 10/- each | 850,000 | 85.00 |
| Unclassified Shares of INR 5/- each | 300,000 | 15.00 |
| **As at March 31, 2020** | | |
| Equity shares of INR 5/- each | 38,000,000 | 1,900.00 |
| 11% Cumulative Redeemable Preference Shares of INR 10/- each | 850,000 | 85.00 |
| Unclassified Shares of INR 5/- each | 300,000 | 15.00 |
| **Issued, subscribed and paid-up** | | |
| **As at March 31, 2021** | | |
| Equity shares of INR 5/- each fully paid-up | 12,570,692 | 628.53 |
| **Total** | **12,570,692** | **628.53** |
| **As at March 31, 2020** | | |
| Equity shares of INR 5/- each fully paid-up | 12,570,692 | 628.53 |
| **Total** | **12,570,692** | **628.53** |

**(i) Movement in Equity Share Capital**

| Equity Shares | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 12,570,692 | 628.53 | 12,570,692 | 628.53 |
| **Outstanding at the end of the year** | **12,570,692** | **628.53** | **12,570,692** | **628.53** |

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

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

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.

**(iii) Details of shares held by shareholders holding more than 5% shares in the Company:**

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Nos. of Shares | % of holding | Nos. of Shares | % of holding |
| Anshul Specialty Molecules Private Limited | 5,358,682 | 42.63% | 5,358,682 | 42.63% |
| Life Insurance Corporation of India | 888,463 | 7.07% | 888,463 | 7.07% |

**(iv) Disclosure for shares of the company held by parent / ultimate parent company:**

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Nos. of Shares | % of holding | Nos. of Shares | % of holding |
| Anshul Specialty Molecules Private Limited | 5,358,682 | 42.63% | 5,358,682 | 42.63% |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 21 - OTHER EQUITY

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital reserve | 0.01 | 0.01 |
| Securities premium | 534.37 | 534.37 |
| Capital redemption reserve | 16.75 | 16.75 |
| General reserve | 39,537.32 | 34,537.32 |
| Retained earnings | 15,248.96 | 13,300.33 |
| Other reserves | 15,619.46 | 11,097.61 |
| **Total** | **70,956.87** | **59,486.39** |

### (i) Capital Reserve

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 0.01 | 0.01 |
| **Closing balance** | **0.01** | **0.01** |

### (ii) Securities Premium

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 534.37 | 534.37 |
| **Closing balance** | **534.37** | **534.37** |

### (iii) Capital Redemption Reserve

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 16.75 | 16.75 |
| **Closing balance** | **16.75** | **16.75** |

### (iv) General reserve

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 34,537.32 | 29,537.32 |
| Add: Amount transferred from retained earnings | 5,000.00 | 5000.00 |
| **Closing balance** | **39,537.32** | **34,537.32** |

### (v) Retained earnings

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 13,300.33 | 13,478.05 |
| Profit for the year | 7,018.95 | 9,347.34 |
| Dividend Paid | — | (3,614.07) |
| Dividend Distribution tax | — | (742.88) |
| Transfer to general reserve | (5,000.00) | (5,000.00) |
| Items of Other Comprehensive Income (OCI) recognised directly in retained earnings: | | |
| – Remeasurement of Post Employment benefits obligations (net of tax) | (70.32) | (168.11) |
| **Closing balance** | **15,248.96** | **13,300.33** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 21 - OTHER EQUITY** *(Contd.)*

**(vi) Other reserves – FVOCI – Equity Investments**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | 11,097.61 | 14,854.85 |
| Change in fair value of FVOCI equity investments (Refer Note 8) | 5,322.55 | (4,483.72) |
| Tax on above | (800.70) | 726.48 |
| | 4,521.85 | (3,757.24) |
| **Closing balance** | **15,619.46** | **11,097.61** |

**Nature and purpose of reserves**

**Capital Reserve**
Capital reserve is utilised in accordance with provision of the Act.

**Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Capital Redemption Reserve**
Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

**General Reserve**
The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income.

**Other reserves - FVOCI - Equity Investments**
The Company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**NOTE 22 - NON-CURRENT BORROWINGS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Term loan (Secured)** | | |
| **From others** | | |
| Vehicle loan from a financial institution | 0.55 | 2.12 |
| **Total** | **0.55** | **2.12** |

**Notes:**

(a) Term loan under vehicle finance from a financial institution amounting to INR 2.12 lakhs (March 31, 2020: INR 6.25 lakhs) carrying interest rate ranging from 12% to 14% per annum repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.

(b) Installments falling due within a year in respect of all the above Loans aggregating INR 1.57 lakhs (March 31, 2020: INR 4.13 lakhs) have been grouped under “Current maturities of long-term debt” (Refer Note 30)

(c) Refer Note 44(B) for liquidity risk.

(d) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 27 (c).

(e) Refer Note 27 (d) net debt reconciliation.

**NOTE 23 - LEASE LIABILITIES - NON CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities (Refer Note 55) | 217.33 | 251.05 |
| **Total** | **217.33** | **251.05** |

**NOTE 24 - OTHER NON-CURRENT FINANCIAL LIABILITIES**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred consideration (Refer Note 47) | — | 889.19 |
| **Total** | **—** | **889.19** |

**NOTE 25 - EMPLOYEE BENEFIT OBLIGATIONS - NON-CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for employee benefit obligations (Refer Note 42): | | |
| Leave obligation | 1,139.19 | 1,088.99 |
| Medical voluntary retirement scheme | 102.16 | 114.64 |
| Long service award | 55.10 | 69.78 |
| **Total** | **1,296.45** | **1,273.41** |

**NOTE 26 - TAXATION**

**(a) Income tax expense**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | 2,162.07 | 2,626.76 |
| **Total current tax expense** | **2,162.07** | **2,626.76** |
| Deferred tax | 789.26 | (753.58) |
| **Total deferred tax expense/(benefit)** | **789.26** | **(753.58)** |
| **Total Income tax expense** | **2,951.33** | **1,873.18** |

**(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit before tax | 9,970.28 | 11,220.52 |
| **Tax at the Indian tax rate of 25.168% (previous year 25.168%)** | **2,509.32** | **2,823.98** |
| Add / (less) effects of : | | |
| Exempt Income | (93.73) | (153.41) |
| One time deferred tax credit on transition to new tax regime * | — | (796.59) |
| Expenses disallowed (Donation & CSR) | 90.48 | 80.42 |
| Deferred tax on goodwill ** | 351.03 | — |
| Adjustment to current tax of prior periods | 81.02 | — |
| Others | 13.21 | (81.22) |
| **Income tax expense** | **2,951.33** | **1,873.18** |

* Pursuant to the Taxation Laws (Amendment) Ordinance 2019, the Company has decided to opt for the reduced tax rate and hence, the current tax and deferred tax has been computed based on the revised rate inclusive of surcharge and cess (i.e. 25.17%). Accordingly, the Company has recognised current tax and deferred tax expenses for the year ended March 31, 2020 on the revised rate and accounted for deferred tax credit of INR 796.59 lakhs on account of re-measurement of net deferred tax liabilities as at March 31, 2019.

** Finance Bill enacted in March 2021 has disallowed depreciation on goodwill retrospectively from April 1, 2020 for the purpose of tax deduction and Accordingly, the Company has accounted for deferred tax charge for the year ended March 31, 2021 amounting to INR 351.03 lakhs being the deferred tax liabilities on difference between book base and tax base of goodwill.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 26 - TAXATION** *(Contd.)*

**(c) Deferred tax:**

The balance comprises temporary differences attributable to:

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Deferred tax assets** | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 400.37 | 535.91 |
| Provision for doubtful receivables and advances | 113.02 | 51.08 |
| Other timing differences | (24.95) | 81.78 |
| **Total deferred tax assets** | **488.44** | **668.77** |

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Deferred tax liabilities** | | |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | 3,770.60 | 3,185.32 |
| Financial assets at fair value through Other Comprehensive Income | 3,221.57 | 2,420.87 |
| **Total deferred tax liabilities** | **6,992.17** | **5,606.19** |
| **Net deferred tax liabilities** | **6,503.73** | **4,937.42** |

**Movement in deferred tax assets/(liabilities):**

| **Particulars** | **As at March 31, 2020** | **Charged/ (credited) to profit and loss** | **Charged/ (credited) to OCI** | **As at March 31, 2021** |
|---|---|---|---|---|
| **For the year ended March 31, 2021** | | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 535.91 | 159.19 | (23.65) | 400.37 |
| Provision for doubtful receivables and advances | 51.08 | (61.94) | — | 113.02 |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | (3,185.32) | 585.28 | — | (3,770.60) |
| Financial assets at fair value through Other Comprehensive Income | (2,420.87) | — | 800.70 | (3,221.57) |
| Other timing differences (net) | 81.78 | 106.73 | — | (24.95) |
| **Total Deferred tax assets/(liabilities)** | **(4,937.42)** | **789.26** | **777.05** | **(6,503.73)** |

| **Particulars** | **As at March 31, 2019** | **Addition on business combination** | **Charged/ (credited) to profit and loss** | **Charged/ (credited) to OCI** | **As at March 31, 2020** |
|---|---|---|---|---|---|
| **For the year ended March 31, 2020** | | | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 537.49 | — | 58.12 | (56.54) | 535.91 |
| Provision for doubtful receivables and advances | 95.31 | — | 44.23 | — | 51.08 |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | (3,194.40) | 479.11 | (488.19) | — | (3,185.32) |
| Financial assets at fair value through Other Comprehensive Income | (3,147.35) | — | — | (726.48) | (2,420.87) |
| Other timing differences (net) | (285.96) | — | (367.74) | — | 81.78 |
| **Total Deferred tax assets/(liabilities)** | **(5,994.91)** | **479.11** | **(753.58)** | **(783.02)** | **(4,937.42)** |

**NOTE 27 - SHORT TERM BORROWINGS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Cash credits | 15.90 | 1,067.35 |
| Post shipment banking facility | — | 170.98 |
| **Unsecured** | | |
| Post shipment banking facility | 591.22 | 887.82 |
| **Total** | **607.12** | **2,126.15** |

**Notes:**

(a) Cash credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc. and is further secured by a second charge on the immovable property at Roha and Lote Parashuram. The cash credit loan is repayable on demand and carries interest rates at 7.55% to 9.00% (March 31, 2020 - 9.00% to 10.85%).

(b) Post shipment banking facility amounting to INR Nil (March 31, 2020 INR 170.98 lakhs) is repayable within 30 to 120 days and are secured against assets as mentioned in point (a) above and carries interest rate of LIBOR + 3%. Post shipment banking facility amounting to INR 591.21 lakhs (March 31, 2020 INR 887.82 lakhs) is repayable within 30 to 120 days and are unsecured and carries interest rate of LIBOR + 1.5%.

(c) The carrying amounts of financial and non financial assets hypothecated / mortgaged as security for current and non-current borrowings are as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current Assets** | | |
| **Financial Assets** | | |
| Trade Receivables | 17,264.02 | 14,972.97 |
| **Non Financial Assets** | | |
| Inventories | 6,897.11 | 7,771.97 |
| **Total Current Assets Pledged as Security** | **24,161.13** | **22,744.94** |
| **Non Current Assets** | | |
| Right of use assets | 198.02 | 201.70 |
| Freehold land | 140.81 | 140.81 |
| Buildings | 3,064.26 | 2,886.77 |
| Plant and machinery | 20,706.95 | 20,476.23 |
| Other Property Plant and Equipment | 1,326.01 | 1,485.63 |
| **Total Non-current assets pledged as security** | **25,436.05** | **25,191.14** |
| **Total assets pledged as security** | **49,597.18** | **47,936.08** |

The Company is in the process of satisfaction of charge created on certain assets, in respect of loans which were repaid in the earlier year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 27 - SHORT TERM BORROWINGS** *(Contd.)*

**(d) Net debt reconciliation**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Cash and cash equivalents | (4,210.40) | (1,696.79) |
| Current investments in mutual funds | (869.67) | (837.48) |
| Non-Current Borrowings (Including current maturities) | 2.12 | 6.25 |
| Current Borrowings | 607.12 | 2,126.15 |
| Interest payable on above borrowings | — | 0.06 |
| **Net Debt** | **(4,470.83)** | **(401.81)** |

| **Particulars** | **Other assets** | | **Liabilities from financing activities** | | |
|---|---|---|---|---|---|
| | **Cash and cash equivalents** | **Current investments** | **Non-Current Borrowings** | **Current Borrowings** | **Interest payable on borrowings** |
| **Net Debt as at March 31, 2020** | **(1,696.79)** | **(837.48)** | **6.25** | **2,126.15** | **0.06** |
| Cash flow | (2,513.61) | — | — | — | — |
| Purchase of investments | — | (30.61) | — | — | — |
| Fair value adjustments and gain on investments | — | (1.58) | — | — | — |
| Repayment of loan | — | — | (4.13) | (1,519.03) | — |
| Interest expenses | — | — | — | — | 108.48 |
| Interest paid | — | — | — | — | (108.54) |
| **Net Debt as at March 31, 2021** | **(4,210.40)** | **(869.67)** | **2.12** | **607.12** | **—** |

| **Particulars** | **Other assets** | | **Liabilities from financing activities** | | |
|---|---|---|---|---|---|
| | **Cash and cash equivalents** | **Current investments** | **Non-Current Borrowings** | **Current Borrowings** | **Interest payable on borrowings** |
| **Net Debt as at March 31, 2019** | **(300.13)** | **(6,893.65)** | **89.51** | **615.38** | **0.24** |
| Cash flow from continuing operation | (1,392.04) | — | — | — | — |
| Cash and cash equivalents pertaining to discontinuing operations | (4.62) | — | — | — | — |
| Purchase of investments | — | (6,831.98) | — | — | — |
| Sales of investments | — | 12,932.37 | — | — | — |
| Fair value adjustments and gain on investments | — | (44.22) | — | — | — |
| Repayment of loan | — | — | (83.26) | 1,510.77 | — |
| Interest expenses | — | — | — | — | 190.29 |
| Interest paid | — | — | — | — | (190.47) |
| **Net Debt as at March 31, 2020** | **(1,696.79)** | **(837.48)** | **6.25** | **2,126.15** | **0.06** |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 28 - TRADE PAYABLES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total Outstanding due of micro and small enterprises | 1,160.87 | 666.57 |
| Total Outstanding due of creditors other than micro and small enterprises | 11,137.58 | 9,823.46 |
| **Total** | **12,298.45** | **10,490.03** |

**Notes:**

(a) The Company has certain payables to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1,160.87 | 666.57 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | — | — |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 40.53 | 96.65 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | — | — |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | 3.30 | — |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.08 | 2.94 |
| Further interest remaining due and payable for earlier years | 0.02 | 0.30 |

(b) Refer Note 44 for information about liquidity risk and market risk of trade payables.

## NOTE 29 - LEASE LIABILITIES - CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities (Refer Note 55) | 33.73 | 28.52 |
| **Total** | **33.73** | **28.52** |

## NOTE 30 - OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current maturities of long term debt (Refer Note (b) below) | 1.57 | 4.13 |
| Interest accrued and due | — | 0.06 |
| Unclaimed Dividend | 82.02 | 96.93 |
| Unclaimed Matured Fixed Deposits | 5.33 | 5.81 |
| Unclaimed interest on matured fixed deposits | 1.73 | 2.22 |
| Creditors for Capital Goods | 395.74 | 329.29 |
| Sundry Deposits | 17.10 | 15.10 |
| Foreign exchange forward contracts | — | 3.39 |
| Deferred consideration (Refer Note 47) | 958.85 | 732.45 |
| Others | 89.76 | 61.60 |
| **Total** | **1,552.10** | **1,250.98** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 30 - OTHER CURRENT FINANCIAL LIABILITIES** *(Contd.)*

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|

**Notes:**

(a) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

(b) Current maturities of long term debt includes amount due in next 12 months from various term loans and deposits as under (Refer Note 22):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **From others** | | |
| Vehicle loan from a financial institution | 1.57 | 4.13 |
| **Total** | **1.57** | **4.13** |

**NOTE 31 - EMPLOYEE BENEFIT OBLIGATIONS - CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for employee benefit obligations (Refer Note 42): | | |
| Leave obligation | 106.66 | 116.37 |
| Gratuity | 560.49 | 510.55 |
| Medical voluntary retirement scheme | 44.20 | 37.58 |
| Long service award | 24.58 | 14.28 |
| **Total** | **735.93** | **678.78** |

**NOTE 32 - OTHER CURRENT LIABILITIES**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Statutory dues including provident fund and tax deducted at sources | 223.18 | 105.18 |
| Advances from customers | 104.35 | 111.06 |
| Other payables | 4.03 | 10.91 |
| **Total** | **331.56** | **227.15** |

**NOTE 33 - REVENUE FROM OPERATIONS**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Revenue from contracts with customers:** | | |
| **a) Sale of products** | | |
| Finished Goods (Refer note below) | 71,806.50 | 66,994.09 |
| Traded Goods | 1,386.42 | 1,537.73 |
| **b) Sale of services** | | |
| Processing charges | 567.69 | 240.52 |
| Others | 640.42 | 714.22 |
| | **74,401.03** | **69,486.56** |
| **Other operating revenue:** | | |
| a) Export incentives | 289.82 | 466.16 |
| b) Scrap sales | 255.75 | 295.72 |
| | **545.57** | **761.88** |
| **Total** | **74,946.60** | **70,248.44** |

Reconciliation of gross revenue with the revenue from contracts with customer is missing.

**Notes:**

(a) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

(b) There are no material contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 34 - OTHER INCOME

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Interest income on** | | |
| Bank deposits | 130.58 | 5.39 |
| Others | 23.03 | 36.51 |
| | **153.61** | **41.90** |
| **Dividend income** | | |
| From non current investments (Refer note below) | 341.82 | 309.91 |
| From current investments | 30.61 | 299.62 |
| | **372.43** | **609.53** |
| **Others** | | |
| Rent (Refer Note 5) | 65.27 | 55.73 |
| Gain on fair valuation of current investments | 1.58 | 11.85 |
| Profit on sale of current investments | — | 32.37 |
| Profit on disposal of investment property | 137.05 | — |
| Others | 95.84 | 56.49 |
| | **299.74** | **156.44** |
| **Total** | **825.78** | **807.87** |

**Note:**

All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period.

## NOTE 35 - COST OF MATERIALS CONSUMED

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **a. Raw materials** | | |
| Inventory at the beginning of the year | 1,670.04 | 2,055.29 |
| Add: Reclassification of Discontinuing operations (Refer Note 52) | — | 10.92 |
| Add: On account of business acquisition (Refer Note 47) | — | 34.52 |
| Add: Purchases | 34,032.34 | 31,226.92 |
| | **35,702.38** | **33,327.65** |
| Less: Inventory at the end of the year | 1,218.33 | 1,670.04 |
| **Total cost of Raw materials consumed** | **34,484.05** | **31,657.61** |
| **b. Packing materials** | | |
| Inventory at the beginning of the year | 128.29 | 82.35 |
| Add: Reclassification of Discontinuing operations (Refer Note 52) | — | 50.74 |
| Add: On account of business acquisition (Refer Note 47) | — | 0.54 |
| Add: Purchases | 1,437.54 | 1,465.66 |
| | **1,565.83** | **1,599.29** |
| Less: Inventory at the end of the year | 145.44 | 128.29 |
| **Total cost of Packing materials consumed** | **1,420.39** | **1,471.00** |
| **Total** | **35,904.44** | **33,128.61** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 36 - PURCHASE OF STOCK IN TRADE**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Chemicals and others | 223.21 | 503.49 |
| **Total** | **223.21** | **503.49** |

**NOTE 37 - (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Inventories at the end of the year** | | |
| Finished goods | 1,693.54 | 2,068.90 |
| Work-in-progress | 2,427.77 | 2,820.27 |
| Stock in trade | 103.86 | 129.96 |
| | **4,225.17** | **5,019.13** |
| **Inventories at the beginning of the year** | | |
| Finished goods | 2,068.90 | 1,800.98 |
| Work-in-progress | 2,820.27 | 1,999.33 |
| Stock in trade | 129.96 | — |
| Add: On account of business acquisition (Refer Note 47) | — | 239.14 |
| Add: Inventories of Discontinuing operations (Refer Note 52) | | |
| Finished goods | — | 35.83 |
| Work-in-progress | — | 4.81 |
| Stock in trade | — | 164.14 |
| | **5,019.13** | **4,244.23** |
| **Total** | **793.96** | **(774.90)** |

**NOTE 38 - EMPLOYEE BENEFIT EXPENSES**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries, wages and bonus | 7,611.94 | 7,146.47 |
| Contribution to provident and other funds | 544.29 | 522.45 |
| Provision/ payment of gratuity (Refer Note 42) | 272.10 | 243.21 |
| Workman and staff welfare expenses | 509.74 | 548.50 |
| **Total** | **8,938.07** | **8,460.63** |

**NOTE 39 - DEPRECIATION AND AMORTISATION EXPENSES**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation on Property, Plant and Equipment (Refer Note 3) | 2,622.23 | 2,195.97 |
| Depreciation on Right of use assets (Refer Note 55) | 66.87 | 50.53 |
| Depreciation on Investment Property (Refer Note 5) | 1.92 | 3.22 |
| Amortisation of Intangible Assets (Refer Note 6) | 24.30 | 28.33 |
| **Total** | **2,715.32** | **2,278.05** |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 40 - OTHER EXPENSES

| Particulars | | Year ended March 31, 2021 | | Year ended March 31, 2020 |
|---|---|---|---|---|
| Consumption of stores and spares | | 88.40 | | 60.91 |
| Processing charges | | 103.88 | | 179.95 |
| Power and fuel | | 5,600.38 | | 5,262.86 |
| Effluent expenses | | 1,416.39 | | 1,277.40 |
| Rent (Refer Note 55) | | 433.76 | | 295.60 |
| Rates and taxes | | 99.62 | | 78.31 |
| Bank charges | | 84.38 | | 124.08 |
| Contractor's labour charges | | 432.29 | | 278.94 |
| Water charges | | 268.76 | | 232.76 |
| Sales commission | | 151.38 | | 113.92 |
| Insurance | | 295.12 | | 249.29 |
| **Repairs and maintenance on:** | | | | |
| Plant and machinery | | 1,967.77 | | 1,916.39 |
| Buildings | | 68.90 | | 84.92 |
| Others | | 133.17 | | 194.80 |
| CSR expenditure (Refer Note 51) | | 296.31 | | 258.07 |
| Travelling and conveyance | | 87.07 | | 290.26 |
| Legal and professional fees | | 1,116.75 | | 1,127.99 |
| Directors' sitting fees (Refer Note 48) | | 22.90 | | 20.00 |
| Non Executive Directors' Commission (Refer Note 48) | | 68.00 | | 68.00 |
| Auditor's Remuneration (Refer details below) | | 50.64 | | 51.88 |
| Bad debts / sundry debit balances written off (net): | | | | |
| Bad Debts written off during the year | — | | 7.93 | |
| Less: Utilisation from Provision for doubtful debts | — | — | (7.93) | — |
| Expected credit loss / Provision for doubtful receivables (net) | | 154.64 | | (53.95) |
| Provision for doubtful advances to supplier | | 83.78 | | — |
| Freight outward and forwarding expenses | | 2,542.47 | | 2,122.13 |
| Charity and donations | | 63.16 | | 217.99 |
| Net foreign exchange loss | | 149.27 | | 15.12 |
| Net loss on disposal of property, plant and equipment | | 38.58 | | 42.10 |
| Miscellaneous expenses | | 1,191.76 | | 1,474.98 |
| **Total** | | **17,009.53** | | **15,984.70** |

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Details of Auditor's Remuneration: (Net of credit for taxes)** | | |
| Audit fee | 30.50 | 30.50 |
| Tax audit fee | 6.50 | 6.50 |
| Limited review | 9.75 | 9.75 |
| Certification fees and other matters | 3.60 | 3.60 |
| Reimbursement of expenses | 0.29 | 1.53 |
| **Total** | **50.64** | **51.88** |

## NOTE 41 - FINANCE COSTS

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Interest | 68.15 | 147.04 |
| Interest on lease liabilities (Refer Note 55) | 21.88 | 16.03 |
| Other borrowing costs | 40.33 | 33.24 |
| Interest on deferred consideration (Refer Note 47) | 87.21 | 58.90 |
| **Total** | **217.57** | **255.21** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 42 - EMPLOYEE BENEFIT OBLIGATIONS

### (i) Leave Obligation

The Leave obligation cover Company's liability for earned leave. Amount recognised in the balance sheet is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Obligation not expected to be settled within next 12 months (non - current) | 1,139.19 | 1,088.99 |
| Obligation expected to be settled within next 12 months (current) | 106.66 | 116.37 |
| **Total** | **1,245.85** | **1,205.36** |

### (ii) Long Service Award

The Company provides for long service award to eligible employees upon achievement of certain years of service. Amount recognised in the balance sheet is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Obligation not expected to be settled within next 12 months (non - current) | 55.10 | 69.78 |
| Obligation expected to be settled within next 12 months (current) | 24.58 | 14.28 |
| **Total** | **79.68** | **84.06** |

### (iii) Gratuity

**(a)** The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is calculated at specified number of days (15 days/22 days) of last drawn salary depending upon the tenure of service for each year of completed service. The gratuity plan is a funded plan.

**(b) The amounts recognised in balance sheet and the movement in the gratuity over the year are as follows:**

| Particulars | Fair value of Plan Assets | Present Value of Obligations | Net amount |
|---|---|---|---|
| **Balance as at March 31, 2019** | 4,040.72 | 4,201.59 | 160.87 |
| Current service cost | — | 230.80 | 230.80 |
| Interest expense or cost | — | 324.21 | 324.21 |
| Investment income | 311.80 | — | (311.80) |
| **Total amount recognised in Statement of Profit and Loss** | **311.80** | **555.01** | **243.21** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | |
| – change in financial assumptions | — | (186.11) | (186.11) |
| – experience variance | — | 411.12 | 411.12 |
| – return on plan assets, excluding amount recognised in net interest expense | 1.18 | — | (1.18) |
| **Total amount recognised in Other Comprehensive Income** | **1.18** | **225.01** | **223.83** |
| Benefits paid | — | (247.54) | (247.54) |
| Employer's contribution | 104.72 | — | (104.72) |
| Benefits paid | (234.90) | — | 234.90 |
| **Balance as at March 31, 2020** | **4,223.52** | **4,734.07** | **510.55** |
| Current service cost | — | 237.97 | 237.97 |
| Interest expense or cost | — | 314.59 | 314.59 |
| Investment income | 280.46 | — | (280.46) |
| **Total amount recognised in Statement of Profit and Loss** | **280.46** | **552.56** | **272.10** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | |
| – change in financial assumptions | — | (32.75) | (32.75) |
| – experience variance | — | 136.50 | 136.50 |
| – return on plan assets, excluding amount recognised in net interest expense | — | — | — |
| **Total amount recognised in Other Comprehensive Income** | **—** | **103.75** | **103.75** |
| Benefits paid | — | (322.12) | (322.12) |
| Employer's contribution | 306.17 | — | (306.17) |
| Benefits paid | (302.38) | — | 302.38 |
| **Balance as at March 31, 2021** | **4,507.77** | **5,068.26** | **560.49** |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 42 - EMPLOYEE BENEFIT OBLIGATIONS** *(Contd.)*

**(c) The net liability disclosed above related to funded and unfunded plans are as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of funded obligation | 5,068.26 | 4,734.07 |
| Fair value of plan assets | 4,507.77 | 4,223.52 |
| **Deficit of funded plan** | **560.49** | **510.55** |
| Unfunded plans | — | — |
| **Deficit of Gratuity plan** | **560.49** | **510.55** |

**(d) Assumptions:**

The principal financial assumptions used in valuation of Gratuity are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate (per annum) | 6.75% | 6.65% |
| Salary growth rate (per annum)* | 4.00% for first year and 7.00% thereafter | 4.00% for first two years and 7.00% thereafter |
| Attrition rate (derived based on age) | 1.00% to 5.00% | 1.00% to 5.00% |
| Mortality rate | 100% of Indian Assured Lives Mortality (2012-14) | 100% of Indian Assured Lives Mortality (2012-14) |

* The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

**(e) The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:**

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO |
| Discount rate | 1.00% | -6.10% | 6.90% | 1.00% | -6.30% | 7.20% |
| Salary growth rate | 1.00% | 7.40% | -6.70% | 1.00% | 7.70% | -7.00% |
| Attrition rate@ | 50.00% | -0.30% | 0.40% | 50.00% | -0.30% | 0.30% |

@ Represent increase or decrease in Attrition rate by 50%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**(f) The major categories of plan assets are as follows:**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Insurer Managed funds | 4,507.77 | 100% | 4,223.52 | 100% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 42 - EMPLOYEE BENEFIT OBLIGATIONS** *(Contd.)*

**(g) Defined benefit liability and employer contributions:**

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2020 - 7 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1 year | 830.30 | 769.26 |
| 2-5 years | 1,567.44 | 1,347.23 |
| 6-10 years | 2,773.81 | 2,540.01 |
| More than 10 years | 3,448.32 | 3,445.25 |

**(iv) Medical Voluntary retirement scheme (MVRS):**

(a) The Company has a defined benefit plan for its employees, viz., voluntary early separation scheme on account of continued ill-health not amounting to occupational disease and thereby unable to perform normal duties of their post. Under the Scheme, the benefits will be given for a retired employee for a maximum period upto 10 years or age of retirement, whichever is earlier. In case of early death of the employee, the legal heir of the employee shall get 50% of separation benefit for the rest of the benefit period. The costs of providing benefits under the said plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognised in full in the period in which they occur in the Statement of Profit and Loss. This Scheme is not funded.

(b) The amounts recognised in balance sheet and the movement in the obligation over the year are as follows:

| **Particulars** | **Amount** |
|---|---|
| **Balance as at March 31, 2019** | **160.91** |
| Current service cost | 21.86 |
| Interest expense or cost | 12.41 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | — |
| – change in financial assumptions | — |
| – experience variance | — |
| **Total amount recognised in Statement of Profit and Loss** | **34.27** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| – change in financial assumptions | 4.13 |
| – experience variance | (3.31) |
| **Total amount recognised in Other Comprehensive Income** | **0.82** |
| Benefits paid | (43.78) |
| **Balance as at March 31, 2020** | **152.22** |
| Current service cost | 31.72 |
| Interest expense or cost | 10.12 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | — |
| – change in financial assumptions | — |
| – experience variance | — |
| **Total amount recognised in Statement of Profit and Loss** | **41.84** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| – change in financial assumptions | (0.36) |
| – experience variance | (9.42) |
| **Total amount recognised in Other Comprehensive Income** | **(9.78)** |
| Benefits paid | (37.92) |
| **Balance as at March 31, 2021** | **146.36** |

**NOTE 42 - EMPLOYEE BENEFIT OBLIGATIONS** *(Contd.)*

**(c) Assumptions:**

The principal financial assumptions used in valuation of MVRS are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate (per annum) | 6.75% | 6.65% |
| Mortality rate | 100% (of LIC 96-98 mod ultimate) | |

**(d) The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:**

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO |
| Discount Rate | 1.00% | -2.40% | 2.50% | 1.00% | -2.60% | 2.70% |

**(v) Defined Contribution Plan:**

The Company has certain defined contribution plans such as provident fund, super annuation fund and family pension fund for the benefit of the employees. Contributions are made to provident fund in India for employee at the rate of 12% of basic salary as per regulations. The Contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is INR 544.29 lakhs (March 31, 2020 - INR 522.45 lakhs).

**(vi) Risk Exposure for Gratuity (funded plan):**

Through its defined benefit plans, the Company is exposed to number of risks, the most significant of which are detailed below:

**Assets Volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan assets has investments in insurer managed funds. Hence, assets are considered to be secured.

**Change in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in value of plans bond holdings.

**NOTE 43 - FAIR VALUE MEASUREMENTS**

**(i) Financial instruments by category**

| Particulars | Note | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | FVOCI | FVPL | Amortised cost | FVOCI | FVPL | Amortised cost |
| **Financial assets** | | | | | | | |
| Equity investments | 8 | 19,627.22 | — | — | 14,304.67 | — | — |
| Investments in mutual funds | 13 | — | 869.67 | — | — | 837.48 | — |
| Trade receivables | 14 | — | — | 17,264.02 | — | — | 14,972.97 |
| Cash and cash equivalents | 15 | — | — | 4,210.40 | — | — | 1,696.79 |
| Bank balances other than cash and cash equivalents | 16 | — | — | 954.97 | — | — | 134.53 |
| Loans | 9 and 17 | — | — | 751.52 | — | — | 657.57 |
| Other financial assets | 10 and 18 | — | 2.02 | 85.32 | — | 44.98 | 45.19 |
| **Total financial assets** | | **19,627.22** | **871.69** | **23,266.23** | **14,304.67** | **882.46** | **17,507.05** |
| **Financial liabilities** | | | | | | | |
| Borrowings | 22 and 27 | — | — | 607.67 | — | — | 2,128.27 |
| Leases liabilities | 23 and 29 | — | — | 251.06 | — | — | 279.57 |
| Trade payables | 28 | — | — | 12,298.45 | — | — | 10,490.03 |
| Deferred consideration | 24 and 30 | — | 958.85 | — | — | 1,621.64 | — |
| Other financial liabilities | 24 and 30 | — | — | 593.25 | — | 3.39 | 515.14 |
| **Total financial liabilities** | | **—** | **958.85** | **13,750.43** | **—** | **1,625.03** | **13,413.01** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43 - FAIR VALUE MEASUREMENTS** *(Contd.)*

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | |
| **Financial Asset** | | | | | |
| **Financial Investment at FVOCI** | | | | | |
| Equity investments | 8 | 5,135.60 | 14,491.62 | — | 19,627.22 |
| **Financial Investment at FVPL** | | | | | |
| Investments in mutual funds | 13 | 869.67 | — | — | 869.67 |
| Other financial assets | 18 | — | 2.02 | — | 2.02 |
| **Total Financial Assets** | | **6,005.27** | **14,493.64** | **—** | **20,498.91** |
| **Financial Liabilities** | | | | | |
| Deferred consideration | 24 and 30 | — | 958.85 | — | 958.85 |
| **Total Financial Liabilities** | | **—** | **958.85** | **—** | **958.85** |

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | |
| **Financial Asset** | | | | | |
| **Financial Investment at FVOCI** | | | | | |
| Equity investments | 8 | 1,831.96 | 12,472.71 | — | 14,304.67 |
| **Financial Investment at FVPL** | | | | | |
| Investments in mutual Funds | 13 | 837.48 | — | — | 837.48 |
| Other financial assets | 18 | — | 44.98 | — | 44.98 |
| **Total Financial Assets** | | **2,669.44** | **12,517.69** | **—** | **15,187.13** |
| **Financial Liabilities** | | | | | |
| Deferred consideration | 24 and 30 | | 1,621.64 | | 1,621.64 |
| Other financial liabilities | 24 and 30 | — | 3.39 | — | 3.39 |
| **Total Financial Liabilities** | | **—** | **1,625.03** | **—** | **1,625.03** |

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**Level 1:** Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV published by mutual fund.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43 - FAIR VALUE MEASUREMENTS** *(Contd.)*

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at National Stock Exchange (NSE) at the reporting period.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date, prevailing with Authorised Dealers dealing in foreign exchange.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of deferred consideration is determined based on present value computed using discount rate on transaction date.

**(iv) Fair value measurements using "significant observable inputs (level 2)"**

The following table presents the changes in level 2 items for the periods ended March 31, 2021 and March 31, 2020:

| **Particulars** | **Unquoted equity shares** | **Total** |
|---|---|---|
| **As at March 31, 2019** | **14,753.89** | **14,753.89** |
| Gain/(loss) recognised in other comprehensive income (Refer Note 8) | (2,281.18) | (2,281.18) |
| **As at March 31, 2020** | **12,472.71** | **12,472.71** |
| Gain/(loss) recognised in other comprehensive income (Refer Note 8) | 2,018.91 | 2,018.91 |
| **As at March 31, 2021** | **14,491.62** | **14,491.62** |
| Unrealised gain/(loss) recognised in profit and loss related to assets and liabilities held at the end of reporting period | | |
| Year ended March 31, 2021 | — | — |
| Year ended March 31, 2020 | — | — |

**(v) Fair value inputs and relationships to fair value**

The following table summarises the quantitative information about the significant observable inputs used in level 2 fair value measurements. See (vi) below for the valuation techniques adopted.

| **Particulars** | **Fair Value as at** | | **Significant unobservable inputs** | **Probability-weighted range** | | **Sensitivity** |
|---|---|---|---|---|---|---|
| | **March 31, 2021** | **March 31, 2020** | | **March 31, 2021** | **March 31, 2020** | |
| Unquoted equity shares | 14,491.62 | 12,472.71 | EBITDA Multiple | 5% | 5% | 2021: Increased EBITDA multiple 5% would increase FV by INR 625.53; decreased EBITDA multiple -5% would decrease FV by INR 625.53.<br>2020: Increased EBITDA multiple 5% would increase FV by INR 546.43; decreased EBITDA multiple -5% would decrease FV by INR 546.43. |

**(vi) Valuation process**

The procedures used in evaluation of unlisted equity securities in the main level 2 by the Company are derived and evaluated as follow:

— The value of equity shares of the Company is derived from valuations of comparable Companies, as manifested through stock market valuation of listed companies. This valuation is based on the principle that market valuations taking place between informed buyers and informed sellers incorporate all factors relevant to valuation.

— used the profitability-based valuation multiple of comparable listed companies for the purpose of analysis.

— maintainable operating EBITDA has been computed considering its performance for the year end, and adjustments as appropriate for non-operating income and expenses.

— value arrived as above under Comparable Company Market Multiples Method ('CCM') is adjusted, as appropriate, for surplus assets, (cash and cash equivalent, investments, interest accrued on deposits), borrowings (including stretched creditors), surplus assets, deferred tax assets, contingent liabilities and other matters. The total value is then divided by the entity's shares outstanding as at the year end, to arrive at the value per equity share.

**NOTE 43 - FAIR VALUE MEASUREMENTS** *(Contd.)*

**(vii) Fair value of Financial assets and liabilities measured at amortised cost**

| Particulars | Note | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets** | | | | | |
| Trade receivables | 14 | 17,264.02 | 17,264.02 | 14,972.97 | 14,972.97 |
| Cash and cash equivalents | 15 | 4,210.40 | 4,210.40 | 1,696.79 | 1,696.79 |
| Bank balances other than cash and cash equivalents | 16 | 954.97 | 954.97 | 134.53 | 134.53 |
| Loans | 9 and 17 | 751.52 | 751.52 | 657.57 | 657.57 |
| Other financial assets | 10 and 18 | 85.32 | 85.32 | 45.19 | 45.19 |
| **Total Financial Assets** | | **23,266.23** | **23,266.23** | **17,507.05** | **17,507.05** |
| **Financial Liabilities** | | | | | |
| Borrowings | 22 and 27 | 607.67 | 607.67 | 2,128.27 | 2,128.27 |
| Lease liabilities | 23 and 29 | 251.06 | 251.06 | 279.57 | 279.57 |
| Trade payables | 28 | 12,298.45 | 12,298.45 | 10,490.03 | 10,490.03 |
| Other financial liabilities | 24 and 30 | 593.25 | 593.25 | 515.14 | 515.14 |
| **Total Financial Liabilities** | | **13,750.43** | **13,750.43** | **13,413.01** | **13,413.01** |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances, loans and other financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. The carrying amount of long term borrowings is not expected to be materially different than their fair values.

**NOTE 44 - FINANCIAL RISK MANAGEMENT**

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

– protect the Company's financial results and position from financial risks;

– maintain market risks within acceptable parameters, while optimising returns; and

– protect the Company's financial investments, while maximising returns.

The note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

**(A) Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. Credit risks from balances with banks and financial institutions are managed in accordance with the Company's policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by the credit rating agencies. The Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management principles.

The gross carrying amount of trade receivables is INR 17,552.91 Lakhs (March 31, 2020: INR 15,107.22 Lakhs)

**NOTE 44 - FINANCIAL RISK MANAGEMENT** *(Contd.)*

**Reconciliation of loss allowance provision- Trade receivables**

| **Particular** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| Loss allowance at the beginning of the year | 134.25 | 75.81 |
| Add: Reclassification of Discontinuing operations (Refer Note 52) | — | 120.32 |
| Less: Provision write off / (utilised) | — | 7.93 |
| Add: Additional Provision made / (reversal) | 154.64 | (53.95) |
| **Loss allowance at the end of the year** | **288.89** | **134.25** |

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Investments, Loans, Security deposits and other financial assets.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposit is INR 711.87 lakhs (March 31, 2020: INR 633.79 lakhs)

Other advances are given for trade purpose which is in line with normal business activities of the Company . Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of capital advances is INR 202.49 lakhs (March 31, 2020: INR 166.25 lakhs)

**Reconciliation of loss allowance provision- Capital advances**

| **Particular** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| Loss allowance at the beginning of the year | 76.62 | 41.62 |
| Add: Reclassification of Discontinuing operations (Refer Note 52) | — | 35.00 |
| **Loss allowance at the end of the year** | **76.62** | **76.62** |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking manage to Company's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturities of financial liabilities**

| **Particular** | **Note** | **Less than 1 year** | **1 year to 2 year** | **2 year to 3 year** | **3 year and above** | **Total** |
|---|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | | |
| Borrowings | 22 and 27 | 607.12 | 0.55 | — | — | 607.67 |
| Lease liabilities | 23 and 29 | 33.73 | 39.19 | 0.23 | 177.91 | 251.06 |
| Trade payables | 28 | 12,298.45 | — | — | — | 12,298.45 |
| Deferred consideration | 24 and 30 | 958.85 | — | — | — | 958.85 |
| Other financial liabilities | 30 | 593.25 | — | — | — | 593.25 |
| **Total non-derivative liabilities** | | **14,491.40** | **39.74** | **0.23** | **177.91** | **14,709.28** |
| Forward contracts for hedge purpose | 30 | — | — | — | — | — |
| **Total derivative liabilities** | | **—** | **—** | **—** | **—** | **—** |

| **Particular** | **Note** | **Less than 1 year** | **1 year to 2 year** | **2 year to 3 year** | **3 year and above** | **Total** |
|---|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | | |
| Borrowings | 22 and 27 | 2,126.15 | 2.12 | — | — | 2,128.27 |
| Lease liabilities | 23 and 29 | 28.52 | 33.73 | 39.19 | 178.13 | 279.57 |
| Trade payables | 28 | 10,490.03 | — | — | — | 10,490.03 |
| Deferred consideration | 24 and 30 | 732.45 | 889.19 | — | — | 1,621.64 |
| Other financial liabilities | 30 | 515.14 | — | — | — | 515.14 |
| **Total** | | **13,892.29** | **925.04** | **39.19** | **178.13** | **15,034.65** |
| Forward contracts for hedge purpose | 30 | 3.39 | — | — | — | 3.39 |
| **Total derivative liabilities** | | **3.39** | **—** | **—** | **—** | **3.39** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 44 - FINANCIAL RISK MANAGEMENT** *(Contd.)*

**(C) Market risk**

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

**(i) Foreign exchange risk**

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in multiple currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company takes decision to hedge by forming view after discussions with it's advisors and as per policies set by Management.

**Foreign exchange derivatives and exposures outstanding as at Balance Sheet date**

**The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2021**

| Particular | Currency | In INR Lakhs | In Foreign Currency in Lakhs |
|---|---|---|---|
| **Financial assets** | | | |
| Export Receivables | USD | 1,442.46 | 19.73 |
| | EURO | 801.58 | 9.35 |
| Bank Balances | USD | 1.46 | 0.02 |
| **Derivative asset** | | | |
| Foreign exchange forwards | USD | 677.00 | 9.26 |
| **Financial liabilities** | | | |
| Import Payables | USD | 2,734.31 | 37.40 |
| **Derivative liabilities** | | | |
| Foreign exchange forwards | USD | 1,220.94 | 16.70 |

**The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2020**

| Particular | Currency | In INR Lakhs | In Foreign Currency in Lakhs |
|---|---|---|---|
| **Financial assets** | | | |
| Export Receivables | USD | 2,216.67 | 29.29 |
| | EURO | 592.59 | 7.15 |
| Bank Balances | USD | 1.51 | 0.02 |
| **Derivative asset** | | | |
| Foreign exchange forwards | USD | 43.89 | 0.58 |
| Foreign exchange forwards | EURO | 99.46 | 1.20 |
| **Financial liabilities** | | | |
| Import Payables | USD | 2,763.83 | 36.52 |
| **Derivative liabilities** | | | |
| Foreign exchange forwards | USD | 1,987.36 | 26.26 |

**Foreign Currency Risk Sensitivity**

**A change of 5% in Foreign Currency would have the following impact on profit before tax**

| Particular | Increase in FC conversion rate | | Decrease in FC conversion rate | |
|---|---|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| USD | (64.52) | (27.28) | 64.52 | 27.28 |
| EURO | 40.08 | 29.63 | (40.08) | (29.63) |
| **Increase / (decrease) in profit or loss** | **(24.44)** | **2.35** | **24.44** | **(2.35)** |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 44 - FINANCIAL RISK MANAGEMENT *(Contd.)*

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

**Exposure to interest rate risk**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Variable rate borrowings | 607.12 | 2,126.15 |
| Fixed rate borrowings | 2.12 | 6.25 |
| **Total Borrowings** | **609.24** | **2,132.40** |

**Interest rate sensitivity**

**A change of 50bps in interest rates would have following impact on profit before tax**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Interest rates - increase by 50 basis point (50 bps) | (3.05) | (10.66) |
| Interest rates - decrease by 50 basis point (50 bps) | 3.05 | 10.66 |

### (iii) Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

| Particular | Impact on profit after tax | |
|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| NSE/BSE increase in 1% of price/NAV | | |
| Investments in Quoted equity shares | 51.36 | 18.32 |
| Investments in Mutual Fund | 8.70 | 8.37 |
| NSE/BSE decrease in 1% of price/NAV | | |
| Investments in Quoted equity shares | (51.36) | (18.32) |
| Investments in Mutual Fund | (8.70) | (8.37) |

## NOTE 45 - CAPITAL MANAGEMENT

### (a) Risk Managements

The Company's aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The debt equity ratio highlights the ability of a business to repay its debts. As at March 31, 2021, the ratio was -6.25% (March 31, 2020: -0.67%)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Net Debt | (4,470.83) | (401.81) |
| Total Equity | 71,585.40 | 60,114.92 |
| Net debt to equity ratio | -6.25% | -0.67% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 45 - CAPITAL MANAGEMENT** *(Contd.)*

**(b) Dividend**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year ended March 31, 2019 - INR 18.75 per fully paid equity share | — | 2,357.00 |
| Dividend distribution tax on above | — | 484.49 |
| Interim Dividend for the year ended March 31, 2020 - INR 10.00 per fully paid equity share declared on March 9, 2020. | — | 1,257.07 |
| Dividend distribution tax on above | — | 258.39 |
| Final dividend for the year ended March 31, 2020 - INR Nil per fully paid equity share | — | — |
| Dividend distribution tax on above | — | — |
| **(ii) Dividend not Recognised at the end of reporting period** | | |
| In addition to the above dividends, at year end the directors have recommended the payment of final dividend of INR 11.25 per fully paid equity share (March 31, 2020 - INR Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting | 1,414.20 | — |
| Dividend distribution tax on proposed dividend | — | — |

**NOTE 46 - SEGMENT INFORMATION**

**(a) Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman and Managing Director of the Company. The Company operates in following business segment as per Indian Accounting Standard 108 "operating segments":

(a) **Chemicals** - Comprising of Industrial and Specialty Chemicals, Pesticides Intermediates, Polymer and Pharma Intermediates

(b) **Environment** - Comprising of Soil enricher, Bio - pesticides and other Bio products (E&BT).

Segment revenue includes sales, export incentives, processing charges, scrap sales and other income from operations

Segment Revenue in the geographical segments considered for disclosure are as follows :

(a) Revenue within India includes sales to customers located within India.

(b) 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.

**(b) Segment Result:**

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| **Segment Results (Profit before tax and interest)** | | |
| Chemicals | 13,080.08 | 15,106.40 |
| Environment and Biotech | 8.25 | 52.57 |
| **Total Segment Result** | **13,088.33** | **15,158.97** |
| Less: Finance Cost | 217.57 | 255.21 |
| Other un-allocable expenditure (net of unallocable income) | 2,900.48 | 3,683.24 |
| **Profit before tax** | **9,970.28** | **11,220.52** |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 46 - SEGMENT INFORMATION** *(Contd.)*

**(c) Segment Revenue:**

The segment revenue is measured in the same way as in the Statement of Profit and Loss.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Revenue (Revenue from operations)** | | |
| Chemicals | 72,993.84 | 68,470.45 |
| Environment and Biotech | 1,952.76 | 1,777.99 |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |
| Less: Inter segment revenue | — | — |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |
| **Revenue from external customers:** | | |
| India | 61,844.27 | 53,372.62 |
| Other countries | 13,102.33 | 16,875.82 |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |

**(d) Segment Assets:**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Assets:** | | |
| Chemicals | 61,441.26 | 58,492.61 |
| Environment and Biotech | 1,375.66 | 1,382.18 |
| Unallocated | 32,523.57 | 22,394.93 |
| **Total Assets as per balance sheet** | **95,340.49** | **82,269.72** |
| Total assets of Company broken down by location of the assets, is shown below: | | |
| India | 93,094.99 | 79,458.95 |
| Other countries | 2,245.50 | 2,810.77 |
| **Total Assets** | **95,340.49** | **82,269.72** |

**(e) Segment Liabilities:**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Segment Liabilities:** | | |
| Chemicals | 12,824.58 | 12,894.61 |
| Environment and Biotech | 235.16 | 361.33 |
| Unallocated | 10,695.35 | 8,898.86 |
| **Total liabilities as per balance sheet** | **23,755.09** | **22,154.80** |
| Total liabilities of Company broken down by location of the liabilities, is shown below: | | |
| India | 21,020.78 | 19,390.97 |
| Other countries | 2,734.31 | 2,763.83 |
| **Total Liabilities** | **23,755.09** | **22,154.80** |

The Company does not have any customers accounting for more than 10% of the Company's total revenue, for the year ended March 31, 2021 and March 31, 2020.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

### NOTE 47- ACQUISITION OF CHEMICAL MANUFACTURING UNIT AT VISAKHAPATNAM

During the previous year, the Company has acquired a chemical manufacturing unit located at Visakhapatnam in Andhra Pradesh Special Economic Zone, as a going concern by way of slump sale with effect from October 25, 2019. Accordingly, the financial statements of previous year include impact of this acquisition with effect from October 25, 2019 and hence not comparable with the current year.

The Company has measured the acquired business of Seller at fair value determined in accordance with Ind AS 103 "Business Combination".

Details of the Purchase consideration, the net assets acquired and goodwill are as follows:

| **Particulars** | **Amounts** | **Amounts** |
|---|---|---|
| Total Purchase Consideration | | 8,710.64 |
| Assets acquired | 7,789.54 | |
| Liabilities acquired (Including deferred tax liabilities of INR 479.11 lakhs) | 964.18 | |
| Net identifiable assets acquired at fair value | | 6,825.36 |
| **Goodwill arising on acquisition** | | **1,885.28** |

The Goodwill of ₹ 1,885.28 lakh comprises the value of expected synergies arising from the acquisition, trained manpower, ready to use manufacturing facility with requisite statutory approvals and availability of surplus land for future expansion, which has not been separately recognised.

There were no acquisition in the year ended March 31, 2021

### NOTE 48 - RELATED PARTY DISCLOSURES AS PER IND AS 24

1. **Name of related parties and nature of relationship:**

**(a) Parent entity**

The Company is controlled by the following entity:

| **Name** | **Type** | **Place of incorporation** | **Ownership interest as at March 31, 2021** | **Ownership interest as at March 31, 2020** |
|---|---|---|---|---|
| Anshul Specialty Molecules Private Limited | Immediate and Ultimate Parent Company | India | 42.63% | 42.63% |

**(b) Subsidiaries**

Kamaljyot Investments Limited
Excel Bio Resources Limited

**(c) Key Management Personnel (KMP)**

— **Executive Directors**

Mr. Ashwin C. Shroff (Executive Chairman w.e.f. September 3, 2019 - Chairman and Managing Director up to September 2, 2019)
Late Mrs. Usha A. Shroff (Executive Vice Chairperson upto April 29, 2019)
Mr. Ravi A. Shroff (Managing Director w.e.f. September 3, 2019 - Executive Director up to September 2, 2019)
Mr. Hrishit A. Shroff (Executive Director w.e.f. June 27, 2019)

— **Non - Executive Directors (Independent Directors)**

Mr. R. N. Bhogale (Independent Director)
Mr. H. N. Motiwala (Independent Director)
Mr. P. S. Jhaveri (Independent Director)
Mr. M. B. Parekh (Independent Director)
Mr. S. S. Vaidya (Independent Director)
Mr. R. M. Pandia (Independent Director)
Mr. Dipesh K. Shroff (Non - Executive Director)
Mr. Atul G. Shroff (Non - Executive Director)
Mrs. Dr. Meena A. Galliara (Non - Executive Director w.e.f. June 27, 2019)
Mr. R. K. Sood (Nominee Director - LIC upto November 11, 2019)
Mr. P. K. Molri (Nominee Director - LIC w.e.f. February 7, 2020)

**(d) Relatives of KMP with whom transactions have taken place:**

Mrs. Anshul A. Bhatia (Daughter of Mr. Ashwin C. Shroff and Mrs. Usha A. Shroff)

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 48 - RELATED PARTY DISCLOSURES AS PER IND AS 24** *(Contd.)*

**(e) Enterprise over which KMP or their relative have significant influence and transactions have taken place:**

Agrocel Industries Private Limited
Divakar Techno Specialities & Chemicals Private Limited
Development & Eco-Friendly Enterprises
Mobitrash Recycle Ventures Private Limited *
Shree Vivekanand Research and Training Institute
C C Shroff Research Institute
Transpek Industry (Europe) Limited
Transpek Industry Limited
TML Industries Limited
Indian Centre for Climate and Societal Impact Research
C C Shroff Self Help Centre
Rashtriya Seva Trust
Shrujan Trust
Shrujan Creations
Shroff Family Charitable Trust

* also an associate company

**(f) Other related parties with whom there are transactions during the year:**

Excel Industries Limited, Employees Group Gratuity Fund - Post-employment benefits plan

**(2) Related Party Transaction**

**Transactions carried out with related parties referred in 1 above, in ordinary course of business:**

| Particulars | Sale of goods | Sale of services | Purchase of traded goods | Purchase of services | Dividend paid | Sales commission | Contribution to Fund | Salary, Bonus & contribution to PF & Commission* | Director's sitting fees | CSR / Donation Expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| **Parent entity** | | | | | | | | | | |
| Anshul Specialty Molecules Private Limited | **26.65** | **47.41** | — | **1.86** | — | — | — | — | — | — |
| | *6.07* | *37.01* | *0.01* | — | *1,540.62* | — | — | — | — | — |
| **Subsidiaries** | | | | | | | | | | |
| Excel Bio Resources Limited | **4.24** | **0.14** | — | — | — | — | — | — | — | — |
| | — | *0.14* | — | — | — | — | — | — | — | — |
| **Enterprises owned or significantly influenced by key management personnel or their relatives** | | | | | | | | | | |
| Agrocel Industries Private Limited | **3.95** | — | — | — | — | — | — | — | — | — |
| | *2.31* | *8.58* | *7.74* | — | — | — | — | — | — | — |
| Transpek Industry Limited | — | — | — | — | — | — | — | — | — | — |
| | *3.26* | — | — | — | *45.04* | — | — | — | — | — |
| Divakar Techno Specialities & Chemicals Private Limited | — | — | — | — | — | **5.00** | — | — | — | — |
| | — | — | — | — | — | *26.15* | — | — | — | — |
| C C Shroff Research Institute | — | **0.14** | — | — | — | — | — | — | — | — |
| | — | *0.13* | — | — | — | — | — | — | — | — |
| C C Shroff Self Help Centre | — | — | — | — | — | — | — | — | — | — |
| | — | — | *0.85* | — | — | — | — | — | — | — |
| Transpek Industry (Europe) Limited | — | — | — | **20.44** | — | — | — | — | — | — |
| | — | — | — | *13.14* | — | — | — | — | — | — |
| Mobitrash Recycle Ventures Private Limited | — | **0.51** | **1.85** | — | — | — | — | — | — | — |
| | *0.51* | *0.66* | — | — | — | — | — | — | — | — |
| TML Industries Limited | — | — | — | — | — | — | — | — | — | — |
| | *19.34* | — | — | — | — | — | — | — | — | — |
| Shree Vivekanand Research and Training Institute | — | — | — | — | — | — | — | — | — | **221.50** |
| | — | — | — | — | — | — | — | — | — | *211.74* |
| Rashtriya Seva Trust | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | — | *2.50* |
| Shroff Family Charitable Trust | — | **3.68** | — | — | — | — | — | — | — | — |
| | — | *3.50* | — | — | — | — | — | — | — | *80.00* |
| Shrujan Trust | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | — | *12.75* |
| Shrujan Creations | — | — | **0.08** | — | — | — | — | — | — | — |
| | — | — | *1.56* | — | — | — | — | — | — | — |
| Development & Eco-Friendly Enterprises | — | — | — | — | — | — | — | — | — | **5.00** |
| | — | — | — | — | — | — | — | — | — | — |
| Indian Centre for Climate and Societal Impact Research | — | — | — | — | — | — | — | — | — | **40.00** |
| | — | — | — | — | — | — | — | — | — | — |
| **Other related parties with whom there are transactions during the year:** | | | | | | | | | | |
| Excel Industries Limited, Employees Group Gratuity Fund | — | — | — | — | — | — | **306.17** | — | — | — |
| | — | — | — | — | — | — | **104.72** | — | — | — |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

### NOTE 48 - RELATED PARTY DISCLOSURES AS PER IND AS 24 *(Contd.)*

| Particulars | Sale of goods | Sale of services | Purchase of traded goods | Purchase of services | Dividend paid | Sales commission | Contribution to Fund | Salary, Bonus & contribution to PF & Commission* | Director's sitting fees | CSR / Donation Expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| **Key management personnel and their relatives** | | | | | | | | | | |
| Mr. Ashwin C. Shroff | **0.03** | — | — | — | — | — | — | **231.09** | — | — |
| | *1.86* | — | — | — | *23.88* | — | — | *213.50* | — | — |
| Mrs. Usha A. Shroff | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | *1.87* | — | — | *32.90* | — | — |
| Mr. Ravi A. Shroff | — | — | — | — | — | — | — | **272.58** | — | — |
| | — | — | — | — | *13.71* | — | — | *239.00* | — | — |
| Mr. Hrishit A. Shroff | — | — | — | — | — | — | — | **117.66** | — | — |
| | — | — | — | — | *13.70* | — | — | *166.55* | — | — |
| Mr. R. N. Bhogale | — | — | — | — | — | — | — | **8.00** | **3.60** | — |
| | — | — | — | — | — | — | — | *8.00* | *3.30* | — |
| Mr. H. N. Motiwala | — | — | — | — | — | — | — | **8.00** | **4.10** | — |
| | — | — | — | — | — | — | — | *8.00* | *4.50* | — |
| Mr. P. S. Jhaveri | — | — | — | — | — | — | — | **8.00** | **2.80** | — |
| | — | — | — | — | — | — | — | *8.00* | *3.00* | — |
| Mr. M. B. Parekh | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | — | — | — | *6.00* | *0.80* | — |
| Mr. S. S. Vaidya | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | — | — | — | *6.00* | *1.00* | — |
| Mr. R. M. Pandia | — | — | — | — | — | — | — | **8.00** | **3.30** | — |
| | — | — | — | — | — | — | — | *8.00* | *2.60* | — |
| Mr. Dipesh K. Shroff | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | *2.48* | — | — | *6.00* | *1.30* | — |
| Mr. Atul G. Shroff | — | — | — | — | — | — | — | **6.00** | **1.20** | — |
| | — | — | — | — | *17.19* | — | — | *6.00* | *1.20* | — |
| Dr. Meena Galliara | — | — | — | — | — | — | — | **6.00** | **1.90** | — |
| | — | — | — | — | — | — | — | *6.00* | *1.20* | — |
| Mr. R. K. Sood | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | *0.80* | — |
| Mr. P. K. Molri | — | — | — | — | — | — | — | **6.00** | **1.20** | — |
| | — | — | — | — | — | — | — | *6.00* | *0.20* | — |
| Mrs. Anshul A. Bhatia | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | *6.21* | — | — | — | — | — |

Amount in bold represent the amount of March 31, 2021, and amount in Italics represents amounts of March 31, 2020.

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are not determinable. Further, remuneration key managerial personnel includes INR 24.24 lakhs (March 31, 2020: INR 51.68 lakhs) towards contribution to provident fund and other funds.

### 3. Outstanding Balances

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| The following balances are outstanding at the end of the reporting period in relation to transactions with related parties | | |
| **Receivables:** | | |
| Excel Bio Resources Limited | 4.79 | 3.46 |
| Anshul Specialty Molecules Private Limited | 36.97 | 15.08 |
| C C Shroff Research Institute | 0.22 | 0.08 |
| Mobitrash Recycle Ventures Private Limited | — | 2.64 |
| Agrocel Industries Private Limited | 10.50 | 18.39 |
| Shroff Family Charitable Trust | 1.04 | 1.28 |
| **Payables:** | | |
| Anshul Specialty Molecules Private Limited | 0.95 | — |
| Divakar Techno Specialities & Chemicals Private Limited | 30.51 | 10.23 |
| Transpek Industry (Europe) Limited | 8.24 | 5.66 |
| Mobitrash Recycle Ventures Private Limited | 1.96 | 0.11 |
| Mr. Ashwin C. Shroff | 103.27 | 69.34 |
| Mr. Ravi A. Shroff | 154.90 | 76.16 |
| Mr. Hrishit. A. Shroff | 51.63 | 39.21 |
| Mr. R. N. Bhogale | 8.00 | 8.00 |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 48 - RELATED PARTY DISCLOSURES AS PER IND AS 24** *(Contd.)*

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Mr. H. N. Motiwala | 8.00 | 8.00 |
| Mr. P. S. Jhaveri | 8.00 | 8.00 |
| Mr. M. B. Parekh | 6.00 | 6.00 |
| Mr. S. S. Vaidya | 6.00 | 6.00 |
| Mr. R. M. Pandia | 8.00 | 8.00 |
| Mr. Dipesh K. Shroff | 6.00 | 6.00 |
| Mr. Atul G. Shroff | 6.00 | 6.00 |
| Mrs. Dr. Meena A. Galliara | 6.00 | 6.00 |
| Mr. P. K. Molri | 6.00 | 6.00 |

**NOTE 49 - CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS**

**(a) Contingent Liabilities:**

| Particular | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income tax | 321.91 | 321.91 |
| Excise duty | 39.86 | 41.96 |
| Sales tax | 17.89 | 17.89 |
| Custom duty | 144.88 | 144.88 |
| Claims against the Company not acknowledged as debts | 36.28 | 36.28 |
| Liability in respect of claims made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable |

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings as it is determinable only on the receipt of judgments / decisions pending with various forums / authorities.

(ii) The Company does not except any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigation comprises of claims against the Company made by workers / others and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

**(b) Contingent Assets:**

The Company did not have any Contingent assets as at the end of the year.

**(c) Commitments:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(i) Capital Commitments** | | |
| Capital expenditure contracted at the end of reporting period but not recognised as liabilities is as follows: | | |
| Gross Capital Commitment | 1,739.03 | 807.71 |
| *Less:* Capital Advance (Refer Note 11) | 125.87 | 89.63 |
| **Net Capital Commitments** | **1,613.16** | **718.08** |

**(ii) Other Commitments**

i) For other commitments relating to lease arrangements - (Refer Note 55)

ii) In terms of the Share Purchase Agreement (SPA) dated June 5, 2016 relating to the sale of shares in Excel Crop Care Limited, the Company, along with other selling shareholders, has agreed to certain indemnities, with overall restrictions on tenure, value etc., as more specifically agreed in the SPA. The Company has not received any such claims in terms of the SPA till March 31, 2021.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 50 - EARNINGS PER SHARE**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Earnings per equity share attributable to the equity holders of the Company (in INR)** | | |
| (a) Basic earnings per share | 55.84 | 74.36 |
| (b) Diluted earnings per share | 55.84 | 74.36 |

**Earnings used in calculating earnings per share**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Basic earnings per share** | | |
| Profits/(Loss) attributable to the equity holders of the Company used in calculating basic earnings per share | 7,018.95 | 9,347.34 |
| **Diluted earnings per share** | | |
| Profits/(Loss) attributable to the equity holders of the Company used in calculating diluted earnings per share | 7,018.95 | 9,347.34 |

**Weighted average number of shares used as the denominator**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| | **Number of shares** | **Number of shares** |
| Weighted average number of equity shares used as the denominator in calculating basic earning per share | 1,25,70,692 | 1,25,70,692 |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share | 1,25,70,692 | 1,25,70,692 |

**NOTE 51 - DISCLOSURE IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Act | 294.85 | 239.95 |
| **Amount spent during the year on:** | | |
| (i) Construction/Acquisition of assets | — | — |
| (ii) On purpose other than (i) above | 296.31 | 258.07 |
| **Total** | **296.31** | **258.07** |

**(i) Details of excess CSR expenditure under section 135(5) of the Act.**

| Balance excess spent as at April 1, 2020 | Amount required to be spent during the year | Amount spent during the year | Balance excess spent as at March 31, 2021 |
|---|---|---|---|
| — | 294.85 | 296.31 | 1.46 |

(ii) The Company does not carry any provision for corporate social responsibilities expenses for the current year and previous year.

(iii) The Company does not wish to carry forward excess amount of INR 1.46 lakhs spent during the current year.

(iv) The Company does not have any ongoing projects as at March 31, 2021.

## NOTE 52 - DISCONTINUING OPERATIONS

On March 31, 2017, the Company signed a Business Transfer Agreement to sell Environment & Bio-tech (E&BT) division to Excel Bio Resources Limited, a wholly owned subsidiary. Accordingly, assets associated with E&BT division have been classified as held for sale along with liabilities directly associated with these assets upto year ended March 31, 2019.

There are certain conditions for completing divestment of business which are outside the control of the Company. While the Company continues to pursue for fulfilment of these conditions, it believes that some of these conditions may take longer than foreseeable future to be completed. Accordingly, the said divestment no longer meets the criteria for presentation as a discontinued operation in accordance with Ind AS 105 and had been reclassified as continuing operations in the standalone financial statements during the year ended March 31, 2020.

Under Ind AS 105, the reporting has to be adjusted in such a way that in the Statement of Profit and Loss, all expenses and income of the discontinued operations for the years ended March 31, 2020 are re-included in income from continuing operations, and analogously in the Statement of Cash Flows, all cash flows of the discontinued operations are re-allocated to continuing operations. Accordingly, Statement of Profit and Loss and Statement of Cash Flow for the year ended March 31, 2020 had been re-presented in the standalone financial statements for the year ended March 31, 2020. Further, the Balance Sheet was continued to shown as discontinued operations for the year ended March 31, 2019 and was reclassified as continuing operations for the year ended March 31, 2020.

## NOTE 53 - RESEARCH AND DEVELOPMENT COSTS

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Research and Development costs, 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* | 512.87 | 493.69 |
| Depreciation on Research and Development Equipment | 66.91 | 71.71 |
| | **579.78** | **565.40** |

* includes INR 248.05 lakhs, INR 131.70 lakhs and INR 133.12 lakhs (Previous Year: INR 257.54 lakhs, INR 102.17 lakhs and INR 133.98 lakhs) 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 INR 1,000.70 lakhs (Previous Year: INR 35.98 lakhs) [including capital expenditure on qualifying assets of INR 1.54 lakhs, INR 1.22 lakhs and INR 997.94 lakhs (Previous Year: INR 29.65 lakhs, INR 2.17 lakhs and INR 4.16 lakhs 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)].

## NOTE 54 - DETAILS OF DONATION TO POLITICAL PARTY

The Company has given donation to political parties amounting to INR Nil Lakhs (Previous Year - INR 96.00 lakhs), which is included in Note - 40, Other expenses.

## NOTE 55 - DISCLOSURE IN RELATION TO IND AS 116

This note provides information for leases where the Company is a lessee. For leases where the Company is a lessor, see Note 5. The Company leases various offices, warehouses, furniture, fittings and equipment. Rental contracts are made for 33 to 99 years in case of land and 3 years for building as per respective lease agreement, but may have extension options as described in (ii) below.

**(i) Amounts recognised in balance sheet**

| Particulars | Building | Land | Total |
|---|---|---|---|
| **Year ended March 31, 2021** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 125.15 | 2,281.75 | 2,406.90 |
| Addition | — | — | — |
| Disposal | — | — | — |
| **Closing gross carrying amount** | **125.15** | **2,281.75** | **2,406.90** |
| **Accumulated Depreciation** | | | |
| Opening accumulated depreciation | 30.85 | 19.68 | 50.53 |
| Depreciation charged for the year | 30.84 | 36.03 | 66.87 |
| Disposal | — | — | — |
| **Closing accumulated depreciation** | **61.69** | **55.71** | **117.40** |
| **Net carrying amount** | **63.46** | **2,226.04** | **2,289.50** |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 55 - DISCLOSURE IN RELATION TO IND AS 116** *(Contd.)*

| Particulars | Building | Land | Total |
|---|---|---|---|
| **Year ended March 31, 2020** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 125.15 | — | 125.15 |
| Transition impact of Ind AS 116 | — | 205.40 | 205.40 |
| Addition | — | 2,076.35 | 2,076.35 |
| Disposal | — | — | — |
| **Closing gross carrying amount** | **125.15** | **2,281.75** | **2,406.90** |
| **Accumulated Depreciation** | | | |
| Opening accumulated depreciation | — | — | — |
| Depreciation charged for the year | 30.85 | 19.68 | 50.53 |
| Disposal | — | — | — |
| **Closing accumulated depreciation** | **30.85** | **19.68** | **50.53** |
| **Net carrying amount** | **94.30** | **2,262.07** | **2,356.37** |

The following is the break-up of current and non-current lease liabilities.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Lease Liability** | | |
| Non-current (Refer Note 23) | 217.33 | 251.05 |
| Current (Refer Note 29) | 33.73 | 28.52 |
| | **251.06** | **279.57** |

The following is the movement in lease liabilities.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 279.57 | 125.15 |
| Additions | — | 172.74 |
| Finance charge accrued during the year | 21.88 | 6.02 |
| Deduction | — | — |
| Payment of lease liability | (50.39) | (24.34) |
| **Closing balance as at year end** | **251.06** | **279.57** |

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) Less than one year | 53.32 | 50.39 |
| (b) One year to five years | 98.08 | 137.40 |
| (c) More than five years | 693.00 | 707.00 |
| **Total** | **844.40** | **894.79** |

**NOTE 55 - DISCLOSURE IN RELATION TO IND AS 116** *(Contd.)*

**(ii) Amounts recognised in the Statement of Profit and Loss**

Following are the expenses recognised in the statement of profit and loss for the year ended March 31, 2021:

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Depreciation charge of right-of-use assets | | | |
| Building | 39 | 30.84 | 30.84 |
| Land | 39 | 36.03 | 19.69 |
| Interest expense on lease liabilities | 41 | 21.88 | 16.03 |
| Expenses relating to short-term leases (Included in Other expenses) | 40 | 318.88 | 187.45 |
| Expenses relating to leases of low-value assets that are not shown above as short-term leases (Included in Other expenses) | 40 | 114.88 | 108.15 |

The total cash outflow for leases for the year ended 31 March 2021 was INR 50.39 lakhs (March 31, 2020: INR 24.34 lakhs)

**(iii) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. All extension options held are exercisable by the Company and termination rights are held by the Company and lessor both as per the respective lease agreements.

**NOTE 56 - COVID-19 IMPACT ON STANDALONE FINANCIAL STATEMENT**

Manufacturing facilities of the Company which were shut down in the last week of March 2020 due to countrywide lockdown in the wake of Covid-19 pandemic, resumed operations in a phased manner during the month of April 2020 after obtaining the requisite approvals. The Company continues to carry out it's operations in compliance with the guidelines issued by the various authorities from time to time.

The Company has carried out a detailed assessment of the Impact of the Covid-19, including current wave, on the operations, on its liquidity position and on the recoverability and carrying values of assets and has concluded that there are no adjustments required in the financial statement for the quarter and year ended March 31, 2021. Further, the Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from Covid-19 pandemic is not expected to be significant.

However, the impact of Covid-19 pandemic may be different from that estimated as at the date of approval of these financial statements given the uncertainty associated with its nature and duration and accordingly the Company will continue to monitor any material changes to future economic conditions.

**NOTE 57 - STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
Partner
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Excel Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Excel Industries Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate company (Refer Note 48 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Assessment of the valuation of investment in unquoted equity instruments:**<br>(Refer Note 2(a) and 8 to the consolidated financial statements)<br>The Company has investments in an investee company amounting to ₹ 14,486.37 lakhs in unquoted equity instruments valued at 'Fair value through Other comprehensive income' in accordance with Accounting Standard (Ind AS 109), Financial Instruments at each reporting date. | Our procedures in relation to management's assessment of the valuation of investments in unquoted equity instruments include following:<br>• Understanding and evaluation of the design and testing of operating effectiveness of controls over determination of fair value (including valuation model and assumptions / judgements).<br>• Evaluation of competence, capabilities and objectivity of the independent external professional valuation expert engaged by the Management. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| An independent external professional valuation expert is engaged by the management to determine the fair value, who ascertains the fair value based on the Comparable Companies' Multiple Inputs.<br><br>The key judgements involved in the valuation are identification of comparable companies, assessment of maintainable EBIDTA and other relevant valuation parameters.<br><br>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. | • Using auditors' expert to assist in audit of valuation approach, methodology and key valuation assumptions.<br>• Assessing the reasonableness of the input data provided by management to the external professional valuation expert, such as revenue, EBIDTA, PAT of investee company for the year ended March 31, 2021.<br>• Testing the mathematical accuracy of the valuation report.<br>• Assessing adequacy of relevant disclosures in the consolidated financial statements.<br><br>Based on the audit procedures performed, we found management's assessment of the valuation of investment in unquoted equity instruments and related disclosures were considered to be reasonable. |

### Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 16,201.15 lakhs and net assets of ₹ 13,990.51 lakhs as at March 31, 2021, total revenue of ₹ Nil, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 3,593.96 lakhs and net cash outflows amounting to ₹ 371.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ Nil as considered in the consolidated financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associate company, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate company - Refer Note 50 to the consolidated financial statements.

(ii) The Holding Company had long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses. The subsidiary companies and associate company did not have any long-term contracts including derivative contracts as at March 31, 2021.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and associate company incorporated in India.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

16. The Holding Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The subsidiaries incorporated in India have not paid / provided any managerial remuneration to any director during the year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872
UDIN: 21115872AAAABH4444

Place: Mumbai
Date: May 28, 2021

## Annexure A to Independent Auditors' Report

*Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Excel Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2021*

## Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Excel Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one associate company incorporated in India namely MabiTrash Recycle Ventures Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Nehal Upadhayay
Partner
Membership Number: 115872

Place: Mumbai
Date: May 28, 2021

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 34,593.80 | 33,201.52 |
| Right-of-use-assets | 4 | 2,289.50 | 2,356.37 |
| Capital work-in-progress | | 1,685.19 | 933.67 |
| Investment properties | 5 | 85.32 | 142.13 |
| Intangible assets | 6 | 1,918.46 | 1,940.72 |
| Intangible assets under development | | — | 21.18 |
| Investments in joint venture and associate | 7 | — | — |
| Financial assets | | | |
| (i) Investments | 8 | 34,970.47 | 24,960.74 |
| (ii) Loans | 9 | 622.62 | 534.39 |
| (iii) Other financial assets | 10 | 4.17 | — |
| Current tax assets (net) | | 1,807.65 | 1,464.58 |
| Other non-current assets | 11 | 218.32 | 157.92 |
| **Total non-current assets** | | **78,195.50** | **65,713.22** |
| **Current assets** | | | |
| Inventories | 12 | 6,897.11 | 7,771.97 |
| Financial assets | | | |
| (i) Investments | 13 | 1,575.21 | 1,466.06 |
| (ii) Trade receivables | 14 | 17,263.91 | 14,969.51 |
| (iii) Cash and cash equivalents | 15 | 4,234.85 | 2,092.37 |
| (iv) Bank balances other than (iii) above | 16 | 971.27 | 150.08 |
| (v) Loans | 17 | 228.90 | 223.18 |
| (vi) Other financial assets | 18 | 85.50 | 93.58 |
| Other current assets | 19 | 1,662.67 | 1,254.59 |
| **Total current assets** | | **32,919.42** | **28,021.34** |
| **Total assets** | | **111,114.92** | **93,734.56** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 20 | 628.53 | 628.53 |
| Other equity | 21 | 84,525.52 | 69,460.43 |
| **Total equity** | | **85,154.05** | **70,088.96** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 22 | 0.55 | 2.12 |
| (ii) Lease liabilities | 23 | 217.33 | 251.05 |
| (iii) Other financial liabilities | 24 | — | 889.19 |
| Employee benefit obligations | 25 | 1,296.45 | 1,273.41 |
| Deferred tax liabilities (net) | 26 | 8,704.57 | 6,419.00 |
| **Total non-current liabilities** | | **10,218.90** | **8,834.77** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 27 | 607.12 | 2,126.15 |
| (ii) Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 28 | 1,160.87 | 666.57 |
| (b) total outstanding dues other than (ii) (a) above | 28 | 11,139.76 | 9,824.20 |
| (iii) Lease liabilities | 29 | 33.73 | 28.52 |
| (iv) Other financial liabilities | 30 | 1,552.10 | 1,250.98 |
| Employee benefit obligations | 31 | 735.93 | 678.78 |
| Current tax liabilities (net) | | 180.78 | 5.72 |
| Other current liabilities | 32 | 331.68 | 229.91 |
| **Total current liabilities** | | **15,741.97** | **14,810.83** |
| **Total liabilities** | | **25,960.87** | **23,645.60** |
| **Total equity and liabilities** | | **111,114.92** | **93,734.56** |
| Significant accounting policies | 1 | | |
| Critical estimates and judgements | 2 | | |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
*Partner*
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 33 | 74,946.60 | 70,248.44 |
| Other income | 34 | 941.32 | 1,083.98 |
| **Total income** | | **75,887.92** | **71,332.42** |
| **EXPENSES** | | | |
| Cost of materials consumed | 35 | 35,904.44 | 33,128.61 |
| Purchase of stock-in-trade | 36 | 223.21 | 503.49 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 37 | 793.96 | (774.90) |
| Employee benefit expenses | 38 | 8,938.07 | 8,460.63 |
| Depreciation and amortisation expenses | 39 | 2,715.32 | 2,278.05 |
| Other expenses | 40 | 17,014.07 | 15,990.19 |
| Finance costs | 41 | 217.88 | 255.76 |
| **Total expenses** | | **65,806.95** | **59,841.83** |
| **Profit before share of net profits of investments accounted for using equity method and tax** | | **10,080.97** | **11,490.59** |
| Share of net profit / (loss) of joint venture and associate accounted for using equity method | | — | — |
| **Profit before tax** | | **10,080.97** | **11,490.59** |
| Income tax expense | 26 | | |
| — Current tax | | 2,169.43 | 2,635.64 |
| — Deferred tax | | 806.24 | (755.53) |
| — Tax in respect of earlier years | | (3.29) | 3.23 |
| **Total tax expense** | | **2,972.38** | **1,883.34** |
| **Profit for the year** | | **7,108.59** | **9,607.25** |
| **Other comprehensive income** | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement gains/(losses) on net defined benefit plans | 42 | (93.97) | (224.65) |
| Changes in fair value of equity instruments | 8 | 9,529.80 | (6,962.69) |
| (ii) Tax relating to above | 26 | (1,479.33) | 2,069.60 |
| B (i) Items that will be reclassified to profit or loss | | — | — |
| (ii) Tax relating to above | | — | — |
| **Other Comprehensive income for the year, net of tax** | | **7,956.50** | **(5,117.74)** |
| **Total comprehensive income for the year** | | **15,065.09** | **4,489.51** |
| **Earnings per share (in INR)** | 51 | | |
| Basic | | 56.55 | 76.43 |
| Diluted | | 56.55 | 76.43 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
*Partner*
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| **Profit before tax** | 10,080.97 | 11,490.59 |
| **Adjustments for:** | | |
| Depreciation and amortisation expenses | 2,715.32 | 2,278.05 |
| Finance costs | 217.88 | 255.76 |
| Provision for doubtful debts (net) | 154.64 | (53.95) |
| Provision for doubtful advances | 83.78 | — |
| Unrealised exchange differences (net) | 13.68 | (27.22) |
| Dividend income | (409.53) | (857.53) |
| Interest income | (165.91) | (75.14) |
| Gain on fair valuation of investments through profit and loss | (66.93) | (5.87) |
| Profit on sale of investment | — | (32.37) |
| Profit on sale of investment property | (137.05) | — |
| Net loss on sale / discard of property, plant and equipment | 38.58 | 42.10 |
| **Operating profit before working capital changes** | **12,525.43** | **13,014.42** |
| **Adjustments for:** | | |
| (Increase) / decrease in Inventories | 874.86 | (897.29) |
| (Increase) / decrease in Trade receivables | (2,455.74) | 1,089.56 |
| (Increase) / decrease in Other bank balances | (821.19) | (32.11) |
| (Increase) / decrease in Loans (Current and Non current) | (93.95) | (159.30) |
| (Increase) / decrease in Other financial assets (Current and Non current) | 3.66 | 114.94 |
| (Increase) / decrease in Other assets (Current and Non current) | (516.02) | (44.98) |
| Increase / (decrease) in Trade payables | 1,802.88 | 369.92 |
| Increase / (decrease) in Other financial liabilities (Current and Non current) | 11.86 | (67.57) |
| Increase / (decrease) in Employee benefit obligations (Current and Non current) | (13.78) | 259.66 |
| Increase / (decrease) in Other current liabilities | 101.77 | 72.18 |
| | **11,419.78** | **13,719.43** |
| Less: Income taxes paid (net of refunds) | 2,334.15 | 2,701.64 |
| **NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES — [A]** | **9,085.63** | **11,017.79** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of Property, plant and equipment (including capital work-in-progress, capital advances and capital vendor) | (4,769.46) | (6,523.27) |
| Purchase of Intangible assets | (2.04) | (51.78) |
| Payment towards Acquisition of business (Refer Note 47) | (750.00) | (6,750.00) |
| Proceeds from sale of Property, plant and equipment | 16.24 | 4.08 |
| Proceeds from sale of Investment property | 191.94 | — |
| Proceeds from sale of Current investments | 50.00 | 13,235.03 |
| Interest received | 166.16 | 69.37 |
| Dividend received | 409.53 | 857.53 |
| Inter corporate deposit given | — | 250.00 |
| Purchase of current and non current investments | (572.15) | (7,229.38) |
| **NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES - [B]** | **(5,259.78)** | **(6,138.42)** |

## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds from Borrowings | — | 1,510.77 |
| Repayment of Borrowings | (1,523.16) | (83.26) |
| Principal elements of Lease payments (Refer Note 56) | (50.39) | (24.34) |
| Transfer of Fixed deposits accepted from public (including Interest) | (0.97) | (1.14) |
| Dividend paid (Including Dividend distribution tax) | — | (4,356.95) |
| Interest paid | (108.85) | (191.02) |
| **NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES — [C]** | **(1,683.37)** | **(3,145.94)** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS — [A+B+C]** | 2,142.48 | 1,733.43 |
| Add: Cash and cash equivalents at the beginning of the year (Refer Note 15) | 2,092.37 | 358.94 |
| **Cash and cash equivalents at the end of the year** | **4,234.85** | **2,092.37** |
| **Components of cash and cash equivalents** | | |
| **Balances with Banks** | | |
| In current accounts | 523.28 | 2,084.34 |
| Cash on Hand | 0.82 | 8.03 |
| Deposits with maturity of less than three months | 3,710.75 | — |
| **Total cash and cash equivalents** | **4,234.85** | **2,092.37** |

Notes:

1. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
*Partner*
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars | Note | Amount |
|---|---|---|
| **As at March 31, 2020** | | **628.53** |
| Changes in equity share capital | 20 | — |
| **As at March 31, 2021** | | **628.53** |

## B. OTHER EQUITY

| Particulars | Notes | Attributable to owners of Excel Industries Limited | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Reserves and surplus | | | Other reserves | | | | |
| | | Securities premium | General Reserve | Capital redemption reserve | Capital Reserve | Retained Earnings | Statutory Reserve | FVOCI – Equity investments | Total other equity |
| **Balance at March 31, 2019** | | **534.37** | **29,587.32** | **16.77** | **0.01** | **15,765.82** | **450.86** | **22,972.72** | **69,327.87** |
| Profit for the year | | — | — | — | — | 9,607.25 | — | — | 9,607.25 |
| Other comprehensive income | 21 | — | — | — | — | (168.11) | — | (4,949.63) | (5,117.74) |
| **Total comprehensive income for the year** | | **—** | **—** | **—** | **—** | **9,439.14** | **—** | **(4,949.63)** | **4,489.51** |
| Transfer from Retained earnings | | — | 5,000.00 | — | — | (5,047.54) | 47.54 | — | — |
| Dividend paid (Including dividend distribution tax) | 45 | — | — | — | — | (4,356.95) | — | — | (4,356.95) |
| **Balance at March 31, 2020** | | **534.37** | **34,587.32** | **16.77** | **0.01** | **15,800.47** | **498.40** | **18,023.09** | **69,460.43** |
| Profit for the year | | — | — | — | — | 7,108.59 | — | — | 7,108.59 |
| Other comprehensive income | 21 | — | — | — | — | (70.32) | — | 8,026.82 | 7,956.50 |
| **Total comprehensive income for the year** | | **—** | **—** | **—** | **—** | **7,038.27** | **—** | **8,026.82** | **15,065.09** |
| Transfer from Retained earnings | | — | 5,000.00 | — | — | (5,002.19) | 2.19 | — | — |
| Dividend paid (Including dividend distribution tax) | 45 | — | — | — | — | — | — | — | — |
| **Balance at March 31, 2021** | | **534.37** | **39,587.32** | **16.77** | **0.01** | **17,836.55** | **500.59** | **26,049.91** | **84,525.52** |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
*Partner*
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**BACKGROUND**

Excel Industries Limited (the Company or the Holding Company), its subsidiaries, associate and joint venture together referred to as the Group. Excel Industries Limited is a public company domiciled in India. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Holding Company is engaged in manufacturing and selling of Chemicals, Pharma intermediates and Environmental products. Chemicals comprising Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio-Pesticides and other Bio-products. The Holding Company caters to both domestic and international markets. The Holding Company is also engaged in manufacturing activity on behalf of third parties. Excel Bio Resources Limited is a wholly owned subsidiary of the Company and is in the process of exploring business opportunities in the areas of renewable bio-resources, waste management, renewable energy and biotechnological processes. Kamaljyot Investments Limited, a Non Banking Financial Company, another wholly owned subsidiary of the Company, is primarily engaged in activities of Investment Holding and Financing.

**NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These accounting policies have been consistently applied to all the years presented by the Group unless otherwise stated.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on May 28, 2021.

**A. Basis of Preparation**

**(i) Compliance with Ind AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical Cost Convention**

The consolidated financial statements have been prepared on historical cost basis, except the following:

- certain financial assets and liabilities (including derivative instruments) and deferred consideration is measured at fair value;
- defined benefit plans - plan assets measured at fair value.
- assets and liabilities acquired on account of business combination are measured at fair value.

**(iii) Amended standards adopted by the Group**

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2020.

* Amendments to Ind AS 1 and Ind AS 8, Definition of material.
* Amendments to Ind AS 103, Definition of Business.
* Amendments to Ind AS 116, Covid-19 related concessions.
* Amendments to Ind AS 109 and Ind AS 107, interest rate benchmark reform.

The amendments listed above did not have any impact on the consolidated financial statements.

**(iv) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**B. Principles of consolidation and equity accounting**

The Consolidated financial statements comprise the financial statements of Excel Industries Limited (''the Holding Company''), its subsidiaries, associate and joint venture. The details of the share holding held by the Group is given in Note 48.

**(i) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(ii) Associate**

Associate is an entity over which the Group has significant influence but not control or joint control. This is generally the case where The Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see note (iv) below), after initially being recognised at cost.

**(iii) Joint ventures**

Investments in joint ventures are accounted for using the equity method (See note (iv) below), after initially being recognised at cost in the consolidated balance sheet.

**(iv) Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**C. SEGMENT REPORTING**

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Executive Chairman and Managing Director are designated as CODM. Refer Note 46 for segment information presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**D. FOREIGN CURRENCY TRANSLATION**

**(i) Functional and presentation currency**

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Group.

**(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognised in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign entity are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognised in the Statement of Profit and Loss.

**(iii) Group Companies:**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date,
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**E. Revenue recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Group recognises revenue for such services over time when the performance obligation is completed.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**Sale of goods:**

Revenue from sale of products is recognized when the Group satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolesce and loss pass to the customer and the Group has present right to payment, all of which occurs at a point in time upon shipment or delivery of goods. The Group collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

**Income from services**

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

**Export incentives**

Income from export incentives such as Duty drawback / MEIS scheme etc. are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

**Interest income**

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.

**Dividend**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**Gain on sales of Securities**

Gain and losses on sale of securities are recognised on a trade date basis. Gains and losses on sale of securities are determined based on the weighted average cost method of accounting.

**F. Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**G. Income Tax**

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Profit and Loss Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**H. Leases**

**As a lessee**

The leases are recognised as a right-of-use assets and corresponding liability at the date at which the leased assets are available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in contract to the lease and non-lease components based on their relative stand-alone prices. However, for lease of real estate for which the Company is lessee, it has elected not to separate lease and non-lease components and instead accounts for these as single lease components.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (as applicable):

(a) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(b) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(c) Amounts expected to be payable by the Group under residual value guarantees

(d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and

(e) Payments of the penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the leases in the Group, the lessees's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

(a) where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

(b) uses a build up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

(c) makes adjustments specific to the lease, e.g. term, country, currency and security.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

The Group is exposed to potential future increases in variable lease payments based on the index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following (as applicable):

(a) the amount of the initial measurement of lease liability,

(b) any lease payments made at or before the commencement date less any lease incentives received,

(c) any initial direct costs, and

(d) restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less. Low value assets comprises IT equipment and small items of office furniture.

**As a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**I. Impairment of Non-Financial Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

Non-financial assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

**J. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**K. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**L. Inventories**

Raw material, stores and spares, packing material, work in progress, traded and finished goods are stated as lower of cost and net realisable value. Cost of Raw material store and spare, packing material and traded goods comprises of cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of monthly simple weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Materials and other supplies held for use in production of inventories (work-in-progress and finished goods) are not written down below the cost if the finished products in which they will be used are expected to sell at or above the cost.

By-products and unserviceable / damaged finished goods are valued at estimated net realisable value.

**M. Investments and other financial assets**

**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

**(iii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt Instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Statement of Profit and Loss and presented in other gains/ (losses). Impairment losses are presented as separate line item in the Statement of Profit and Loss.

**Fair Value through Other Comprehensive Income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses are presented as separate line item in the Statement of Profit and Loss.

**Fair Value through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(v) Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(vi) Income recognition**

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in the Statement of Profit and Loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**N. Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and impact is recorded in the Statement of Profit and Loss account.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 43. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**O. Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**P. Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairments, if any. Historical cost includes tax, duties, freight and other incidental expenditure that is directly attributable to the acquisition of the items. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the year end.

**Depreciation methods, estimated useful lives and residual value**

Following assets have different useful life from those prescribed in Schedule II of the Companies Act 2013, below on evaluation of estimated useful lives done by the management.

| Description of Asset | Depreciation years | Schedule II years |
|---|---|---|
| Plant and Machinery - Metallic | 1 to 18 years | 20 years |
| Plant and Machinery - Non-metallic | 1 to 8 years | 20 years |
| Electrical installations | 1 to 10 years | 10 years |
| Buildings | 3 to 60 years | 60 years |
| Road | 5 to 10 years | 10 years |
| Laboratory equipment | 2 to 10 years | 10 years |
| Furniture, fixture and office equipment | 2 to 10 years | 10 years |

Assets individually costing INR 25,000 or less are depreciated fully in the year of acquisition.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that The Group will obtain ownership at the end of the lease term.

The useful lives are based on historical experience with similar assets as well as anticipation of future events which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**Q. Investment property**

Properties that are held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that are not occupied by the group, is classified as investment property.

Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All the other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de recognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on historical experience with similar assets as well as anticipation of future events.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

**R. Intangible assets and Amortisation**

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, but not exceeding the period given here under:

**(i) Goodwill**

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose. The units of groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segment.

**(ii) Computer software**

| | |
|---|---|
| Computer software | 4 years |

**(iii) Research and development**

Research expenditure and development expenditure that do not meet the criteria mentioned in Ind AS 38 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**S. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**T. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**U. Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**V. Provisions, Contingent Liabilities and Contingent Assets**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when The Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value the of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent asset is disclosed and not recognised, where an inflow of economic benefits is probable.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**W. Employee Benefits**

**(i) Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liability are presented as current employee benefits obligation in the balance sheet.

**(ii) Long-term employee benefit obligations**

Leave Obligation:

The liabilities for leave obligation by actuaries which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

Long Service awards:

The Group provides for the long service awards for eligible employees as per the scheme announced by the Group. The liability towards the long services awards is provided at each balance sheet date on the basis of independent actuary valuation.

Defined benefit plan — Gratuity:

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined benefit plan — Voluntary early separation scheme:

The Group also has a defined benefit plan for its employees, i.e. Medical Voluntary retirement scheme in which employees suffering from continued ill-health not amounting to occupational disease and thereby unable to perform normal duties of their post. Under the Scheme, the benefits will be given for a retired employee for a maximum period up to 10 years or age of retirement, whichever is earlier.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

In case of early death of the employee, the legal heir of the employee shall get 50% of separation benefit for the rest of the benefit period. The costs of providing benefits under the said plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. This Scheme is not funded.

Defined Contribution Plan — Provident Fund:

The Group pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Group has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Defined Contribution Plan — Superannuation Fund:

The Group makes contribution to the Superannuation Scheme, a defined contribution scheme, administered by insurance companies. The Group has no obligation to the scheme beyond its monthly contributions.

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 a insurance Group in the form of qualifying insurance policies.

**(iii) Bonus plans**

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**X. Business Combination**

The Group applies the acquisition method in accounting for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred by the Group to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred to the former owners of acquired business, the equity interests issued by the Company and fair value of any assets or liabilities resulting from a contingent / deferred consideration arrangement as at the acquisition date i.e. date on which it obtains control of the acquired business. Acquisition related costs are recognised in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable tangible and intangible assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired business and acquisition date fair value of any previous equity interest held in acquired entity/business, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Deferred consideration is classified as financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in the Statement of Profit and Loss.

**Y. Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

**Z. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

**AA Earnings Per Share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**AB Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**NOTE 2. CRITICAL ESTIMATES AND JUDGEMENTS**

In preparing the financial statements in confirming with accounting principle generally accepted in India, managements is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explains areas that are considered more critical, involving a higher degree of judgement and complexity.

(a) Estimated fair value of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. This involves selection of valuation method, developing estimates, identification of comparable companies, assessment of maintainable EBITA and other relevant valuation parameters. Estimated fair values may vary from the actual price that would be achieved in an arms length transaction at the reporting date. (Refer Note 43)

(b) Useful lives of Property plant and equipment and Intangible assets

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

(c) Estimation of long term employee benefits:

The liabilities of the Group arising from long term employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions.

(d) Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash generating units which are benefiting from the synergies of the acquisition and which represents the lower level at which goodwill is monitored for internal management purposes. i.e. Chemical Segment.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital, and estimated operating margins. Cash flow projection takes into account past experience and represents management's best estimate about future developments. (Refer Note 6)

## NOTE 3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Freehold Land | Buildings | Plant and machinery | Data processing equipment | Electrical installation | Laboratory equipment | Furniture, fixture and office equipment | Vehicles | Technical books | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2020** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount | 546.35 | 4,570.45 | 19,794.11 | 322.53 | 844.38 | 419.05 | 1,184.56 | 348.92 | 2.55 | 28,032.90 |
| Additions | — | 95.59 | 6,140.08 | 32.80 | 378.72 | 103.11 | 218.29 | 14.49 | — | 6,983.08 |
| On account of business acquisition (Refer Note 47) | — | 1,596.77 | 3,245.25 | 1.17 | 120.86 | 10.34 | 23.42 | 4.56 | — | 5,002.37 |
| Disposals | — | (0.12) | (174.21) | (9.30) | — | (3.43) | (50.81) | (15.42) | — | (253.29) |
| **Closing gross carrying amount** | **546.35** | **6,262.69** | **29,005.23** | **347.20** | **1,343.96** | **529.07** | **1,375.46** | **352.55** | **2.55** | **39,765.06** |
| **Accumulated depreciation** | | | | | | | | | | |
| Opening accumulated depreciation | — | 378.43 | 3,403.31 | 137.27 | 206.52 | 92.90 | 256.31 | 99.04 | 0.90 | 4,574.68 |
| Depreciation charge during the year | — | 170.61 | 1,561.49 | 58.20 | 103.51 | 46.81 | 211.74 | 43.20 | 0.41 | 2,195.97 |
| Disposals | — | (0.12) | (141.58) | (9.06) | — | (1.03) | (49.60) | (5.72) | — | (207.11) |
| **Closing accumulated depreciation** | **—** | **548.92** | **4,823.22** | **186.41** | **310.03** | **138.68** | **418.45** | **136.52** | **1.31** | **6,563.54** |
| **Net carrying amount** | **546.35** | **5,713.77** | **24,182.01** | **160.79** | **1,033.93** | **390.39** | **957.01** | **216.03** | **1.24** | **33,201.52** |

| Particulars | Freehold Land | Buildings | Plant and machinery | Data processing equipment | Electrical installation | Laboratory equipment | Furniture fixture and office equipment | Vehicles | Technical books | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2021** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount | 546.35 | 6,262.69 | 29,005.23 | 347.20 | 1,343.96 | 529.07 | 1,375.46 | 352.55 | 2.55 | 39,765.06 |
| Additions | 980.44 | 302.25 | 2,146.71 | 35.29 | 50.41 | 4.28 | 528.77 | — | — | 4,048.15 |
| Disposals | — | — | (139.22) | (13.39) | — | — | (3.96) | (19.15) | — | (175.72) |
| **Closing gross carrying amount** | **1,526.79** | **6,564.94** | **31,012.72** | **369.10** | **1,394.37** | **533.35** | **1,900.27** | **333.40** | **2.55** | **43,637.49** |
| **Accumulated depreciation** | | | | | | | | | | |
| Opening accumulated depreciation | — | 548.92 | 4,823.22 | 186.41 | 310.03 | 138.68 | 418.45 | 136.52 | 1.31 | 6,563.54 |
| Depreciation charge during the year | — | 204.61 | 1,956.86 | 60.24 | 123.43 | 49.01 | 186.14 | 41.68 | 0.26 | 2,622.23 |
| Disposals | — | — | (112.11) | (12.76) | — | — | (3.63) | (13.58) | — | (142.08) |
| **Closing accumulated depreciation** | **—** | **753.53** | **6,667.97** | **233.89** | **433.46** | **187.69** | **600.96** | **164.62** | **1.57** | **9,043.69** |
| **Net carrying amount** | **1,526.79** | **5,811.41** | **24,344.75** | **135.21** | **960.91** | **345.66** | **1,299.31** | **168.78** | **0.98** | **34,593.80** |

**Notes:**

(a) Buildings include cost of shares in co-operative housing societies INR 0.01 lakhs (Previous Year: INR 0.01 lakhs) and Freehold Land include cost of shares in co-operative Industrial Estate Limited INR 0.01 lakhs (Previous Year: INR Nil lakhs).

(b) Property, plant and equipment pledged as security
Refer Note 27 (c) for information on property, plant and equipment pledged as security by the Group.

(c) Contractual obligations
Refer Note 50 (c) (i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 4. RIGHT OF USE ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Building * | 63.46 | 94.30 |
| Land * | 2,226.04 | 2,262.07 |
| **Total** | **2,289.50** | **2,356.37** |

* Refer Note 56 for additional disclosure as per Ind AS 116

## NOTE 5. INVESTMENT PROPERTIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gross carrying amount** | | |
| Opening gross carrying amount | 159.53 | 159.53 |
| Disposals | (60.10) | — |
| **Closing gross carrying amount** | **99.43** | **159.53** |
| **Accumulated depreciation** | | |
| Opening accumulated depreciation | 17.40 | 14.18 |
| Depreciation charge for the year | 1.92 | 3.22 |
| Disposals | (5.21) | — |
| **Closing accumulated depreciation** | **14.11** | **17.40** |
| **Net carrying amount** | **85.32** | **142.13** |

**(i) Amounts recognised in the Statement of Profit or Loss for investment properties**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Rental income from operating leases | 54.80 | 44.54 |
| Direct operating expenses for property that generated rental income | 1.47 | 1.03 |
| Direct operating expenses for property that did not generate rental income | — | 0.71 |
| **Profit from investment properties before depreciation** | **53.33** | **42.80** |
| Depreciation | 1.92 | 3.22 |
| **Profit from investment properties** | **51.41** | **39.58** |

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within 1 year | 53.85 | 43.58 |
| Later than 1 year but not later than 5 years | 82.39 | 82.26 |
| Later than 5 years | — | — |
| **Total** | **136.24** | **125.84** |

**(iii) Fair value of investment properties**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Investment properties | 631.99 | 714.74 |

**(iv) Estimation of fair value**

The Group periodically obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by independent valuer who holds recognised and relevant professional qualification.

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 6. INTANGIBLE ASSETS

| Particulars | Computer software | Goodwill | Total |
|---|---|---|---|
| **Year ended March 31, 2020** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | **157.50** | **—** | **157.50** |
| Additions | 51.78 | — | 51.78 |
| On account of business acquisition (Refer Note 47) | — | 1,885.28 | 1,885.28 |
| **Closing gross carrying amount** | **209.28** | **1,885.28** | **2,094.56** |
| **Accumulated amortisation** | | | |
| Opening accumulated amortisation | 125.51 | — | 125.51 |
| Amortisation charge for the year | 28.33 | — | 28.33 |
| **Closing accumulated amortisation** | **153.84** | **—** | **153.84** |
| **Closing Net carrying amount** | **55.44** | **1,885.28** | **1,940.72** |
| **Year ended March 31, 2021** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 209.28 | 1,885.28 | 2,094.56 |
| Additions | 2.04 | — | 2.04 |
| **Closing gross carrying amount** | **211.32** | **1,885.28** | **2,096.60** |
| **Accumulated amortisation** | | | |
| Opening accumulated amortisation | 153.84 | — | 153.84 |
| Amortisation charge for the year | 24.30 | — | 24.30 |
| **Closing accumulated amortisation** | **178.14** | **—** | **178.14** |
| **Closing net carrying amount** | **33.18** | **1,885.28** | **1,918.46** |

**Impairment charges**

The goodwill is tested for impairment annually. No impairment charges were identified for the year ended March 31, 2021 and March 31, 2020.

**Significant Cash Generating Units (CGUs)**

The Group has identified its reportable segments, i.e. Chemical and Environment as the CGUs. The goodwill acquired through business combination has been allocated to CGU 'Chemical' segment of the Group. The carrying amount of goodwill is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Chemical | 1,885.28 | 1,885.28 |
| **Total** | **1,885.28** | **1,885.28** |

Following key assumptions were considered while performing impairment testing

The recoverable amount of CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

| Chemical segment | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Annual / Terminal Growth rate | 4.00% | 4.00% |
| Weighted Average Cost of Capital % (WACC) post tax (Discount rate) | 10.95% | 10.95% |
| Average segmental margin | 49.75% | 52.89% |

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Group's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

Average segmental margins are based on FY 2020-21 performance

The Group has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 7. INVESTMENTS IN JOINT VENTURE AND ASSOCIATE**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unquoted equity instruments at cost (Refer Note 48)** | | |
| Investments in associate | | |
| 3,998 (March 31, 2020: 3,998) Equity shares of INR 10 each fully paid up in Mobitrash Recycle Ventures Private Limited | 0.40 | 0.40 |
| Less : Share of loss on associate restricted to the carrying value of investment | (0.40) | (0.40) |
| | — | — |
| Investment in joint venture | | |
| 468,000 (March 31, 2020: 468,000) Equity shares of Hongkong $ 1 each fully paid up in Wexsam Limited, Hong Kong | 27.26 | 27.26 |
| Less : Impairment in value of investment | (27.26) | (27.26) |
| | — | — |
| **Total** | — | — |
| Aggregate amount of unquoted Investments | — | — |

Note: Wexsam Limited, Hong Kong, was dissolved on July 15, 2016 and is fully impaired in the financial statements.

**NOTE 8. NON-CURRENT INVESTMENTS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investment in Equity Instruments (fully paid-up)** | | |
| **Quoted at FVOCI** | | |
| 584,977 (March 31, 2020: 584,977) Equity shares of INR 10 each fully paid up in Punjab Chemicals and Crop Protection Limited | 5,120.01 | 1,823.37 |
| 4,285 (March 31, 2020: 4,285) Equity shares of INR 10 each fully paid up in TIL Limited | 6.50 | 4.27 |
| 13,400 (March 31, 2020: 13,400) Equity shares of INR 10 each fully paid up in Bank of India | 9.09 | 4.32 |
| 6,198 (March 31, 2020: 6,198) Equity share of INR 10 each fully paid in Aimco Pesticides Limited | 5.51 | 3.07 |
| 1,000 (March 31, 2020: 1,000) Equity share of INR 2 each fully paid in Ajanta Pharma Limited | 17.93 | 13.66 |
| 702,703 (March 31, 2020: 702,703) Equity share of INR 10 each fully paid in Transpek Industry Limited | 9,581.00 | 8,631.65 |
| 14 (March 31, 2020: 14) Equity share of INR 10 each fully paid in Bayer Cropscience Limited | 0.75 | 0.51 |
| 40 (March 31, 2020: 40) Equity share of INR 2 each fully paid in Birla Precision Technologies Limited @ | — | — |
| 3,500 (March 31, 2020: 3,500) Equity share of INR 1 each fully paid in Elgi Rubber Company Limited | 0.93 | 0.39 |
| 4,700 (March 31, 2020: 4,700) Equity Share of INR 10 each fully paid in Gujarat State Financial Corporation | 0.17 | 0.06 |
| 50,000 (March 31, 2020: 50,000) Equity share of INR 10 each fully paid in GTL Infrastructure Limited | 0.38 | 0.11 |
| 1,000 (March 31, 2020: 1,000) Equity share of INR 1 each fully paid in Hindalco Industries Limited | 3.27 | 0.96 |
| 250 (March 31, 2020: 250) Equity share of INR 10 each fully paid in Hester BioScience Limited | 4.79 | 2.31 |
| 100 (March 31, 2020: 100) Equity share of INR 10 each fully paid in Indokem Limited | 0.01 | 0.01 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 8. NON-CURRENT INVESTMENTS** (Contd.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 105,000 (March 31, 2020: 105,000) Equity share of INR 5 each fully paid in Navin Fluorine International Limited | 2,887.54 | 1,285.83 |
| 976,903 (March 31, 2020: 830,925) Equity share of INR 10 each fully paid in Tanfac Industries Limited | 2,386.57 | 657.68 |
| 100 (March 31, 2020: 100) Equity share of INR 2 each fully paid in Uniphos Enterprises Limited | 0.09 | 0.04 |
| 200 (March 31, 2020: 200) Equity share of INR 1 each fully paid in Vinati Organics Limited | 2.80 | 1.54 |
| 500 (March 31, 2020: 500) Equity share of INR 10 each fully paid in Aksharchem (India) Limited | 1.17 | 0.76 |
| 688 (March 31, 2020: 688) Equity share of INR 5 each fully paid in Alkyl Amines Chemicals Limited | 39.15 | 8.29 |
| 2,000 (March 31, 2020: 2,000) Equity share of INR 2 each fully paid in Amines & Plasticizers Limited | 1.53 | 0.40 |
| 471 (March 31, 2020: 471) Equity share of INR 2 each fully paid in Balaji Amines Limited | 8.30 | 1.18 |
| 250 (March 31, 2020: 250) Equity share of INR 2 each fully paid in Bodal Chemicals Limited | 0.23 | 0.11 |
| 2,500 (March 31, 2020: 2,500) Equity share of INR 1 each fully paid in Camlin Fine Sciences Limited | 3.50 | 0.99 |
| 1,000 (March 31, 2020: 1,000) Equity share of INR 10 each fully paid in Cosco (India) Limited | 1.01 | 0.61 |
| 250 (March 31, 2020: 250) Equity share of INR 10 each fully paid in Cosmo Films Limited | 1.55 | 0.52 |
| 27,699 (March 31, 2020: 27,699) Equity share of INR 10 each fully paid in Daikaffil Chemicals (India) Limited | 7.42 | 4.88 |
| 500 (March 31, 2020: 500) Equity share of INR 10 each fully paid in Deep Industries Limited | 0.05 | 0.26 |
| 500 (March 31, 2020: Nil) Equity share of INR 10 each fully paid in Deep Energy Resources Limited | 0.17 | — |
| 3,500 (March 31, 2020: 3,500) Equity share of INR 2 each fully paid in Deepak Nitrite Limited | 57.99 | 13.54 |
| 500 (March 31, 2020: 500) Equity share of INR 2 each fully paid in Graphite India Limited | 2.56 | 0.64 |
| 2,858 (March 31, 2020: 2,858) Equity share of INR 10 each fully paid in Indo Amines Limited | 2.52 | 0.81 |
| 500 (March 31, 2020: 500) Equity share of INR 5 each fully paid in Kabra Extrusion Techink Limited | 0.90 | 0.22 |
| 250 (March 31, 2020: 250) Equity share of INR 2 each fully paid in Lupin Limited | 2.55 | 1.47 |
| 4,000 (March 31, 2020: 4,000) Equity share of INR 10 each fully paid in Mangalam Organics Limited | 20.72 | 7.11 |
| 100 (March 31, 2020: 100) Equity share of INR 10 each fully paid in MPS Limited | 0.47 | 0.20 |
| 75 (March 31, 2020: 75) Equity share of INR 10 each fully paid in Nilkamal Limited | 1.46 | 0.75 |
| 7,500 (March 31, 2020: 1,000) Equity share of INR 5 each fully paid in Sadhana Nitro Chem Limited | 1.92 | 1.12 |
| 250 (March 31, 2020: 250) Equity share of INR 2 each fully paid in Sanghvi Movers Limited | 0.25 | 0.12 |
| 500 (March 31, 2020: 500) Equity share of INR 1 each fully paid in Skipper Limited | 0.30 | 0.09 |
| 100 (March 31, 2020: 100) Equity share of INR 10 each fully paid in Talwalkar Better Value Fitness Limited # | — | — |
| 15,000 (March 31, 2020: 15,000) Equity share of INR 1 each fully paid in Thirumalai Chemicals Limited | 12.83 | 5.30 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 8. NON-CURRENT INVESTMENTS** (Contd.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2,500 (March 31, 2020: 2,500) Equity share of INR 10 each fully paid in Tinna Rubber and Infrastructure Limited | 0.92 | 0.48 |
| 2,050 (March 31, 2020: 2,050) Equity share of INR 10 each fully paid in Tina Trade Limited | 0.31 | 0.43 |
| 50 (March 31, 2020: 50) Equity share of INR 10 each fully paid in TVS Srichakra Limited | 0.89 | 0.45 |
| 1,500 (March 31, 2020: 1,500) Equity share of INR 10 each fully paid in Universal Starch Chem Allied Limited | 1.02 | 0.29 |
| 100 (March 31, 2020: 100) Equity share of INR 10 each fully paid in Talwalkars Healthclubs Limited $ | — | — |
| 2,500 (March 31, 2020: 2,500) Equity share of INR 10 each fully paid in I G Petrochemicals Limited | 10.36 | 2.32 |
| 50,000 (March 31, 2020: 50,000) Equity share of INR 10 each fully paid in Jiya Eco Products Limited | 2.31 | 3.49 |
| 2,000 (March 31, 2020: 2,000) Equity share of INR 10 each fully paid in Star Paper Mills Limited | 2.41 | 1.42 |
| | **20,214.11** | **12,488.03** |
| **Unquoted at FVOCI** | | |
| 920,500 (March 31, 2020: 920,500) Equity shares of INR 10 each fully paid up in TML Industries Limited | — | — |
| 1,067,450 (March 31, 2020: 1,067,450) Equity shares of INR 10 each fully paid up in Transpek-Silox Industry Private Limited | 14,486.37 | 12,467.46 |
| 2,500 (March 31, 2020: 2,500) Equity shares of INR 10 each fully paid up in The Saraswat Co-operative Bank Limited | 0.25 | 0.25 |
| 50,000 (March 31, 2020: 50,000) Equity shares of INR 10 each fully paid up in Biotech Consortium India Limited | 5.00 | 5.00 |
| 1,000 (March 31, 2020: 1,000) Equity Shares of INR 10 each fully paid up in Alpic Finance Limited | — | — |
| 4,900 (March 31, 2020: 4,900) Equity shares of INR 10 each fully paid up in Ashok Organic Industries Limited | — | — |
| 5 (March 31, 2020: 5) Equity shares of INR 5 each fully paid up in Syngenta India Limited | — | — |
| 420 (March 31, 2020: 420) Equity shares of INR 10 each fully paid up in Lloyds Finance Limited | — | — |
| 25,000 (March 31, 2020: Nil) Equity shares of INR 1 each fully paid up in National Stock Exchange of India Limited | 264.74 | — |
| | **14,756.36** | **12,472.71** |
| **Total** | **34,970.47** | **24,960.74** |
| Aggregate amount of unquoted investments | 14,756.36 | 12,472.71 |
| Aggregate amount of quoted investments | 20,214.11 | 12,488.03 |

@ Amount below rounding off norms as on March 31, 2021 - INR 400.80 (March 31, 2020 - INR 178.40)
# Amount below rounding off norms as on March 31, 2020 - INR 145.00 (March 31, 2020 - INR 100.00)
$ Amount below rounding off norms as on March 31, 2020 - INR 95.00 (March 31, 2020 - INR 79.00)

**NOTE 9. LOANS – NON-CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Loans to employees | 5.14 | 7.27 |
| Security deposits | 617.48 | 527.12 |
| **Total** | **622.62** | **534.39** |

## NOTE 10. OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Margin money deposits with maturity of more than 12 months * | 4.17 | — |
| **Total** | **4.17** | **—** |

* Refer Note 16

## NOTE 11. OTHER NON-CURRENT ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Capital advances | | |
| Unsecured, considered good | 125.87 | 89.63 |
| Unsecured, considered doubtful | 76.62 | 76.62 |
| | 202.49 | 166.25 |
| Provision for doubtful capital advances | (76.62) | (76.62) |
| | 125.87 | 89.63 |
| Prepaid expenses | 41.58 | 38.75 |
| Balances with Government Authorities | 50.87 | 29.54 |
| **Total** | **218.32** | **157.92** |

## NOTE 12. INVENTORIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw materials [including stock-in-transit INR 742.15 lakhs (March 31, 2020: INR 456.00 lakhs)] | 1,960.48 | 2,126.04 |
| Packing materials | 145.44 | 128.29 |
| Finished goods | 1,693.54 | 2,068.90 |
| Work-in-progress | 2,427.77 | 2,820.27 |
| Traded goods | 103.86 | 129.96 |
| Stores and spares (including fuel and coal) | 566.02 | 498.51 |
| **Total** | **6,897.11** | **7,771.97** |

Refer Note 1(L) for basis of valuation.

**Amounts recognised in the Statement of Profit or Loss:**

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Writedowns of inventories as at year end amounted to INR 118.25 lakhs (as at March 31, 2020 - INR 67.06 lakhs). These writedowns were recognised as an expense and included in 'changes in inventories of finished goods, stock-in-trade and work-in-progress' in the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 13. CURRENT INVESTMENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investments in Mutual Funds** | | |
| **Quoted at FVPL** | | |
| Nippon India Mutual Fund 2.906 (March 31, 2020: 7.464) units of INR 100 fully paid up | 0.02 | 0.07 |
| Reliance ETF Liquid BeEs 179.013 (March 31, 2020: 176.355) units of INR 100 fully paid up | 1.80 | 1.76 |
| | **1.82** | **1.83** |
| **Unquoted at FVPL** | | |
| Kotak Medium Term Fund - Growth - Regular Plan - 784,562.245 (March 31, 2020: 784,562.245) units of INR 10 fully paid up | 136.03 | 127.82 |
| Edelweiss Liquid Fund - Direct Plan - Daily Dividend 1,869.270 (March 31, 2020: 1,807.055) units of INR 1,000 fully paid up | 18.75 | 18.12 |
| Kotak Liquid - Direct Plan - Daily Dividend 1,204.917 (March 31, 2020: 1,166.404) units of INR 1,000 fully paid up | 14.73 | 14.26 |
| Kotak Equity Arbitrage Fund - Deposit Plan - Monthly Dividend 7,935,960.977 (March 31, 2020: 8,142,779.359) units of INR 10 fully paid up | 886.40 | 905.23 |
| Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan 2,916.045 (March 31, 2020: 1,382.836) units of INR 10 fully paid up | 9.60 | 4.39 |
| ASK India 2025 Equity Fund 10,403.007 (March 31, 2020: 10,403.007) units of INR 10 fully paid up | 141.23 | 88.12 |
| IDFC Low Duration Fund - Growth (Regular Plan) 38,170.726 (March 31, 2020: 15,875.106) units of INR 10 fully paid up | 11.54 | 4.54 |
| IDFC Arbitrage Fund - Monthly Dividend - (Regular Plan) 23,72,127.685 (March 31, 2020: 23,72,127.685) units of INR 10 fully paid up | 304.42 | 301.75 |
| IIFL Equity Opportunities Fund Class-A 499,975.001 (March 31, 2020: Nil) units of INR 10 fully paid up | 50.69 | — |
| | **1,573.39** | **1,464.23** |
| **Total** | **1,575.21** | **1,466.06** |
| Aggregate amount of quoted investments | 1.82 | 1.83 |
| Aggregate amount of unquoted investments | 1,573.39 | 1,464.23 |

## NOTE 14. TRADE RECEIVABLES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade receivables from related parties (Refer Note 49) | 38.73 | 27.47 |
| Other trade receivables | 17,514.07 | 15,076.29 |
| Less: Allowance for doubtful debts / Expected credit loss | 288.89 | 134.25 |
| **Total** | **17,263.91** | **14,969.51** |
| Current portion | 17,263.91 | 14,969.51 |
| Non-current portion | — | — |

**Break-up of security details**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured, considered good | — | — |
| Unsecured, considered good | 17,263.91 | 14,969.51 |
| Doubtful | 288.89 | 134.25 |
| **Total** | **17,552.80** | **15,103.76** |
| Less : Allowance for doubtful debts / Expected credit loss | (288.89) | (134.25) |
| **Total** | **17,263.91** | **14,969.51** |

Note: For credit risk and provision for loss allowance (Refer Note 44)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 15. CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with Banks: | | |
| In Current accounts | 523.28 | 2,084.34 |
| Cash on Hand | 0.82 | 8.03 |
| Deposits with maturity of less than three months | 3,710.75 | — |
| **Total** | **4,234.85** | **2,092.37** |

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## NOTE 16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Margin money deposits (Refer Note below) | 262.63 | 37.60 |
| Unclaimed dividend account | 82.02 | 96.93 |
| Deposits with maturity of more than three months and less than 12 months | 626.62 | 15.55 |
| **Total** | **971.27** | **150.08** |

Notes: Margin money deposits of INR 266.80 lakhs (March 31, 2020: INR 37.60 lakhs) have been given against Letter of Credit, Bank guarantees and other deposits. (also Refer Note 10)

## NOTE 17. LOANS – CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Loans to a related party (Refer Note 49) | 100.00 | 100.00 |
| Loans to employees | 34.51 | 16.51 |
| Security deposits | 94.39 | 106.67 |
| **Total** | **228.90** | **223.18** |

## NOTE 18. OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Interest accrued # | 32.41 | 32.66 |
| Foreign exchange forward contracts | 2.02 | 44.98 |
| Others | 51.07 | 15.94 |
| **Total** | **85.50** | **93.58** |

# Receivable from a Related Party - INR 1.21 lakhs (Previous year - INR 3.08 lakhs)

## NOTE 19. OTHER CURRENT ASSETS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured considered good (unless otherwise stated)** | | |
| Balances with Government Authorities | 17.17 | 204.36 |
| Prepaid expenses | 228.19 | 219.38 |
| Advances to suppliers | | |
| Unsecured considered good | 963.73 | 340.54 |
| Unsecured considered doubtful | 83.78 | — |
| | 1,047.51 | 340.54 |
| Provision for doubtful advances | (83.78) | — |
| | **963.73** | **340.54** |
| Export benefits receivable | 452.58 | 401.23 |
| Others | 1.00 | 89.08 |
| **Total** | **1,662.67** | **1,254.59** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 20. EQUITY SHARE CAPITAL

| Particulars | No. of shares | Amount |
|---|---|---|
| **Authorised shares** | | |
| **As at March 31, 2021** | | |
| Equity shares of INR 5/- each | 38,000,000 | 1,900.00 |
| 11% Cumulative Redeemable Preference Shares of INR 10/- each | 850,000 | 85.00 |
| Unclassified Shares of INR 5/- each | 300,000 | 15.00 |
| **As at March 31, 2020** | | |
| Equity shares of INR 5/- each | 38,000,000 | 1,900.00 |
| 11% Cumulative Redeemable Preference Shares of INR 10/- each | 850,000 | 85.00 |
| Unclassified Shares of INR 5/- each | 300,000 | 15.00 |
| **Issued, subscribed and paid-up** | | |
| **As at March 31, 2021** | | |
| Equity shares of INR 5/- each fully paid-up | 12,570,692 | 628.53 |
| **Total** | **12,570,692** | **628.53** |
| **As at March 31, 2020** | | |
| Equity shares of INR 5/- each fully paid-up | 12,570,692 | 628.53 |
| **Total** | **12,570,692** | **628.53** |

**(i) Movement in Equity Share Capital**

| Equity Shares | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Nos.** | **Amount** | **Nos.** | **Amount** |
| At the beginning of the year | 12,570,692 | 628.53 | 12,570,692 | 628.53 |
| **Outstanding at the end of the year** | **12,570,692** | **628.53** | **12,570,692** | **628.53** |

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

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

In the event of liquidation of the Group, 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.

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 20. EQUITY SHARE CAPITAL** (Contd.)

**(iii) Details of shares held by shareholders holding more than 5% shares in the Group:**

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Nos. of Shares | % of holding | Nos. of Shares | % of holding |
| Anshul Specialty Molecules Private Limited | 5,358,682 | 42.63% | 5,358,682 | 42.63% |
| Life Insurance Corporation of India | 888,463 | 7.07% | 888,463 | 7.07% |

**(iv) Disclosure for shares of the company held by parent / ultimate parent company :**

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Nos. of Shares | % of holding | Nos. of Shares | % of holding |
| Anshul Specialty Molecules Private Limited | 5,358,682 | 42.63% | 5,358,682 | 42.63% |

**Note 21. OTHER EQUITY**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital reserve | 0.01 | 0.01 |
| Securities premium | 534.37 | 534.37 |
| Capital redemption reserve | 16.77 | 16.77 |
| Statutory reserve | 500.59 | 498.40 |
| General reserve | 39,587.32 | 34,587.32 |
| Retained earnings | 17,836.55 | 15,800.47 |
| Other reserves | 26,049.91 | 18,023.09 |
| **Total** | **84,525.52** | **69,460.43** |

**(i) Capital reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 0.01 | 0.01 |
| **Closing balance** | **0.01** | **0.01** |

**(ii) Securities premium**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 534.37 | 534.37 |
| **Closing balance** | **534.37** | **534.37** |

**(iii) Capital redemption reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 16.77 | 16.77 |
| **Closing balance** | **16.77** | **16.77** |

**(iv) Statutory reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 498.40 | 450.86 |
| Add : Amount transferred from retained earnings | 2.19 | 47.54 |
| **Closing balance** | **500.59** | **498.40** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**Note 21. OTHER EQUITY** (Contd.)

**(v) General reserve**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening balance | 34,587.32 | 29,587.32 |
| Add: Amount transferred from retained earnings | 5,000.00 | 5000.00 |
| **Closing balance** | **39,587.32** | **34,587.32** |

**(vi) Retained earnings**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening balance | 15,800.47 | 15,765.82 |
| Profit for the year | 7,108.59 | 9,607.25 |
| Dividend paid | — | (3,614.07) |
| Dividend distribution tax | — | (742.88) |
| Transfer to general reserve | (5,000.00) | (5,000.00) |
| Transfer to statutory reserve | (2.19) | (47.54) |
| Items of Other Comprehensive Income (OCI) recognised directly in retained earnings: | | |
| — Remeasurement of post employment benefits obligations (net of tax) | (70.32) | (168.11) |
| **Closing balance** | **17,836.55** | **15,800.47** |

**(vii) Other reserves – FVOCI – Equity Investments**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening balance | 18,023.09 | 22,972.72 |
| Change in fair value of FVOCI equity investments (Refer Note 8) | 9,529.80 | (6,962.69) |
| Tax on above | (1,502.98) | 2,013.06 |
| | 8,026.82 | (4,949.63) |
| **Closing balance** | **26,049.91** | **18,023.09** |

**Nature and purpose of reserves**

**Capital reserve**

Capital reserve is utilised in accordance with provision of the Act.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Capital redemption reserve**

Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

**General reserve**

The General Reserve is used from time to time to record transfer of profit from retained earnings, for appropriation purposes. As general reserve is created by transfer from one component of equity to another and it is not an item of other comprehensive income.

**Other reserves – FVOCI – Equity Investments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Statutory reserve**

The statutory reserve represents fund created out of profit of the year in accordance with requirement of Section 45IC(1) of Reserve Bank of India act, 1934.

## NOTE 22. NON-CURRENT BORROWINGS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Term loan (Secured)** | | |
| **From others** | | |
| Vehicle loan from a financial institution | 0.55 | 2.12 |
| **Total** | **0.55** | **2.12** |

**Notes:**

(a) Term loans under vehicle finance from a financial institution amounting to INR 2.12 lakhs (March 31, 2020: INR 6.25 lakhs) carrying interest rate ranging from 12% to 14% per annum repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.

(b) Installments falling due within a year in respect of all the above Loans aggregating INR 1.57 lakhs (March 31, 2020: INR 4.13 lakhs) have been grouped under "Current maturities of long-term debt" (Refer Note 30)

(c) Refer Note 44(B) for liquidity risk.

(d) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 27 (c).

(e) Refer Note 27 (d) net debt reconciliation.

## NOTE 23. LEASE LIABILITIES – NON-CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities (Refer Note 56) | 217.33 | 251.05 |
| **Total** | **217.33** | **251.05** |

## NOTE 24. OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred consideration (Refer Note 47) | — | 889.19 |
| **Total** | **—** | **889.19** |

## NOTE 25. EMPLOYEE BENEFIT OBLIGATIONS - NON-CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for employee benefit obligations (Refer Note 42) | | |
| Leave obligation | 1,139.19 | 1,088.99 |
| Medical voluntary retirement scheme | 102.16 | 114.64 |
| Long service award | 55.10 | 69.78 |
| **Total** | **1,296.45** | **1,273.41** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 26. TAXATION

### (a) Income tax expense

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | 2,169.43 | 2,635.64 |
| Adjustments for current tax of prior periods | (3.29) | 3.23 |
| **Total current tax expense** | **2,166.14** | **2,638.87** |
| Deferred tax | 806.24 | (755.53) |
| **Total deferred tax expense/(benefit)** | **806.24** | **(755.53)** |
| **Total Income tax expense** | **2,972.38** | **1,883.34** |

### (b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit before tax | 10,080.97 | 11,490.59 |
| **Tax at the Indian tax rate of 25.168% (previous year 25.168%)** | **2,537.18** | **2,891.95** |
| Add / (less) effects of : | | |
| Exempt income | (93.73) | (153.41) |
| One time deferred tax credit on transition to new tax regime * | — | (796.59) |
| Expenses disallowed | 90.48 | 80.42 |
| Deferred tax on goodwill ** | 351.03 | — |
| Adjustment to current tax of prior periods | 84.31 | (3.23) |
| Others | 3.11 | (135.80) |
| **Income tax expense** | **2,972.38** | **1,883.34** |

* Pursuant to the Taxation Laws (Amendment) Ordinance 2019, the Company has decided to opt for the reduced tax rate and hence, the current tax and deferred tax has been computed based on the revised rate inclusive of surcharge and cess (i.e. 25.17%). Accordingly, the Company has recognised current tax and deferred tax expenses for the year ended March 31, 2020 on the revised rate and accounted for deferred tax credit of INR 796.59 lakhs on account of re-measurement of net deferred tax liabilities as at March 31, 2019.

** Finance Bill enacted in March 2021 has disallowed depreciation on goodwill retrospectively from April 1, 2020 for the purpose of tax deduction and Accordingly, the Company has accounted for deferred tax charge for the year ended March 31, 2021 amounting to INR 351.03 lakhs being the deferred tax liabilities on difference between book base and tax base of goodwill.

### (c) Deferred tax:

The balance comprises temporary differences attributable to:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred tax assets** | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 400.37 | 535.91 |
| Provision for doubtful receivables and advances | 113.02 | 51.08 |
| Other timing differences (net) | (39.60) | 84.11 |
| **Total deferred tax assets** | **473.79** | **671.10** |
| **Deferred tax liabilities** | | |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | 3,770.60 | 3,185.32 |
| Financial assets at fair value through Other Comprehensive Income | 5,407.76 | 3,904.78 |
| **Total deferred tax liabilities** | **9,178.36** | **7,090.10** |
| **Net deferred tax liabilities** | **8,704.57** | **6,419.00** |

**NOTE 26. TAXATION** (Contd.)

**Movement in deferred tax assets / (liabilities):**

| Particulars | As at March 31, 2020 | Charged/ (credited) to profit and loss | Charged/ (credited) to OCI | As at March 31, 2021 |
|---|---|---|---|---|
| **For the year ended March 31, 2021** | | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 535.91 | 159.19 | (23.65) | 400.37 |
| Provision for doubtful receivables and advances | 51.08 | (61.94) | — | 113.02 |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | (3,185.32) | 585.28 | — | (3,770.60) |
| Financial assets at fair value through Other Comprehensive Income | (3,904.78) | — | 1,502.98 | (5,407.76) |
| Other timing differences (net) | 84.11 | 123.71 | — | (39.60) |
| **Total Deferred tax assets / (liabilities)** | **(6,419.00)** | **806.24** | **1,479.33** | **(8,704.57)** |

| Particulars | As at March 31, 2019 | Addition on business combination | Charged/ (credited) to profit and loss | Charged/ (credited) to OCI | As at March 31, 2020 |
|---|---|---|---|---|---|
| **For the year ended March 31, 2020** | | | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 537.49 | — | 58.12 | (56.54) | 535.91 |
| Provision for doubtful receivables and advances | 95.31 | — | 44.23 | — | 51.08 |
| Additional depreciation/amortisation on tangible and intangible assets for tax purposes due to higher tax depreciation rate | (3,194.40) | 479.11 | (488.19) | — | (3,185.32) |
| Financial assets at fair value through Other Comprehensive Income | (5,917.84) | — | — | (2,013.06) | (3,904.78) |
| Other timing differences (net) | (285.58) | — | (369.69) | — | 84.11 |
| **Total Deferred tax assets / (liabilities)** | **(8,765.02)** | **479.11** | **(755.53)** | **(2,069.60)** | **(6,419.00)** |

**NOTE 27. SHORT TERM BORROWINGS**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Cash credits | 15.90 | 1,067.35 |
| Post shipment banking facility | — | 170.98 |
| **Unsecured** | | |
| Post shipment banking facility | 591.22 | 887.82 |
| **Total** | **607.12** | **2,126.15** |

**Notes:**

(a) Cash credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc. and is further secured by a second charge on the immovable property at Roha and Lote Parashuram. The cash credit loan is repayable on demand and carries interest rates at 7.55% to 9.00% (March 31, 2020 - 9.00% to 10.85%).

(b) Post shipment banking facility amounting to INR Nil (March 31, 2020 INR 170.98 lakhs) is repayable within 30 to 120 days and are secured against assets as mentioned in point (a) above and carries interest rate of LIBOR + 3%. Post shipment banking facility amounting to INR 591.21 lakhs (March 31, 2020 INR 887.82 lakhs) is repayable within 30 to 120 days and are unsecured and carries interest rate of LIBOR + 1.5%.

(c) The carrying amounts of financial and non financial assets hypothecated / mortgaged as security for current and non-current borrowings are as under:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 27. SHORT TERM BORROWINGS** (Contd.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current Assets** | | |
| **Financial Assets** | | |
| Trade receivables | 17,264.02 | 14,972.97 |
| **Non Financial Assets** | | |
| Inventories | 6,897.11 | 7,771.97 |
| **Total Current Assets Pledged as Security** | **24,161.13** | **22,744.94** |
| **Non Current Assets** | | |
| Right of use assets | 198.02 | 201.70 |
| Freehold land | 140.81 | 140.81 |
| Buildings | 3,064.26 | 2,886.77 |
| Plant and machinery | 20,706.95 | 20,476.23 |
| Other Property plant and equipment | 1,326.01 | 1,485.63 |
| **Total Non - current assets pledged as security** | **25,436.05** | **25,191.14** |
| **Total assets pledged as security** | **49,597.18** | **47,936.08** |

The Excel Industries Limited is in the process of satisfaction of charge created on certain assets, in respect of loans which were repaid in the earlier year.

**(d) Net debt reconciliation**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cash and cash equivalents | (4,234.85) | (2,092.37) |
| Current investments in mutual funds | (1,575.21) | (1,466.06) |
| Non-current borrowings (Including current maturities) | 2.12 | 6.25 |
| Current borrowings | 607.12 | 2,126.15 |
| Interest payable on above borrowings | — | 0.06 |
| **Net debt** | **(5,200.82)** | **(1,425.97)** |

| Particulars | Other assets | | Liabilities from financing activities | | |
|---|---|---|---|---|---|
| | Cash and cash equivalents | Current investments | Non-current borrowings | Current borrowings | Interest payable on borrowings |
| **Net debt as at March 31, 2020** | **(2,092.37)** | **(1,466.06)** | **6.25** | **2,126.15** | **0.06** |
| Cash flows | (2,142.48) | — | — | — | — |
| Purchase of investments | — | (92.22) | — | — | — |
| Sales of investments | — | 50.00 | — | — | — |
| Fair value adjustments and gain on investments | — | (66.93) | — | — | — |
| Repayment of loan | — | — | (4.13) | (1,519.03) | — |
| Interest expenses | — | — | — | — | 108.79 |
| Interest paid | — | — | — | — | (108.85) |
| **Net debt as at March 31, 2021** | **(4,234.85)** | **(1,575.21)** | **2.12** | **607.12** | **—** |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 27. SHORT TERM BORROWINGS** (Contd.)

| Particulars | Other assets | | Liabilities from financing activities | | |
|---|---|---|---|---|---|
| | Cash and cash equivalents | Current investments | Non-current borrowings | Current borrowings | Interest payable on borrowings |
| **Net debt as at March 31, 2019** | **(358.94)** | **(7,652.59)** | **89.51** | **615.38** | **0.24** |
| Cash flows | (1,733.43) | — | — | — | — |
| Purchase of investments | — | (7,010.26) | — | — | — |
| Sales of investments | — | 13,235.03 | — | — | — |
| Fair value adjustments and gain on investments | — | (38.24) | — | — | — |
| Repayment of loan | — | — | (83.26) | 1,510.77 | — |
| Interest expenses | — | — | — | — | 190.84 |
| Interest paid | — | — | — | — | (191.02) |
| **Net debt as at March 31, 2020** | **(2,092.37)** | **(1,466.06)** | **6.25** | **2,126.15** | **0.06** |

**NOTE 28. TRADE PAYABLES**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total Outstanding due of micro and small enterprises | 1,160.87 | 666.57 |
| Total Outstanding due of creditors other than micro and small enterprises | 11,139.76 | 9,824.20 |
| **Total** | **12,300.63** | **10,490.77** |

**Notes:**

(a) The Group has certain payables to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1,160.87 | 666.57 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | — | — |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 40.53 | 96.65 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | — | — |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | 3.30 | — |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.08 | 2.94 |
| Further interest remaining due and payable for earlier years | 0.02 | 0.30 |

(b) Refer Note 44 for information about liquidity risk and market risk of trade payables.

**NOTE 29. LEASE LIABILITIES – CURRENT**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities (Refer Note 56) | 33.73 | 28.52 |
| **Total** | **33.73** | **28.52** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 30. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current maturities of long term debt (Refer Note (b) below) | 1.57 | 4.13 |
| Interest accrued and due | — | 0.06 |
| Unclaimed dividend | 82.02 | 96.93 |
| Unclaimed matured fixed deposits | 5.33 | 5.81 |
| Unclaimed interest on matured fixed deposits | 1.73 | 2.22 |
| Creditors for capital goods | 395.74 | 329.29 |
| Sundry deposits | 17.10 | 15.10 |
| Foreign exchange forward contracts | — | 3.39 |
| Deferred consideration (Refer Note 47) | 958.85 | 732.45 |
| Others | 89.76 | 61.60 |
| **Total** | **1,552.10** | **1,250.98** |

**Notes:**

(a) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

(b) Current maturities of long term debt includes amount due in next 12 months from various term loans and deposits as under (Refer Note 22):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **From others** | | |
| Vehicle loan from a financial institution | 1.57 | 4.13 |
| **Total** | **1.57** | **4.13** |

## NOTE 31. EMPLOYEE BENEFIT OBLIGATIONS - CURRENT

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for employee benefit obligations (Refer Note 42) | | |
| Leave obligation | 106.66 | 116.37 |
| Gratuity | 560.49 | 510.55 |
| Medical voluntary retirement scheme | 44.20 | 37.58 |
| Long service award | 24.58 | 14.28 |
| **Total** | **735.93** | **678.78** |

## NOTE 32. OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Statutory dues including provident fund and tax deducted at sources | 223.13 | 106.03 |
| Advances from customers | 104.35 | 111.06 |
| Other payables | 4.20 | 12.82 |
| **Total** | **331.68** | **229.91** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 33. REVENUE FROM OPERATIONS

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Revenue from contracts with customers:** | | |
| **a) Sale of products** | | |
| Finished Goods (Refer note below) | 71,806.50 | 66,994.09 |
| Traded Goods | 1,386.42 | 1,537.73 |
| **b) Sale of services** | | |
| Processing charges | 567.69 | 240.52 |
| Others | 640.42 | 714.22 |
| | **74,401.03** | **69,486.56** |
| **Other operating revenue:** | | |
| a) Export incentives | 289.82 | 466.16 |
| b) Scrap sales | 255.75 | 295.72 |
| | **545.57** | **761.88** |
| **Total** | **74,946.60** | **70,248.44** |
| **Revenue from contracts with customers disaggregated based on geography:** | | |
| - Domestic | 61,844.27 | 53,372.62 |
| - Exports | 13,102.33 | 16,875.82 |
| **Total** | **74,946.60** | **70,248.44** |

**Reconciliation of Gross revenue with the revenue from contracts with customers**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Gross Revenue | 75,114.08 | 70,488.42 |
| Less: Discounts | 167.48 | 239.98 |
| **Net revenue recognised from contracts with customers** | **74,946.60** | **70,248.44** |

**Notes:**

(a) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

(b) There are no material contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

## NOTE 34. OTHER INCOME

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Interest income on** | | |
| Bank deposits | 130.58 | 5.39 |
| Inter corporate deposit | 12.30 | 33.16 |
| Others | 23.03 | 36.59 |
| | **165.91** | **75.14** |
| **Dividend income** | | |
| From long term investments (Refer Note below) | 341.82 | 309.91 |
| From current investments | 67.71 | 547.62 |
| | **409.53** | **857.53** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 34. OTHER INCOME** (Contd.)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Others** | | |
| Rent (Refer Note 5) | 65.10 | 55.59 |
| Gain on fair valuation of current investments | 66.93 | 5.87 |
| Profit on sale of current investments | — | 32.37 |
| Net Profit on disposal of property | 137.05 | — |
| Others | 96.80 | 57.48 |
| | **365.88** | **151.31** |
| **Total** | **941.32** | **1,083.98** |

**Note:**

All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period.

**NOTE 35. COST OF MATERIALS CONSUMED**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **a. Raw materials** | | |
| Inventory at the beginning of the year | 1,670.04 | 2,066.21 |
| Add: On account of business acquisition (Refer Note 47) | — | 34.52 |
| Add : Purchases | 34,032.34 | 31,226.92 |
| | **35,702.38** | **33,327.65** |
| Less : Inventory at the end of the year | 1,218.33 | 1,670.04 |
| **Total cost of Raw materials consumed** | **34,484.05** | **31,657.61** |
| **b. Packing materials** | | |
| Inventory at the beginning of the year | 128.29 | 133.09 |
| Add: On account of business acquisition (Refer Note 47) | — | 0.54 |
| Add : Purchases | 1,437.54 | 1,465.66 |
| | **1,565.83** | **1,599.29** |
| Less : Inventory at the end of the year | 145.44 | 128.29 |
| **Total cost of Packing materials consumed** | **1,420.39** | **1,471.00** |
| **Total** | **35,904.44** | **33,128.61** |

**NOTE 36. PURCHASE OF STOCK IN TRADE**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Chemicals and others | 223.21 | 503.49 |
| **Total** | **223.21** | **503.49** |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 37. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Inventories at the end of the year** | | |
| Finished goods | 1,693.54 | 2,068.90 |
| Work-in-progress | 2,427.77 | 2,820.27 |
| Stock-in-trade | 103.86 | 129.96 |
| | **4,225.17** | **5,019.13** |
| **Inventories at the beginning of the year** | | |
| Finished goods | 2,068.90 | 1,836.81 |
| Work-in-progress | 2,820.27 | 2,004.14 |
| Stock in trade | 129.96 | 164.14 |
| Add: On account of business acquisition (Refer Note 47) | — | 239.14 |
| | **5,019.13** | **4,244.23** |
| **Total** | **793.96** | **(774.90)** |

## NOTE 38. EMPLOYEE BENEFIT EXPENSES

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries, wages and bonus | 7,611.94 | 7,146.47 |
| Contribution to provident and other funds | 544.29 | 522.45 |
| Provision/ payment of gratuity (Refer note 42) | 272.10 | 243.21 |
| Workman and staff welfare expenses | 509.74 | 548.50 |
| **Total** | **8,938.07** | **8,460.63** |

## NOTE 39. DEPRECIATION AND AMORTISATION EXPENSES

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation on Property, plant and equipment (Refer Note 3) | 2,622.23 | 2,195.97 |
| Depreciation on Right of use assets (Refer Note 56) | 66.87 | 50.53 |
| Depreciation on Investment property (Refer Note 5) | 1.92 | 3.22 |
| Amortisation of Intangible assets (Refer Note 6) | 24.30 | 28.33 |
| **Total** | **2,715.32** | **2,278.05** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

## NOTE 40. OTHER EXPENSES

| Particulars | | Year ended March 31, 2021 | | Year ended March 31, 2020 |
|---|---|---|---|---|
| Consumption of stores and spares | | 88.40 | | 60.91 |
| Processing charges | | 103.88 | | 179.95 |
| Power and fuel | | 5,600.38 | | 5,262.86 |
| Effluent expenses | | 1,416.39 | | 1,277.40 |
| Rent (Refer Note 56) | | 433.76 | | 295.60 |
| Rates and taxes | | 99.62 | | 78.31 |
| Bank charges | | 84.41 | | 124.08 |
| Contractor's labour charges | | 432.29 | | 278.94 |
| Water charges | | 268.76 | | 232.76 |
| Sales commission | | 151.38 | | 113.92 |
| Insurance | | 295.12 | | 249.29 |
| **Repairs and maintenance on :** | | | | |
| Plant and machinery | | 1,967.77 | | 1,916.39 |
| Buildings | | 68.90 | | 84.92 |
| Others | | 133.17 | | 194.80 |
| CSR expenditure (Refer Note 52) | | 296.31 | | 258.07 |
| Travelling and conveyance | | 87.07 | | 290.26 |
| Legal and professional fees | | 1,117.44 | | 1,129.21 |
| Directors' sitting fees (Refer Note 49) | | 22.90 | | 20.00 |
| Non Executive Directors' Commission (Refer Note 49) | | 68.00 | | 68.00 |
| Auditor's Remuneration (Refer details below) | | 54.84 | | 55.71 |
| Bad debts / sundry debit balances written off (net): | | | | |
| Bad Debts written off during the year | — | | 7.93 | |
| Less: Utilisation from Provision for doubtful debts | — | — | (7.93) | — |
| Expected credit loss / Provision for doubtful receivables (net) | | 154.64 | | (53.95) |
| Provision for doubtful advances to supplier | | 83.78 | | - |
| Freight outward and forwarding expenses | | 2,542.47 | | 2,122.13 |
| Charity and donations | | 63.16 | | 217.99 |
| Net foreign exchange loss | | 149.27 | | 15.12 |
| Net loss on disposal of property, plant and equipment | | 38.58 | | 42.10 |
| Miscellaneous expenses | | 1,191.38 | | 1,475.42 |
| **Total** | | **17,014.07** | | **15,990.19** |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 41. FINANCE COSTS

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Interest | 68.46 | 147.59 |
| Interest on lease liabilities (Refer Note 56) | 21.88 | 16.03 |
| Other borrowing costs | 40.33 | 33.24 |
| Interest on deferred consideration (Refer Note 47) | 87.21 | 58.90 |
| **Total** | **217.88** | **255.76** |

## NOTE 42. EMPLOYEE BENEFIT OBLIGATIONS

### (i) Leave Obligation

The Leave Obligation cover Group's liability for earned leave. Amount recognised in the balance sheet is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Obligation not expected to be settled within next 12 months (non - current) | 1,139.19 | 1,088.99 |
| Obligation expected to be settled within next 12 months (current) | 106.66 | 116.37 |
| **Total** | **1,245.85** | **1,205.36** |

### (ii) Long Service Award

The Group provides for long service award to eligible employees upon achievement of certain years of service. Amount recognised in the balance sheet is as under:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Obligation not expected to be settled within next 12 months (non - current) | 55.10 | 69.78 |
| Obligation expected to be settled within next 12 months (current) | 24.58 | 14.28 |
| **Total** | **79.68** | **84.06** |

### (iii) Gratuity

**(a)** The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is calculated at specified number of days (15 days/22 days) of last drawn salary depending upon the tenure of service for each year of completed service. The gratuity plan is a funded plan.

**(b) The amounts recognised in balance sheet and the movement in the gratuity over the year are as follows:**

| Particulars | Fair value of Plan Assets | Present Value of Obligations | Net amount |
|---|---|---|---|
| **Balance as at March 31, 2019** | 4,040.72 | 4,201.59 | 160.87 |
| Current service cost | — | 230.80 | 230.80 |
| Interest expense or cost | — | 324.21 | 324.21 |
| Investment income | 311.80 | — | (311.80) |
| **Total amount recognised in Statement of Profit and Loss** | **311.80** | **555.01** | **243.21** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | |
| – change in financial assumptions | — | (186.11) | (186.11) |
| – experience variance | — | 411.12 | 411.12 |
| – return on plan assets, excluding amount recognised in net interest expense | 1.18 | — | (1.18) |
| **Total amount recognised in Other Comprehensive Income** | **1.18** | **225.01** | **223.83** |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 42. EMPLOYEE BENEFIT OBLIGATIONS** (Contd.)

| **Particulars** | **Fair value of Plan Assets** | **Present Value of Obligations** | **Net amount** |
|---|---|---|---|
| Benefits paid | — | (247.54) | (247.54) |
| Employer's contribution | 104.72 | — | (104.72) |
| Benefits paid | (234.90) | — | 234.90 |
| **Balance as at March 31, 2020** | **4,223.52** | **4,734.07** | **510.55** |
| Current service cost | — | 237.97 | 237.97 |
| Interest expense or cost | — | 314.59 | 314.59 |
| Investment income | 280.46 | — | (280.46) |
| **Total amount recognised in Statement of Profit and Loss** | **280.46** | **552.56** | **272.10** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | |
| – change in financial assumptions | — | (32.75) | (32.75) |
| – experience variance | — | 136.50 | 136.50 |
| – return on plan assets, excluding amount recognised in net interest expense | — | — | — |
| **Total amount recognised in Other Comprehensive Income** | **—** | **103.75** | **103.75** |
| Benefits paid | — | (322.12) | (322.12) |
| Employer's contribution | 306.17 | — | (306.17) |
| Benefits paid | (302.38) | — | 302.38 |
| **Balance as at March 31, 2021** | **4,507.77** | **5,068.26** | **560.49** |

**(c) The net liability disclosed above related to funded and unfunded plans are as follows:**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Present value of funded obligation | 5,068.26 | 4,734.07 |
| Fair value of plan assets | 4,507.77 | 4,223.52 |
| **Deficit of funded plan** | **560.49** | **510.55** |
| Unfunded plans | — | — |
| **Deficit of Gratuity plan** | **560.49** | **510.55** |

**(d) Assumptions:**

The principal financial assumptions used in valuation of Gratuity are as follows:

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Discount rate (per annum) | 6.75% | 6.65% |
| Salary growth rate (per annum) * | 4.00% for first year and 7.00% thereafter | 4.00% for first two years and 7.00% thereafter |
| Attrition rate (derived based on age) | 1.00% to 5.00% | 1.00% to 5.00% |
| Mortality rate | 100% of Indian Assured Lives Mortality (2012-14) | 100% of Indian Assured Lives Mortality (2012-14) |

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 42. EMPLOYEE BENEFIT OBLIGATIONS** (Contd.)

**(e) The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:**

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO |
| Discount rate | 1.00% | -6.10% | 6.90% | 1.00% | -6.30% | 7.20% |
| Salary growth rate | 1.00% | 7.40% | -6.70% | 1.00% | 7.70% | -7.00% |
| Attrition rate @ | 50.00% | -0.30% | 0.40% | 50.00% | -0.30% | 0.30% |

@ Represent increase or decrease in Attrition rate by 50%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**(f) The major categories of plan assets are as follows:**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Insurer Managed funds | 4,507.77 | 100% | 4,223.52 | 100% |

**(g) Defined benefit liability and employer contributions:**

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2020 - 7 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1 year | 830.30 | 769.26 |
| 2-5 years | 1,567.44 | 1,347.23 |
| 6-10 years | 2,773.81 | 2,540.01 |
| More than 10 years | 3,448.32 | 3,445.25 |

**(iv) MEDICAL VOLUNTARY RETIREMENT SCHEME (MVRS):**

**(a)** The Group also has a defined benefit plan for its employees, viz., voluntary early separation scheme on account of continued ill-health not amounting to occupational disease and thereby unable to perform normal duties of their post. Under the Scheme, the benefits will be given for a retired employee for a maximum period upto 10 years or age of retirement, whichever is earlier. In case of early death of the employee, the legal heir of the employee shall get 50% of separation benefit for the rest of the benefit period. The costs of providing benefits under the said plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognised in full in the period in which they occur in the Statement of Profit and Loss. This Scheme is not funded.

**(b) The amounts recognised in balance sheet and the movement in the obligation over the year are as follows:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2019** | **160.91** |
| Current service cost | 21.86 |
| Interest expense or cost | 12.41 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | — |
| – change in financial assumptions | — |
| – experience variance | — |
| **Total amount recognised in Statement of Profit and Loss** | **34.27** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 42. EMPLOYEE BENEFIT OBLIGATIONS** (Contd.)

| Particulars | Amount |
|---|---|
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| – change in financial assumptions | 4.13 |
| – experience variance | (3.31) |
| **Total amount recognised in Other Comprehensive Income** | **0.82** |
| Benefits paid | (43.78) |
| **Balance as at March 31, 2020** | **152.22** |
| Current service cost | 31.72 |
| Interest expense or cost | 10.12 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| – change in financial assumptions | — |
| – experience variance | — |
| **Total amount recognised in Statement of Profit and Loss** | **41.84** |
| Re-measurement (or Actuarial) (gain) / loss arising from: | |
| – change in financial assumptions | (0.36) |
| – experience variance | (9.42) |
| **Total amount recognised in Other Comprehensive Income** | **(9.78)** |
| Benefits paid | (37.92) |
| **Balance as at March 31, 2021** | **146.36** |

**(c) Assumptions:**

The principal financial assumptions used in valuation of MVRS are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate (per annum) | 6.75% | 6.65% |
| Mortality rate | 100% (of LIC 96-98 mod ultimate) | |

**(d) The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:**

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO | Change in Assumption | Increase in Rate / Increase (Decrease) in DBO | Decrease in Rate / Decrease (Increase) in DBO |
| Discount Rate | 1.00% | -2.40% | 2.50% | 1.00% | -2.60% | 2.70% |

**(v) Defined Contribution Plan:**

The Group has certain defined contribution plans such as provident fund, super annuation fund and family pension fund for the benefit of the employees. Contributions are made to provident fund in India for employee at the rate of 12% of basic salary as per regulations. The Contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is INR 544.29 lakhs (March 31, 2020 - INR 522.45 lakhs).

**(vi) Risk Exposure for Gratuity (funded plan):**

Through its defined benefit plans, the Group is exposed to number of risks, the most significant of which are detailed below:

**Assets Volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan assets has investments in insurer managed funds. Hence, assets are considered to be secured.

**Change in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in value of plans bond holdings.

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 43. FAIR VALUE MEASUREMENTS

### (i) Financial instruments by category

| Particulars | Note | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | FVOCI | FVPL | Amortised cost | FVOCI | FVPL | Amortised cost |
| **Financial assets** | | | | | | | |
| Equity investments | 8 | 34,970.47 | — | — | 24,960.74 | — | — |
| Investments in mutual funds | 13 | — | 1,575.21 | — | — | 1,466.06 | — |
| Trade receivables | 14 | — | — | 17,263.91 | — | — | 14,969.51 |
| Cash and cash equivalents | 15 | — | — | 4,234.85 | — | — | 2,092.37 |
| Bank balances other than cash and cash equivalents | 16 | — | — | 971.27 | — | — | 150.08 |
| Loans | 9 and 17 | — | — | 851.52 | — | — | 757.57 |
| Other financial assets | 10 and 18 | — | 2.02 | 87.65 | — | 44.98 | 48.60 |
| **Total financial assets** | | **34,970.47** | **1,577.23** | **23,409.20** | **24,960.74** | **1,511.04** | **18,018.13** |
| **Financial liabilities** | | | | | | | |
| Borrowings | 22 and 27 | — | — | 607.67 | — | — | 2,128.27 |
| Lease liabilities | 23 and 29 | — | — | 251.06 | — | — | 279.57 |
| Trade payables | 28 | — | — | 12,300.63 | — | — | 10,490.77 |
| Deferred consideration | 24 and 30 | — | 958.85 | — | — | 1,621.64 | — |
| Other financial liabilities | 24 and 30 | — | — | 593.25 | — | 3.39 | 515.14 |
| **Total financial liabilities** | | **—** | **958.85** | **13,752.61** | **—** | **1,625.03** | **13,413.75** |

### (ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | |
| **Financial Asset** | | | | | |
| **Financial Investment at FVOCI** | | | | | |
| Equity investments | 8 | 20,214.11 | 14,756.36 | — | 34,970.47 |
| **Financial Investment at FVPL** | | | | | |
| Investments in mutual funds | 13 | 1,575.21 | — | — | 1,575.21 |
| Other financial assets | 18 | — | 2.02 | — | 2.02 |
| **Total Financial Assets** | | **21,789.32** | **14,758.38** | — | **36,547.70** |
| **Financial Liabilities** | | | | | |
| Deferred consideration | 24 and 30 | — | 958.85 | — | 958.85 |
| **Total Financial Liabilities** | | — | **958.85** | — | **958.85** |

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | |
| **Financial Asset** | | | | | |
| **Financial Investment at FVOCI** | | | | | |
| Equity investments | 8 | 12,488.03 | 12,472.71 | — | 24,960.74 |
| **Financial Investment at FVPL** | | | | | |
| Investments in mutual funds | 13 | 1,466.06 | — | — | 1,466.06 |
| Other financial assets | 18 | — | 44.98 | — | 44.98 |
| **Total Financial Assets** | | **13,954.09** | **12,517.69** | **—** | **26,471.78** |
| **Financial Liabilities** | | | | | |
| Deferred consideration | 24 and 30 | — | 1,621.64 | — | 1,621.64 |
| Other financial liabilities | 24 and 30 | — | 3.39 | — | 3.39 |
| **Total Financial Liabilities** | | **—** | **1,625.03** | **—** | **1,625.03** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43. FAIR VALUE MEASUREMENTS** (Contd.)

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**Level 1:** Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV published by mutual fund.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) at the reporting period.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date, prevailing with Authorised Dealers dealing in foreign exchange.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of deferred consideration is determined based on present value computed using discount rate on transaction date.

**(iv) Fair value measurements using "significant observable inputs (level 2)"**

The following table presents the changes in level 2 items for the periods ended March 31, 2021 and March 31, 2020:

| Particulars | Unquoted equity shares | Total |
|---|---|---|
| **As at March 31, 2019** | **14,754.54** | **14,754.54** |
| Gain/(loss) recognised in other comprehensive income (Refer note 8) | (2,281.83) | (2,281.83) |
| **As at March 31, 2020** | **12,472.71** | **12,472.71** |
| Acquisitions | 264.74 | 264.74 |
| Gain/(loss) recognised in other comprehensive income (Refer note 8) | 2,018.91 | 2,018.91 |
| **As at March 31, 2021** | **14,756.36** | **14,756.36** |
| Unrealised gain/(loss) recognised in profit and loss related to assets and liabilities held at the end of reporting period | | |
| Year ended March 31, 2021 | — | — |
| Year ended March 31, 2020 | — | — |

**(v) Fair value inputs and relationships to fair value**

The following table summarises the Quontitative information about the significant observable inputs used in level 2 fair value measurements. See (vi) above for the valuation techniques adopted.

| Particulars | Fair Value as at | | Significant observable inputs | Probability-weighted range | | Sensitivity |
|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | | March 31, 2021 | March 31, 2020 | |
| Unquoted equity shares | 14,491.62 | 12,472.71 | EBITDA Multiple | 5% | 5% | 2021: Increased EBITDA multiple 5% would increase FV by INR 625.53; decreased EBITDA multiple -5% would decrease FV by INR 625.53.<br>2020: Increased EBITDA multiple 5% would increase FV by INR 546.43; decreased EBITDA multiple -5% would decrease FV by INR 546.43. |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43. FAIR VALUE MEASUREMENTS** (Contd.)

**(vi) Valuation process**

The procedures used in evaluation of unlisted equity securities in the main level 2 by the Group are derived and evaluated as follow:

- The value of equity shares of the Company is derived from valuations of comparable Companies, as manifested through stock market valuation of listed companies. This valuation is based on the principle that market valuations taking place between informed buyers and informed sellers incorporate all factors relevant to valuation.
- used the profitability-based valuation multiple of comparable listed companies for the purpose of analysis.
- maintainable operating EBITDA has been computed considering its performance for the year end, and adjustments as appropriate for non-operating income and expenses.
- value arrived as above under Comparable Company Market Multiples Method ('CCM') is adjusted, as appropriate, for surplus assets, (cash and cash equivalent, investments, interest accrued on deposits), borrowings (including stretched creditors), surplus assets, deferred tax assets, contingent liabilities and other matters. The total value is then divided by the entity's shares outstanding as at the year end, to arrive at the value per equity share.

**(vii) Fair value of Financial assets and liabilities measured at amortised cost**

| Particulars | Notes | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets** | | | | | |
| Trade receivables | 14 | 17,263.91 | 17,263.91 | 14,969.51 | 14,969.51 |
| Cash and cash equivalents | 15 | 4,234.85 | 4,234.85 | 2,092.37 | 2,092.37 |
| Bank balances other than cash and cash equivalents | 16 | 971.27 | 971.27 | 150.08 | 150.08 |
| Loans | 9 and 17 | 851.52 | 851.52 | 757.57 | 757.57 |
| Other financial assets | 10 and 18 | 87.65 | 87.65 | 48.60 | 48.60 |
| **Total Financial Assets** | | **23,409.20** | **23,409.20** | **18,018.13** | **18,018.13** |
| **Financial Liabilities** | | | | | |
| Borrowings | 22 and 27 | 607.67 | 607.67 | 2,128.27 | 2,128.27 |
| Lease liabilities | 23 and 29 | 251.06 | 251.06 | 279.57 | 279.57 |
| Trade payables | 28 | 12,300.63 | 12,300.63 | 10,490.77 | 10,490.77 |
| Other financial liabilities | 24 and 30 | 593.25 | 593.25 | 515.14 | 515.14 |
| **Total Financial Liabilities** | | **13,752.61** | **13,752.61** | **13,413.75** | **13,413.75** |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances, loans and other financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. The carrying amount of long term borrowings is not expected be materially different than their fair values.

**NOTE 44. FINANCIAL RISK MANAGEMENT**

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group's objectives, policies and processes for managing its financial risk. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group manages the risk through the finance department that ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The activities are designed to:

- protect the Group's financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 44. FINANCIAL RISK MANAGEMENT** (Contd.)

**(A) Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. Credit risks from balances with banks and financial institutions are managed in accordance with the Group's policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by the credit rating agencies. The Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In respect of its investments the Group aims to minimize its financial credit risk through the application of risk management principles.

The gross carrying amount of trade receivables is INR 17,552.80 Lakhs (March 31, 2020: INR 15,103.76 Lakhs)

**Reconciliation of loss allowance provision- Trade receivables**

| **Particular** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---:|---:|
| Loss allowance at the beginning of the year | 134.25 | 196.13 |
| Less: Provision write off / (utilised) | — | 7.93 |
| Add: Additional Provision made / (reversal) | 154.64 | (53.95) |
| **Loss allowance at the end of the year** | **288.89** | **134.25** |

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments Loans, Security deposits and other financial assets.

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposit is INR 711.87 lakhs (March 31, 2020: INR 633.79 lakhs)

Other advances are given for trade purpose which is in line with normal business activities of the Group. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of capital advances is INR 202.49 lakhs (March 31, 2020: INR 166.25 lakhs)

**Reconciliation of loss allowance provision - Capital advances**

| **Particular** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---:|---:|
| Loss allowance at the beginning of the year | 76.62 | 76.62 |
| **Loss allowance at the end of the year** | **76.62** | **76.62** |

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking manage to Group's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturities of financial liabilities**

| **Particular** | **Note** | **Less than 1 year** | **1 year to 2 year** | **2 year to 3 year** | **3 year and above** | **Total** |
|---|:---:|---:|---:|---:|---:|---:|
| **As at March 31, 2021** | | | | | | |
| Borrowings | 22 and 27 | 607.12 | 0.55 | — | — | 607.67 |
| Lease liabilities | 23 and 29 | 33.73 | 39.19 | 0.23 | 177.91 | 251.06 |
| Trade payables | 28 | 12,300.63 | — | — | — | 12,300.63 |
| Deferred consideration | 24 and 30 | 958.85 | — | — | — | 958.85 |
| Other financial liabilities | 30 | 593.25 | — | — | — | 593.25 |
| **Total non-derivative liabilities** | | **14,493.58** | **39.74** | **0.23** | **177.91** | **14,711.46** |
| Forward contracts for hedge purpose | 30 | — | — | — | — | — |
| **Total derivative liabilities** | | **—** | **—** | **—** | **—** | **—** |

**NOTE 44. FINANCIAL RISK MANAGEMENT** (Contd.)

| Particular | Note | Less than 1 year | 1 year to 2 year | 2 year to 3 year | 3 year and above | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | | |
| Borrowings | 22 and 27 | 2,126.15 | 2.12 | — | — | 2,128.27 |
| Lease liabilities | 23 and 29 | 28.52 | 33.73 | 39.19 | 178.13 | 279.57 |
| Trade payables | 28 | 10,490.77 | — | — | — | 10,490.77 |
| Deferred consideration | 24 and 30 | 732.45 | 889.19 | — | — | 1,621.64 |
| Other financial liabilities | 30 | 515.14 | — | — | — | 515.14 |
| **Total** | | **13,893.03** | **925.04** | **39.19** | **178.13** | **15,035.39** |
| Forward contracts for hedge purpose | 30 | 3.39 | — | — | — | 3.39 |
| **Total derivative liabilities** | | **3.39** | **—** | **—** | **—** | **3.39** |

**(C) Market risk**

The Group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

**(i) Foreign exchange risk**

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and a portion of its business is transacted in multiple currencies and therefore the Group is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Group takes decision to hedge by forming view after discussions with it's advisors and as per policies set by Management.

**Foreign exchange derivatives and exposures outstanding as at Balance Sheet date**

**The Group's exposure to foreign currency risk at the end of the reporting period as on March 31, 2021**

| Particular | Currency | In INR Lakhs | In Foreign Currency in Lakhs |
|---|---|---|---|
| **Financial assets** | | | |
| Export receivables | USD | 1,442.46 | 19.73 |
| | EURO | 801.58 | 9.35 |
| Bank balances | USD | 1.46 | 0.02 |
| **Derivative asset** | | | |
| Foreign exchange forwards | USD | 677.00 | 9.26 |
| **Financial liabilities** | | | |
| Import payables | USD | 2,734.31 | 37.40 |
| **Derivative liabilities** | | | |
| Foreign exchange forwards | USD | 1,220.94 | 16.70 |

**The Group's exposure to foreign currency risk at the end of the reporting period as on March 31, 2020**

| Particular | Currency | In INR Lakhs | In Foreign Currency in Lakhs |
|---|---|---|---|
| **Financial assets** | | | |
| Export receivables | USD | 2,216.67 | 29.29 |
| | EURO | 592.59 | 7.15 |
| Bank balances | USD | 1.51 | 0.02 |
| **Derivative asset** | | | |
| Foreign exchange forwards | USD | 43.89 | 0.58 |
| Foreign exchange forwards | EURO | 99.46 | 1.20 |
| **Financial liabilities** | | | |
| Import payables | USD | 2,763.83 | 36.52 |
| **Derivative liabilities** | | | |
| Foreign exchange forwards | USD | 1,987.36 | 26.26 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 44. FINANCIAL RISK MANAGEMENT** (Contd.)

**Foreign Currency Risk Sensitivity**

**A change of 5% in Foreign Currency would have the following impact on profit before tax**

| Particular | Increase in FC conversion rate | | Decrease in FC conversion rate | |
|---|---|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| USD | (64.52) | (27.28) | 64.52 | 27.28 |
| EURO | 40.08 | 29.63 | (40.08) | (29.63) |
| **Increase / (decrease) in profit or loss** | **(24.44)** | **2.35** | **24.44** | **(2.35)** |

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group borrows at variable as well as fixed interest rates and the same is managed by the Group by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Group has borrowed in a mix of short term and long term loans.

**Exposure to interest rate risk**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Variable rate borrowings | 607.12 | 2,126.15 |
| Fixed rate borrowings | 2.12 | 6.25 |
| **Total borrowings** | **609.24** | **2,132.40** |

**Interest rate sensitivity**

**A change of 50bps in interest rates would have following impact on profit before tax**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Interest rates - increase by 50 basis point (50 bps) | (3.05) | (10.66) |
| Interest rates - decrease by 50 basis point (50 bps) | 3.05 | 10.66 |

**(iii) Price Risk**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through OCI.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

| Particular | Impact on profit after tax | |
|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| NSE/BSE increase in 1% of price/NAV | | |
| Investments in quoted equity shares | 202.14 | 124.88 |
| Investments in mutual fund | 15.75 | 14.66 |
| NSE/BSE decrease in 1% of price/NAV | | |
| Investments in quoted equity shares | (202.14) | (124.88) |
| Investments in mutual fund | (15.75) | (14.66) |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 45. CAPITAL MANAGEMENT

### (a) Risk Managements

The Group's aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Group's capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The debt equity ratio highlights the ability of a business to repay its debts. As at March 31, 2021, the ratio was -6.11% (March 31, 2020 -2.03%)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Net Debt | (5,200.82) | (1,425.97) |
| Total Equity | 85,154.05 | 70,088.96 |
| Net debt to equity ratio | -6.11% | -2.03% |

### (b) Dividend

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year ended March 31, 2019 - INR 18.75 per fully paid equity share | — | 2,357.00 |
| Dividend distribution tax on above | — | 484.49 |
| Interim Dividend for the year ended March 31, 2020 - INR 10.00 per fully paid equity share declared on March 9, 2020. | — | 1,257.07 |
| Dividend distribution tax on above | — | 258.39 |
| Final dividend for the year ended March 31, 2020 - INR Nil per fully paid equity share | — | — |
| Dividend distribution tax on above | — | — |
| **(ii) Dividend not Recognised at the end of reporting period** | | |
| In addition to the above dividends, at year end the directors have recommended the payment of final dividend of INR 11.25 per fully paid equity share (March 31, 2020 - INR Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting | 1,414.20 | — |
| Dividend distribution tax on proposed dividend | — | — |

## NOTE 46. SEGMENT INFORMATION

### (a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman and Managing Director of the Company. The Group operates in following business segment as per Indian Accounting Standard 108 "operating segments":

(a) **Chemicals -** Comprising of Industrial and Specialty Chemicals, Pesticides Intermediates, Polymer and Pharma Intermediates

(b) **Environment -** Comprising of Soil enricher, Bio - pesticides and other Bio products (E&BT).

Segment revenue includes sales, export incentives, processing charges, scrap sales and other income from operations

Segment Revenue in the geographical segments considered for disclosure are as follows :

(a) Revenue within India includes sales to customers located within India.

(b) Revenue outside India includes sales to customers located outside India.

Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 46. SEGMENT INFORMATION** (Contd.)

**(b) Segment Result:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Results (Profit before tax and interest)** | | |
| Chemicals | 13,080.08 | 15,106.40 |
| Environment and Biotech | 8.25 | 52.57 |
| **Total Segment Result** | **13,088.33** | **15,158.97** |
| *Less: Finance Cost* | 217.88 | 255.76 |
| Other un-allocable expenditure (net of unallocable income) | 2,789.48 | 3,412.62 |
| **Profit before tax** | **10,080.97** | **11,490.59** |

**(c) Segment Revenue:**

The segment revenue is measured in the same way as in the Statement of Profit and Loss.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Revenue (Revenue from operations)** | | |
| Chemicals | 72,993.84 | 68,470.45 |
| Environment and Biotech | 1,952.76 | 1,777.99 |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |
| *Less: Inter segment revenue* | — | — |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |
| **Revenue from external customers:** | | |
| India | 61,844.27 | 53,372.62 |
| Other countries | 13,102.33 | 16,875.82 |
| **Total Segment Revenue** | **74,946.60** | **70,248.44** |

**(d) Segment Assets:**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Assets:** | | |
| Chemicals | 61,441.26 | 58,492.61 |
| Environment and Biotech | 1,375.66 | 1,382.18 |
| Unallocated | 48,298.00 | 33,859.77 |
| **Total Assets as per balance sheet** | **111,114.92** | **93,734.56** |
| Total assets of Group broken down by location of the assets, is shown below: | | |
| India | 108,869.42 | 90,923.79 |
| Other countries | 2,245.50 | 2,810.77 |
| **Total Assets** | **111,114.92** | **93,734.56** |

**NOTE 46. SEGMENT INFORMATION** (Contd.)

**(e) Segment Liabilities:**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Segment Liabilities:** | | |
| Chemicals | 12,824.58 | 12,894.61 |
| Environment and Biotech | 235.16 | 361.33 |
| Unallocated | 12,901.13 | 10,389.66 |
| **Total liabilities as per balance sheet** | **25,960.87** | **23,645.60** |
| Total liabilities of Group broken down by location of the liabilities, is shown below: | | |
| India | 23,226.56 | 20,881.77 |
| Other countries | 2,734.31 | 2,763.83 |
| **Total Liabilities** | **25,960.87** | **23,645.60** |

The Group does not have any customer accounting for more than 10% of the group's total revenue for the year ended March 31, 2021 and March 31, 2020.

**NOTE 47. ACQUISITION OF CHEMICAL MANUFACTURING UNIT AT VISAKHAPATNAM**

During the previous year, the Group has acquired a chemical manufacturing unit located at Visakhapatnam in Andhra Pradesh Special Economic Zone, as a going concern by way of slump sale with effect from October 25, 2019. Accordingly, the financial statements of previous year include impact of this acquisition with effect from October 25, 2019 and hence not comparable with the current year.

The Group has measured the acquired business of Seller at fair value determined in accordance with Ind AS 103 "Business Combination".

Details of the Purchase consideration, the net assets acquired and goodwill are as follows:

| Particulars | Amounts | Amounts |
|---|---|---|
| Total purchase consideration | | 8,710.64 |
| Assets acquired | 7,789.54 | |
| Liabilities acquired (Including deferred tax liabilities of INR 479.11 lakhs) | 964.18 | |
| Net identifiable assets acquired at fair value | | 6,825.36 |
| **Goodwill arising on acquisition** | | **1,885.28** |

The Goodwill of Rs. 1,885.28 Lakh comprises the value of expected synergies arising from the acquisition, trained manpower, ready to use manufacturing facility with requisite statutory approvals and availability of surplus land for future expansion, which has not been separately recognised.

There were no acquisition in the year ended March 31, 2021

**NOTE 48. INTEREST IN OTHER ENTITIES**

**(a) Subsidiaries**

The group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of the entity | Place of business / incorporation | Ownership interest held by the Company as at | | Ownership interest held by non controlling interests as at | |
|---|---|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Excel Bio Resources Limited | India | 100% | 100% | 100% | 100% |
| Kamaljyot Investments Limited # | India | 100% | 100% | 100% | 100% |

\# The Directions under Chapter IV, Paragraph 70, and Chapter V of Master Directions - Non Banking Financial Company - Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India on September 1, 2016 and as updated on February 17, 2020, is not applicable to Kamaljyot Investments Limited ("Kamaljyot") since it has not accessed any public Funds and do not have any customer Interface. Hence, in our opinion the Kamaljyot need not comply with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable in terms of Non-Banking financial company- Non Systematically important Non Deposit taking Company (Reserve Bank) Directions, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 48. INTEREST IN OTHER ENTITIES** (Contd.)

**(b) Non - Controlling Interest (NCI)**

No NCI as group is holding 100% ownership in all subsidiaries.

**(c) Interest in Associate and Joint Venture**

| Name of the entity | Place of business / incorporation | % of ownership interest | Relationship | Accounting method | Carrying Amount as at (In Lakhs) | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2021 | March 31, 2020 |
| MobiTrash Recycle Ventures Private Limited* | India | 39.98% | Associate | Equity Method | — | — |
| Wexam Limited, Hongkong** | Hong Kong | 33% | Joint Venture | Equity Method | — | — |

* Gross Investment value is INR 0.40 Lakhs (March 31, 2020 INR 0.40 Lakhs) and the same is fully adjusted from share of loss from associates (Refer Note 7).

** There were no activities in Wexsam Limited, Hong Kong for past many years. Further, this entity was dissolved on July 15, 2016 and 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 (Refer Note 7).

**NOTE 49. RELATED PARTY DISCLOSURES AS PER IND AS 24**

**1. Name of related parties and nature of relationship:**

**(a) Parent entity**

The Group is controlled by the following entity:

| Name | Type | Place of incorporation | Ownership interest as at | |
|---|---|---|---|---|
| | | | March 31, 2021 | March 31, 2020 |
| Anshul Specialty Molecules Private Limited | Immediate and Ultimate Parent Company | India | 42.63% | 42.63% |

**(b) Key Management Personnel (KMP)**

**— Executive Directors**

Mr. Ashwin C. Shroff (Executive Chairman w.e.f. September 3, 2019 - Chairman and Managing Director up to September 2, 2019)

Late Mrs. Usha A. Shroff (Executive Vice Chairperson upto April 29, 2019)

Mr. Ravi A. Shroff (Managing Director w.e.f. September 3, 2019 - Executive Director up to September 2, 2019)

Mr. Hrishit A. Shroff (Executive Director w.e.f. June 27, 2019)

**— Non - Executive Directors (Independent Directors)**

Mr. R. N. Bhogale (Independent Director)

Mr. H. N. Motiwala (Independent Director)

Mr. P. S. Jhaveri (Independent Director)

Mr. M. B. Parekh (Independent Director)

Mr. S. S. Vaidya (Independent Director)

Mr. R. M. Pandia (Independent Director)

Mr. Dipesh K. Shroff (Non - Executive Director)

Mr. Atul G. Shroff (Non - Executive Director)

Mrs. Dr. Meena A. Galliara (Non - Executive Director w.e.f. June 27, 2019)

Mr. R. K. Sood (Nominee Director - LIC upto November 11, 2019)

Mr. P. K. Molri (Nominee Director - LIC w.e.f. February 7, 2020)

**(c) Relatives of KMP with whom transactions have taken place:**

Mrs. Anshul A. Bhatia (Daughter of Mr. Ashwin C. Shroff and Mrs. Usha A. Shroff)

**(d) Enterprise over which KMP or their relative have significant influence and transactions have taken place:**

Agrocel Industries Private Limited

Divakar Techno Specialities & Chemicals Private Limited

Development & Eco-Friendly Enterprises

Mobitrash Recycle Ventures Private Limited *

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 49. RELATED PARTY DISCLOSURES AS PER IND AS 24** (Contd.)

Shree Vivekanand Research and Training Institute
C C Shroff Research Institute
Transpek Industry (Europe) Limited
Transpek Industry Limited
TML Industries Limited
Indian Centre for Climate and Societal Impact Research
C C Shroff Self Help Centre
Rashtriya Seva Trust
Shrujan Trust
Shrujan Creations
Shroff Family Charitable Trust
* also an associate company

**(e) Other related parties with whom there are transactions during the year:**
Excel Industries Limited, Employees Group Gratuity Fund - Post-employment benefits plan

**2. Related Party Transaction**

(a) - Transactions carried out with related parties referred in 1 above, in ordinary course of business:

| Particulars | Sale of goods | Sale of services | Interest received | Purchase of traded goods | Purchase of Services | Dividend Paid | Sales commission | Contribution to fund | Salary, Bonus, contribution to PF & Commission | Director's Sitting fees | CSR / Donation Expenditure |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Parent entity** | | | | | | | | | | | |
| Anshul Specialty Molecules Private Limited | **26.65** | **47.41** | — | — | **1.86** | — | — | — | — | — | — |
| | *6.07* | *37.01* | — | *0.01* | — | *1,540.62* | — | — | — | — | — |
| **Enterprises owned or significantly influenced by key management personnel or their relatives** | | | | | | | | | | | |
| Agrocel Industries Private Limited | **3.95** | — | — | — | — | — | — | — | — | — | — |
| | *2.31* | *8.58* | — | *7.74* | — | — | — | — | — | — | — |
| Transpek Industry Limited | — | — | — | — | — | — | — | — | — | — | — |
| | *3.26* | — | — | — | — | *45.04* | — | — | — | — | — |
| Divakar Techno Specialities & Chemicals Private Limited | — | — | — | — | — | — | **21.03** | — | — | — | — |
| | — | — | — | — | — | — | *26.15* | — | — | — | — |
| C C Shroff Research Institute | — | **0.14** | — | — | — | — | — | — | — | — | — |
| | — | *0.13* | — | — | — | — | — | — | — | — | — |
| C C Shroff Self Help Centre | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | *0.85* | — | — | — | — | — | — | — |
| Transpek Industry (Europe) Limited | — | — | — | — | **20.44** | — | — | — | — | — | — |
| | — | — | — | — | *13.14* | — | — | — | — | — | — |
| Mobitrash Recycle Ventures Private Limited | — | **0.51** | — | **1.85** | — | — | — | — | — | — | — |
| | *0.51* | *0.66* | — | — | — | — | — | — | — | — | — |
| TML Industries Limited | — | — | **12.30** | — | — | — | — | — | — | — | — |
| | *19.34* | — | *12.33* | — | — | — | — | — | — | — | — |
| Shree Vivekanand Research and Training Institute | **0.37** | — | — | — | — | — | — | — | — | — | **221.50** |
| | — | — | — | — | — | — | — | — | — | — | *211.74* |
| Rashtriya Seva Trust | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | — | — | *2.50* |
| Shroff Family Charitable Trust | — | **3.68** | — | — | — | — | — | — | — | — | — |
| | — | *3.50* | — | — | — | — | — | — | — | — | *80.00* |
| Shrujan Trust | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | — | — | *12.75* |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

### NOTE 49. RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

| Particulars | Sale of goods | Sale of services | Interest received | Purchase of traded goods | Purchase of Services | Dividend Paid | Sales commission | Contribution to fund | Salary, Bonus, contribution to PF & Commission | Director's Sitting fees | CSR / Donation Expenditure |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Shrujan Creations | — | — | — | **0.08** | — | — | — | — | — | — | — |
| | — | — | — | *1.56* | — | — | — | — | — | — | — |
| Development & Eco-Friendly Enterprises | — | — | — | — | — | — | — | — | — | — | **5.00** |
| | — | — | — | — | — | — | — | — | — | — | — |
| Indian Centre for Climate and Societal Impact Research | — | — | — | — | **1.20** | — | — | — | — | — | **40.00** |
| | — | — | — | — | — | — | — | — | — | — | — |
| **Other related parties with whom there are transactions during the year:** | | | | | | | | | | | |
| Excel Industries Limited, Employees Group Gratuity Fund | — | — | — | — | — | — | — | **306.17** | — | — | — |
| | — | — | — | — | — | — | — | *104.72* | — | — | — |
| **Key management personnel and their relatives** | | | | | | | | | | | |
| Mr. Ashwin C. Shroff | **0.03** | — | — | — | — | — | — | — | **231.09** | — | — |
| | *1.86* | — | — | — | — | *23.88* | — | — | *213.50* | — | — |
| Mrs. Usha A. Shroff | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | *1.87* | — | — | *32.90* | — | — |
| Mr. Ravi A. Shroff | — | — | — | — | — | — | — | — | **272.58** | — | — |
| | — | — | — | — | — | *13.71* | — | — | *239.00* | — | — |
| Mr. Hrishit A. Shroff | — | — | — | — | — | — | — | — | **117.66** | — | — |
| | — | — | — | — | — | *13.70* | — | — | *166.55* | — | — |
| Mr. R. N. Bhogale | — | — | — | — | — | — | — | — | **8.00** | **3.60** | — |
| | — | — | — | — | — | — | — | — | *8.00* | *3.30* | — |
| Mr. H. N. Motiwala | — | — | — | — | — | — | — | — | **8.00** | **4.10** | — |
| | — | — | — | — | — | — | — | — | *8.00* | *4.50* | — |
| Mr. P. S. Jhaveri | — | — | — | — | — | — | — | — | **8.00** | **2.80** | — |
| | — | — | — | — | — | — | — | — | *8.00* | *3.00* | — |
| Mr. M. B. Parekh | — | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | — | — | — | — | *6.00* | *0.80* | — |
| Mr. S. S. Vaidya | — | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | — | — | — | — | *6.00* | *1.00* | — |
| Mr. R. M. Pandia | — | — | — | — | — | — | — | — | **8.00** | **3.30** | — |
| | — | — | — | — | — | — | — | — | *8.00* | *2.60* | — |
| Mr. Dipesh K. Shroff | — | — | — | — | — | — | — | — | **6.00** | **1.60** | — |
| | — | — | — | — | — | *2.48* | — | — | *6.00* | *1.30* | — |
| Mr. Atul G. Shroff | — | — | — | — | — | — | — | — | **6.00** | **1.20** | — |
| | — | — | — | — | — | *17.19* | — | — | *6.00* | *1.20* | — |
| Dr. Meena Galliara | — | — | — | — | — | — | — | — | **6.00** | **1.90** | — |
| | — | — | — | — | — | — | — | — | *6.00* | *1.20* | — |
| Mr. R. K. Sood | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — | — | — | *0.80* | — |
| Mr. P. K. Molri | — | — | — | — | — | — | — | — | **6.00** | **1.20** | — |
| | — | — | — | — | — | — | — | — | *6.00* | *0.20* | — |
| Mrs. Anshul A. Bhatia | — | — | — | — | — | — | — | — | — | — | — |
| | — | — | — | — | — | *6.21* | — | — | — | — | — |

Amount in bold represent the amount of March 31, 2021 and amount in italics represent amount of March 31, 2020.

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are not determinable. Further, remuneration key managerial personnel includes INR 24.24 lakhs (March 31, 2020: INR 51.68 lakhs) towards contribution to provident fund and other funds.

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 49. RELATED PARTY DISCLOSURES AS PER IND AS 24** (Contd.)

**2. (b) Loans and advances in the nature of loans to related parties:**

**Disclosure for loans and advances in terms of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.**

| Particulars | Purpose of Loan | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Loans to - TML Industries Limited (by subsidiaries)** | | | |
| Balance as at year end | **Business Purpose** | 100.00 | 100.00 |
| Maximum amount outstanding at any time during the year | | 100.00 | 100.00 |

**3. Outstanding Balances**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **The following balances are outstanding at the end of the reporting period in relation to transactions with related parties** | | |
| **Receivables:** | | |
| Anshul Specialty Molecules Private Limited | 36.97 | 15.08 |
| C C Shroff Research Institute | 0.22 | 0.08 |
| Mobitrash Recycle Ventures Private Limited | — | 2.64 |
| Agrocel Industries Private Limited | 10.50 | 18.39 |
| TML Industries Limited | 101.21 | 103.08 |
| Shroff Family Charitable Trust | 1.04 | 1.28 |
| **Payables:** | | |
| Anshul Specialty Molecules Private Limited | 0.95 | — |
| Divakar Techno Specialities & Chemicals Private Limited | 30.51 | 10.23 |
| Transpek Industry (Europe) Limited | 8.24 | 5.66 |
| Mobitrash Recycle Ventures Private Limited | 1.96 | 0.11 |
| Mr. Ashwin C. Shroff | 103.27 | 69.34 |
| Mr. Ravi A. Shroff | 154.90 | 76.16 |
| Mr. Hrishit. A. Shroff | 51.63 | 39.21 |
| Mr. R. N. Bhogale | 8.00 | 8.00 |
| Mr. H. N. Motiwala | 8.00 | 8.00 |
| Mr. P. S. Jhaveri | 8.00 | 8.00 |
| Mr. M. B. Parekh | 6.00 | 6.00 |
| Mr. S. S. Vaidya | 6.00 | 6.00 |
| Mr. R. M. Pandia | 8.00 | 8.00 |
| Mr. Dipesh K. Shroff | 6.00 | 6.00 |
| Mr. Atul G. Shroff | 6.00 | 6.00 |
| Mrs. Dr. Meena A. Galliara | 6.00 | 6.00 |
| Mr. P. K. Molri | 6.00 | 6.00 |

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 50. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

**(a) Contingent Liabilities:**

| Particular | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income tax | 321.91 | 321.91 |
| Excise duty | 39.86 | 41.96 |
| Sales tax | 17.89 | 17.89 |
| Custom duty | 144.88 | 144.88 |
| Claims against the Group not acknowledged as debts | 36.28 | 36.28 |
| Liability in respect of claims made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable |

(i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings as it is determinable only on the receipt of judgments / decisions pending with various forums / authorities.

(ii) The Group does not except any reimbursements in respect of the above contingent liabilities.

(iii) The Group's pending litigation comprises of claims against the Group made by workers / others and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

**(b) Contingent Assets:**

The Group did not have any Contingent assets as at the end of the year.

**(c) Commitments:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(i) Capital Commitments** | | |
| Capital expenditure contracted at the end of reporting period but not recognised as liabilities is as follows: | | |
| Gross capital commitment | 1,739.03 | 807.71 |
| Less: Capital advance (Refer Note 11) | 125.87 | 89.63 |
| **Net Capital Commitments** | **1,613.16** | **718.08** |

**(ii) Other Commitments**

i) For other commitments relating to lease arrangements - (Refer Note 56)

ii) In terms of the Share Purchase Agreement (SPA) dated June 5, 2016 relating to the sale of shares in Excel Crop Care Limited, the Group, along with other selling shareholders, has agreed to certain indemnities, with overall restrictions on tenure, value etc., as more specifically agreed in the SPA. The Company has not received any such claims in terms of the SPA till March 31, 2021.

## NOTE 51. EARNINGS PER SHARE

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Earnings per equity share attributable to the equity holders (in INR)** | | |
| (a) Basic earnings per share | 56.55 | 76.43 |
| (b) Diluted earnings per share | 56.55 | 76.43 |

**Earnings used in calculating earnings per share**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Basic earnings per share** | | |
| Profit / (Loss) attributable to the equity holders used in calculating basic earnings per share | 7,108.59 | 9,607.25 |
| **Diluted earnings per share** | | |
| Profit / (Loss) attributable to the equity holders used in calculating basic earnings per share | 7,108.59 | 9,607.25 |

**NOTE 51. EARNINGS PER SHARE** (Contd.)

**Weighted average number of shares used as the denominator**

| Particulars | Year ended March 31, 2021 Number of shares | Year ended March 31, 2020 Number of shares |
|---|---|---|
| Weighted average number of equity shares used as the denominator in calculating basic earning per share | 12,570,692 | 12,570,692 |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share | 12,570,692 | 12,570,692 |

**NOTE 52. DISCLOSURE IN RELATION CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Act | 294.85 | 239.95 |
| **Amount spent during the year on:** | | |
| (i) Construction / Acquisition of assets | — | — |
| (ii) On purpose other than (i) above | 296.31 | 258.07 |
| **Total** | **296.31** | **258.07** |

**(i) Details of excess CSR expenditure under section 135(5) of the Act.**

| Balance excess spent as at April 1, 2020 | Amount required to be spent during the year | Amount spent during the year | Balance excess spent as at March 31, 2021 |
|---|---|---|---|
| — | 294.85 | 296.31 | 1.46 |

(ii) The Group does not carry any provision for corporate social responsibilities expenses for the current year and previous year.

(iii) The Group does not wish to carry forward excess amount of INR 1.46 lakhs spent during the current year.

(iv) The Group does not have any ongoing projects as at March 31, 2021.

**NOTE 53. RESEARCH AND DEVELOPMENT COSTS**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Research and Development costs, 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* | 512.87 | 493.69 |
| Depreciation on Research and Development Equipment | 66.91 | 71.71 |
| | **579.78** | **565.40** |

* includes INR 248.05 lakhs, INR 131.70 lakhs and INR 133.12 lakhs (Previous Year: INR 257.54 lakhs, INR 102.17 lakhs and INR 133.98 lakhs) 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 INR 1,000.70 lakhs (Previous Year INR 35.98 lakhs) [including capital expenditure on qualifying assets of INR 1.54 lakhs, INR 1.22 lakhs and INR 997.94 lakhs (Previous Year: INR 29.65 lakhs, INR 2.17 lakhs and INR 4.16 lakhs 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)].

**NOTE 54. DETAILS OF DONATION TO A POLITICAL PARTY**

The Group has given donation to political parties amounting to INR Nil Lakhs (Previous Year - INR 96.00 lakhs), which is included in Note-40, Other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 55. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

| Name of the entity in the Group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| **Excel Industries Limited** | | | | | | | | |
| March 31, 2021 | 83.57% | 71,163.54 | 98.75% | 7,019.60 | 55.95% | 4,451.53 | 76.14% | 11,471.13 |
| March 31, 2020 | 85.17% | 59,692.41 | 97.29% | 9,347.35 | 76.70% | (3,925.35) | 120.77% | 5,422.00 |
| **Subsidiaries** | | | | | | | | |
| **Excel Bio Resources Limited** | | | | | | | | |
| March 31, 2021 | 0.08% | 64.72 | 0.03% | 2.42 | 0.00% | — | 0.02% | 2.42 |
| March 31, 2020 | 0.09% | 62.30 | 0.02% | 2.34 | 0.00% | — | 0.05% | 2.34 |
| **Kamaljyot Investments Limited** | | | | | | | | |
| March 31, 2021 | 16.35% | 13,925.79 | 1.22% | 86.57 | 44.05% | 3,504.97 | 23.84% | 3,591.54 |
| March 31, 2020 | 14.74% | 10,334.25 | 2.68% | 257.56 | 23.30% | (1,192.39) | -20.82% | (934.83) |
| **Associate and Joint venture** | | | | | | | | |
| March 31, 2021 | 0.00% | — | 0.00% | — | 0.00% | — | 0.00% | — |
| March 31, 2020 | 0.00% | — | 0.00% | — | 0.00% | — | 0.00% | — |
| **Total** | | | | | | | | |
| March 31, 2021 | 100% | 85,154.05 | 100% | 7,108.59 | 100% | 7,956.50 | 100% | 15,065.09 |
| March 31, 2020 | 100% | 70,088.96 | 100% | 9,607.25 | 100% | (5,117.74) | 100% | 4,489.51 |

## NOTE 56. DISCLOSURE IN RELATION TO IND AS 116

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 5. The Group leases various offices, warehouses, furniture, fittings and equipment. Rental contracts are made for 33 to 99 years in case of land and 3 years for building as per respective lease agreement, but may have extension options as described in (ii) below.

### (i) Amounts recognised in balance sheet

| Particulars | Building | Land | Total |
|---|---|---|---|
| **Year ended March 31, 2021** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 125.15 | 2,281.75 | 2,406.90 |
| Addition | — | — | — |
| Disposal | — | — | — |
| **Closing gross carrying amount** | **125.15** | **2,281.75** | **2,406.90** |
| **Accumulated depreciation** | | | |
| Opening accumulated depreciation | 30.85 | 19.68 | 50.53 |
| Depreciation charged for the year | 30.84 | 36.03 | 66.87 |
| Disposal | — | — | — |
| **Closing accumulated depreciation** | **61.69** | **55.71** | **117.40** |
| **Net carrying amount** | **63.46** | **2,226.04** | **2,289.50** |

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 56. DISCLOSURE IN RELATION TO IND AS 116** (Contd.)

| Particulars | Building | Land | Total |
|---|---|---|---|
| **Year ended March 31, 2020** | | | |
| **Gross carrying amount** | | | |
| Opening gross carrying amount | 125.15 | — | 125.15 |
| Transition impact of Ind AS 116 | — | 205.40 | 205.40 |
| Addition | — | 2,076.35 | 2,076.35 |
| Disposal | — | — | — |
| **Closing gross carrying amount** | **125.15** | **2,281.75** | **2,406.90** |
| **Accumulated depreciation** | | | |
| Opening accumulated depreciation | — | — | — |
| Depreciation charged for the year | 30.85 | 19.68 | 50.53 |
| Disposal | — | — | — |
| **Closing accumulated depreciation** | **30.85** | **19.68** | **50.53** |
| **Net carrying amount** | **94.30** | **2,262.07** | **2,356.37** |

The following is the break-up of current and non-current lease liabilities.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Lease Liability** | | |
| Non-current (Refer Note 23) | 217.33 | 251.05 |
| Current (Refer Note 29) | 33.73 | 28.52 |
| | **251.06** | **279.57** |

The following is the movement in lease liabilities.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening balance | 279.57 | 125.15 |
| Additions | — | 172.74 |
| Finance charge accrued during the year | 21.88 | 6.02 |
| Deduction | — | — |
| Payment of lease liability | (50.39) | (24.34) |
| **Closing balance as at year end** | **251.06** | **279.57** |

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) Less than one year | 53.32 | 50.39 |
| (b) One year to five years | 98.08 | 137.40 |
| (c) More than five years | 693.00 | 707.00 |
| **Total** | **844.40** | **894.79** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

**NOTE 56. DISCLOSURE IN RELATION TO IND AS 116** (Contd.)

**(ii) Amounts recognised in the statement of profit and loss**

Following are the expenses recognised in the statement of profit and loss for the year ended March 31, 2021:

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Depreciation charge of right-of-use assets | | | |
| — Building | 39 | 30.84 | 30.84 |
| — Land | 39 | 36.03 | 19.69 |
| Interest expense on lease liabilities | 41 | 21.88 | 16.03 |
| Expenses relating to short-term leases (Included in Other expenses) | 40 | 318.88 | 187.45 |
| Expenses relating to leases of low-value assets that are not shown above as short-term leases (Included in Other expenses) | 40 | 114.88 | 108.15 |

The total cash outflow for leases for the year ended 31 March 2021 was INR 50.39 lakhs (March 31, 2020 INR 24.34 lakhs)

**(iii) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. All extension options held are exercisable by the Company and termination rights are held by the Group and lessor both as per the respective lease agreements.

**NOTE 57. COVID 19 IMPACT ON CONSOLIDATED FINANCIAL STATEMENTS**

Manufacturing facilities of the Group which were shut down in the last week of March 2020 due to countrywide lockdown in the wake of Covid19 pandemic, resumed operations in a phased manner during the month of April 2020 after obtaining the requisite approvals. The Group continues to carry out it's operations in compliance with the guidelines issued by the various authorities from time to time.

The Group has carried out a detailed assessment of the Impact of the Covid19, including current wave, on the operations, on its liquidity position and on the recoverability and carrying values of assets and has concluded that there are no adjustments required in the consolidated financial statements for the year ended March 31, 2021. Further, the Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from Covid19 pandemic is not expected to be significant.

However, the impact of Covid19 pandemic may be different from that estimated as at the date of approval of these consolidated financial statements given the uncertainty associated with its nature and duration and accordingly the Group will continue to monitor any material changes to future economic conditions.

**NOTE 58. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

NEHAL UPADHAYAY
*Partner*
Membership No.: 115872

*Place : Mumbai*
*Date: May 28, 2021*

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# Form AOC 1

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**PART A - Subsidiaries**

₹ in lakhs

| Sr. No. | Particulars | Name of the Subsidiary | |
|---|---|---|---|
| | | **Kamaljyot Investments Limited** | **Excel Bio Resources Limited** |
| 1 | The date on which the subsidiaries were incorporated | 09/08/1983 | 18/12/2007 |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries. | NA | NA |
| 4 | Share capital | 199.98 | 51.00 |
| 5 | Reserves and Surplus | 2702.76 | 13.72 |
| 6 | Total Assets | 2906.65 | 70.67 |
| 7 | Total Liabilities | 2906.65 | 70.67 |
| 8 | Investments (total) | 2825.10 | 0.20 |
| 9 | Turnover | 57.41 | 9.09 |
| 10 | Profit before taxation | 23.67 | 3.27 |
| 11 | Provision for taxation | 6.52 | 0.85 |
| 12 | Profit after taxation | 20.44 | 2.42 |
| 13 | Proposed Dividend | 40.00 | — |
| 14 | % of shareholding | 100% | 100% |

**Notes** –

1. Names of Subsidiaries which are yet to commence operations – Both the aforesaid subsidiaries have commenced operations. There is no other subsidiary, which is yet to commence operations.
2. Names of the subsidiaries which have been liquidated or sold during the year – No subsidiary has been liquidated or sold during the year.

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# Form AOC 1

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

**PART B - Associates and Joint Ventures**

| Sr. No. | Name of the Associate or Joint Venture | MobiTrash Recycle Ventures Private Limited |
|---|---|---|
| 1 | Latest Audited Balance Sheet date | 31.03.2021 |
| 2 | Date on which the Associate or Joint venture was associated or acquired | 15.10.2015 |
| 3 | Shares of Associate or Joint Venture held by the Company on the year end | |
| | (a) No. of Shares held | By Excel Bio-Resources Limited – 1999 shares<br>By Kamaljyot Investments Limited – 1999 shares |
| | (b) Amount of Investment in Associate/Joint Venture | — |
| | (c) Extent of Holding % | 39.98 |
| 4 | Description of how there is significant influence | Shares held by Subsidiaries |
| 5 | Reason why Associate/ Joint Venture not consolidated | N.A. |
| 6 | Net worth attributable to shareholding as per latest audited Balance Sheet | (₹ 62,91,996) |
| 7 | Profit / (Loss) for the year | |
| | i. Considered in Consolidation | |
| | ii. Not considered in Consolidation | (₹ 18,97,710) |

**Notes** –

1. Names of associates or joint ventures which are yet to commence operations – The aforesaid associate company has commenced operations. There is no other associate or joint venture, which is yet to commence operations.
2. Names of the associates or joint ventures which have been liquidated or sold during the year – No associate or joint venture has been liquidated or sold during the year.

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

ASHWIN C. SHROFF
*Executive Chairman*
DIN: 00019952

HRISHIT A. SHROFF
*Executive Director*
DIN: 00033693

N.R. KANNAN
*Chief Executive Officer*

DEVENDRA P. DOSI
*Chief Financial Officer*

SURENDRA K. SINGHVI
*Company Secretary*

*Place : Mumbai*
*Date: May 28, 2021*

# FIVE-YEAR FINANCIAL HIGHLIGHTS

(₹ in lacs except otherwise stated)

| | | | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|---|---|
| I. | CAPITAL ACCOUNTS | | | | | | |
| | A. | Fixed Assets (Net) | **40,572.27** | 38,595.59 | 24,627.39 | 22,258.77 | 18,840.47 |
| | B. | Non-Current Investments | **20,048.69** | 14,726.14 | 19,209.86 | 17,383.71 | 15,243.41 |
| | C. | Other Non-Current Assets | **2,649.09** | 2,154.89 | 2,037.44 | 2,012.33 | 1,942.08 |
| | D. | Current Assets | **32,070.44** | 26,793.10 | 30,683.45 | 18,636.75 | 18,698.01 |
| | E. | Assets classified as held for Sale | **–** | – | 1,328.66 | 1,486.70 | 1,133.91 |
| | F. | Total Assets | **95,340.49** | 82,269.72 | 77,886.80 | 61,778.26 | 55,857.88 |
| | G. | Other Non-Current Liabilities | **1,513.78** | 2,413.65 | 1,133.83 | 1,227.30 | 1,127.45 |
| | H. | Other Current Liabilities | **15,129.91** | 12,675.46 | 10,782.35 | 10,203.67 | 8,529.44 |
| | I. | Liabilities classified as held for Sale | **–** | – | 304.20 | 312.03 | 216.86 |
| | J. | Net Assets (F-G-H-I) | **78,696.80** | 67,180.61 | 65,666.42 | 50,035.26 | 45,984.13 |
| | K. | Share Capital | **628.53** | 628.53 | 628.53 | 628.53 | 628.53 |
| | L. | Reserves | **70,956.87** | 59,486.39 | 58,421.35 | 43,412.01 | 35,188.76 |
| | M. | Shareholders' Funds (K+L) | **71,585.40** | 60,114.92 | 59,049.88 | 44,040.54 | 35,817.29 |
| | N. | Non-Current Borrowings and Current Borrowings | **607.67** | 2,128.27 | 621.63 | 750.25 | 5,958.12 |
| | O. | Deferred Tax Liability (Net) | **6,503.73** | 4,937.42 | 5,994.91 | 5,244.47 | 4,208.72 |
| | P. | Capital Employed (M+N+O) | **78,696.80** | 67,180.61 | 65,666.42 | 50,035.26 | 45,984.13 |
| | Q. | Debt-Equity Ratio | **0.01:1** | 0.04:1 | 0.01:1 | 0.02:1 | 0.17:1 |
| II. | REVENUE ACCOUNTS | | | | | | |
| | A. | Total Income* | **75,772.38** | 71,056.31 | 82,936.24 | 61,481.34 | 51,352.31 |
| | B. | Profit/(Loss) before Taxes* | **9,970.28** | 11,220.52 | 23,276.45 | 10,549.55 | 2,742.87 |
| | | % of Total Income | **13.16%** | 15.79% | 28.07% | 17.16% | 5.34% |
| | C. | Profit/(Loss) after Taxes | **7,018.95** | 9,347.34 | 15,206.47 | 7,254.04 | 2,079.68 |
| | | % of Total Income | **9.26%** | 13.15% | 18.34% | 11.80% | 4.05% |
| | D. | Return on Shareholders' Funds % | **9.81%** | 15.55% | 25.75% | 16.47% | 5.81% |
| III. | EQUITY SHAREHOLDERS' EARNINGS | | | | | | |
| | A. | Earning per Equity Share** | **55.84** | 74.36 | 120.97 | 57.71 | 16.48 |
| | B. | Dividend per Equity Share** | **11.25** | 10.00 | 18.75 | 12.50 | 6.00 |
| | C. | Equity Dividend | **1,414.20** | 1,257.06 | 2,357.00 | 1,571.34 | 754.24 |
| | D. | Net Worth per Equity Share** | **569.47** | 478.22 | 469.74 | 350.34 | 284.93 |
| | E. | Market Rate as on 31st March | **843.55** | 446.85 | 1,147.00 | 866.75 | 380.40 |

* Include Total Income and Profit/(Loss) before taxes of discontinuing operation

** Face Value of Equity Share - ₹ 5/-

NOTES

NOTES

# Corporate Information

## Chairman Emeritus
Kantisen C. Shroff (up to 12.05.2021)
G. Narayana

## Board of Directors
**Ashwin C. Shroff,** *Executive Chairman*
**Ravi A. Shroff,** *Managing Director*
**Hrishit A. Shroff,** *Executive Director*
**Atul G. Shroff,** *Non-Executive Director*
**Dipesh K. Shroff,** *Non-Executive Director*
**H. N. Motiwalla,** *Independent Director*
**P. S. Jhaveri,** *Independent Director*
**R. N. Bhogale,** *Independent Director*
**R. M. Pandia,** *Independent Director*
**M. B. Parekh,** *Independent Director*
**S. S. Vaidya,** *Independent Director*
**Dr. Meena A. Galliara,** Independent Director
**Mr. P. K. Molri,** *Nominee Director*

## Chief Executive Officer
N. R. Kannan

## Chief Financial Officer
Devendra Dosi

## Company Secretary
Surendra Singhvi

## Auditors
Price Waterhouse Chartered Accountants LLP

## Bankers
Bank of India
State Bank of India
Axis Bank Limited
HDFC Bank Limited

## Registrar & Transfer Agent
Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai 400 083
Tel: +91 22 49186000, Fax: +91 22 49186060
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: investors@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
Atchutapuram, Visakhapatnam, Andhra Pradesh

## Excel Industries Limited

**CIN: L24200MH1960PLC011807**
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