Excel Industries Ltd.
Corporate & Registered Office

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

8th August, 2017

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

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

Sub: Submission of Annual Report

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

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year 2016-17 as approved and adopted in the Annual General Meeting of the Company held on 3rd August, 2017

Yours faithfully,

For Excel Industries Limited

S K Singhvi
Company Secretary

Encl: as above

Excel Industries Limited
184-87, S.V. Road, Jogeshwari (West),
Mumbai - 400 102, Maharashtra, India.
CIN : L24200MH1960PLC011807

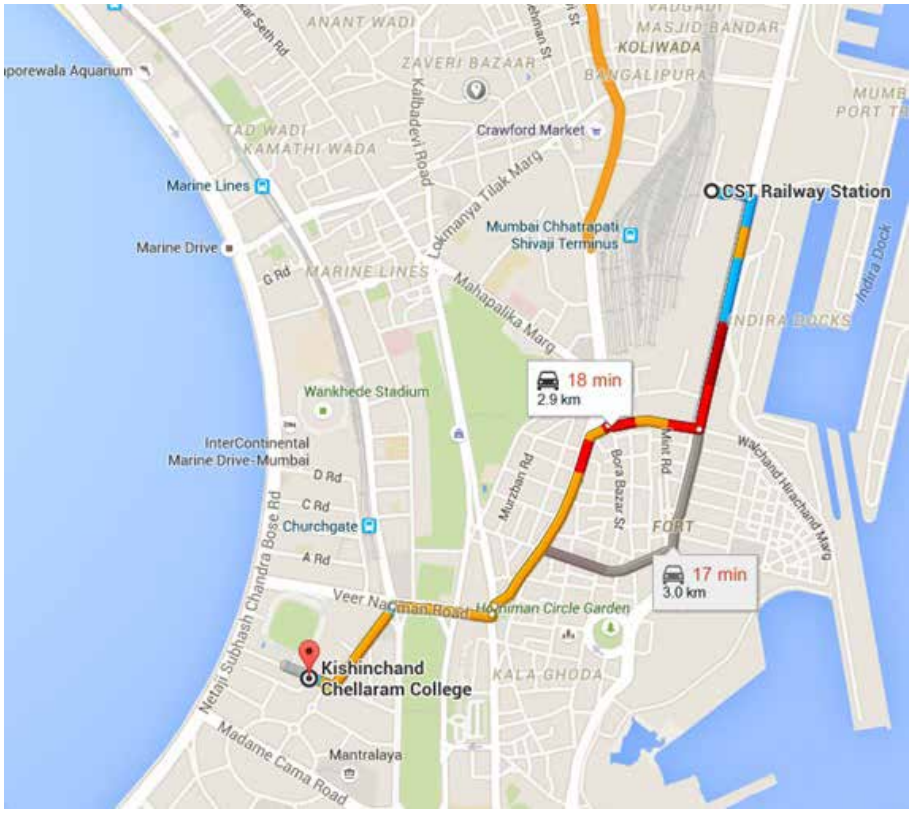
E: excelmumbai@excelind.com
T: 91- 22 - 6646 4200
F : +91-22-2678 3657
W: http://www.excelind.co.in

SUSTAINING excellence

EXCEL INDUSTRIES LIMITED

56th Annual Report 2016-17





56th Annual General Meeting

on Thursday, 3rd August, 2017 at 3.00 p.m.
at Rama and Sundri Watumull Auditorium,
Kishinchand Chellaram College,
Dinshaw Wachha Road,
Churchgate, Mumbai-400 020.

Disclaimer

This document contains statements about expected future events and financial and operating results of Excel Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Excel Industries Limited Annual Report 2016-17.

Read through































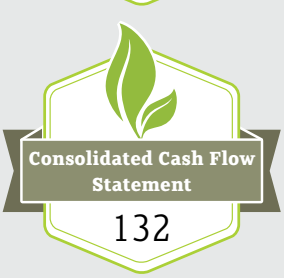


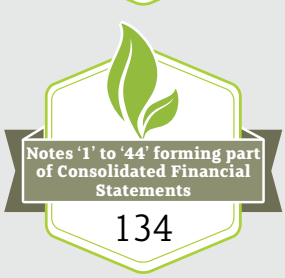












Corporate Information

CHAIRMAN EMERITUS
KANTISEN C. SHROFF
G. NARAYANA

BOARD OF DIRECTORS
ASHWIN C. SHROFF ***Chairman & Managing Director***
USHA A. SHROFF ***Executive Vice Chairperson***
RAVI A. SHROFF ***Executive Director***
ATUL G. SHROFF ***Non-Executive Director***
DIPESH K. SHROFF ***Non-Executive Director***
R. K. SOOD ***Nominee Director (LIC)***
R. N. BHOGALE ***Independent Director***
H. N. MOTIWALLA ***Independent Director***
P. S. JHAVERI ***Independent Director***
M. B. PAREKH ***Independent Director***
S. S. VAIDYA ***Independent Director***
R. M. PANDIA ***Independent Director***

PRESIDENT - Chemical Division
B. Balachandran

PRESIDENT - Environment & Biotech Business and Corporate Services
Hrishit A. Shroff

CHIEF FINANCIAL OFFICER
KAILAS D. DABHOLKAR

COMPANY SECRETARY
SURENDRA K. SINGHVI

AUDITORS
S R B C & CO LLP ***Chartered Accountants***

BANKERS
Bank of India
State Bank of India
Axis Bank Limited
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 : excel.mumbai@excelind.com
Web : http:\\www.excelind.co.in

FACTORIES
M.I.D.C. Area, Roha, Maharashtra.
M.I.D.C. Area, Lote Parshuram, Maharashtra.
Baherampura, Ahmedabad, Gujarat.

Excellence in business sustainability is the need of the hour.

It is essential for organisations to address the long-term business sustainability to maintain competitiveness. Sustainability seeks to balance and simultaneously optimise environmental, social and financial concerns.

At Excel Industries Limited (EIL), expectation of sustainable excellence is our corporate culture. Our business endures through generations but still stays relevant today.

Because, we have always been proactive, thinking ahead of times.

Because, we have always been adaptive in catching up with the changing times.

Because, we have promoted a culture of open-mindedness and outward-looking communication across our organisation.

We have built a value-system of sustainable excellence.

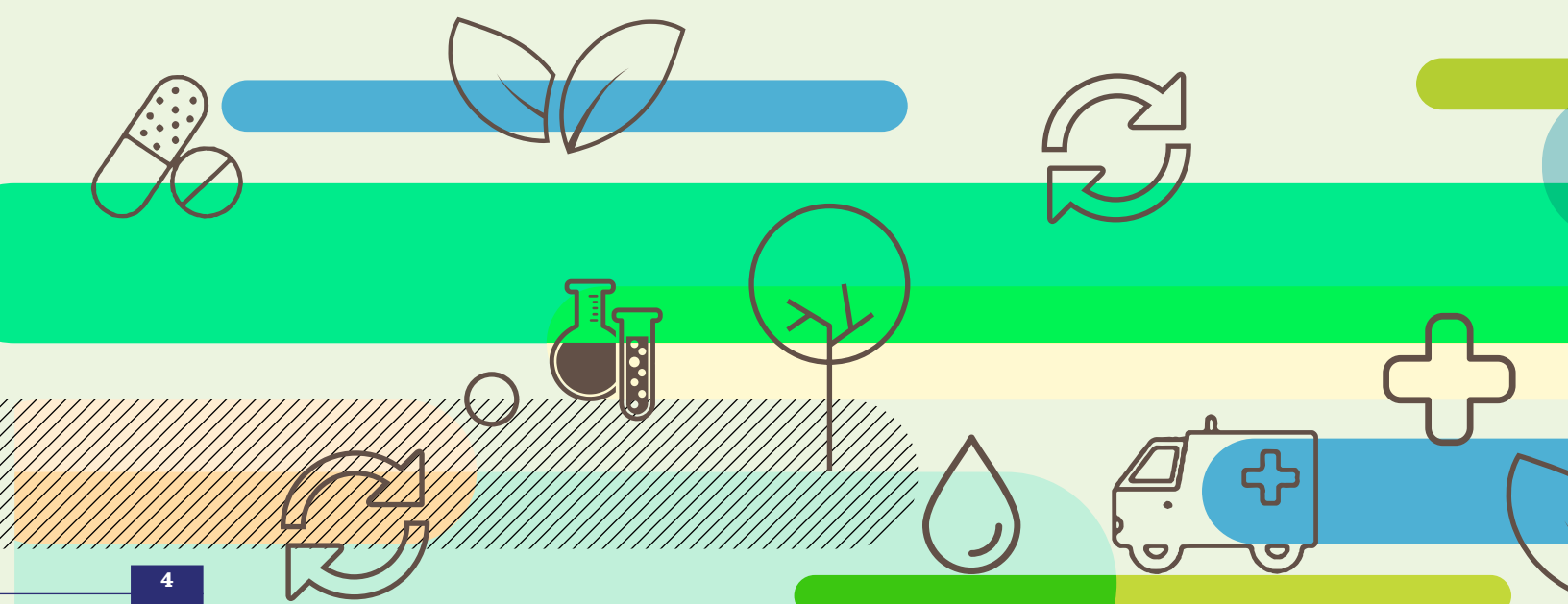


A Corporate Driven by Sustainable Excellence

1941 YEAR OF ESTABLISHMENT	52.38% PROMOTER'S HOLDING AS ON MARCH 31, 2017
120% DIVIDEND DECLARED FOR 2016-17	909 EMPLOYEES AS ON MARCH 31, 2017
BSE Code: 500650	NSE Code: EXCELINDUS

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

Established in 1941, headquartered in Mumbai, the Company has achieved several chemical process breakthroughs, steadily contributing to the enhancement of technological capability of the nation. Our product stream comprises of chemicals for Agro Industry, Specialty Chemicals, Polymer Inputs and Pharmaceutical APIs & Intermediates. We are also equally sensitive to the needs of the environment and community. Our Environment-biotech division has developed novel solutions for Waste Management, thus contributing to sustainable environmental practices.



Our core competencies

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

Our Values

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

Dynamism

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

Compassion

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

Expertise

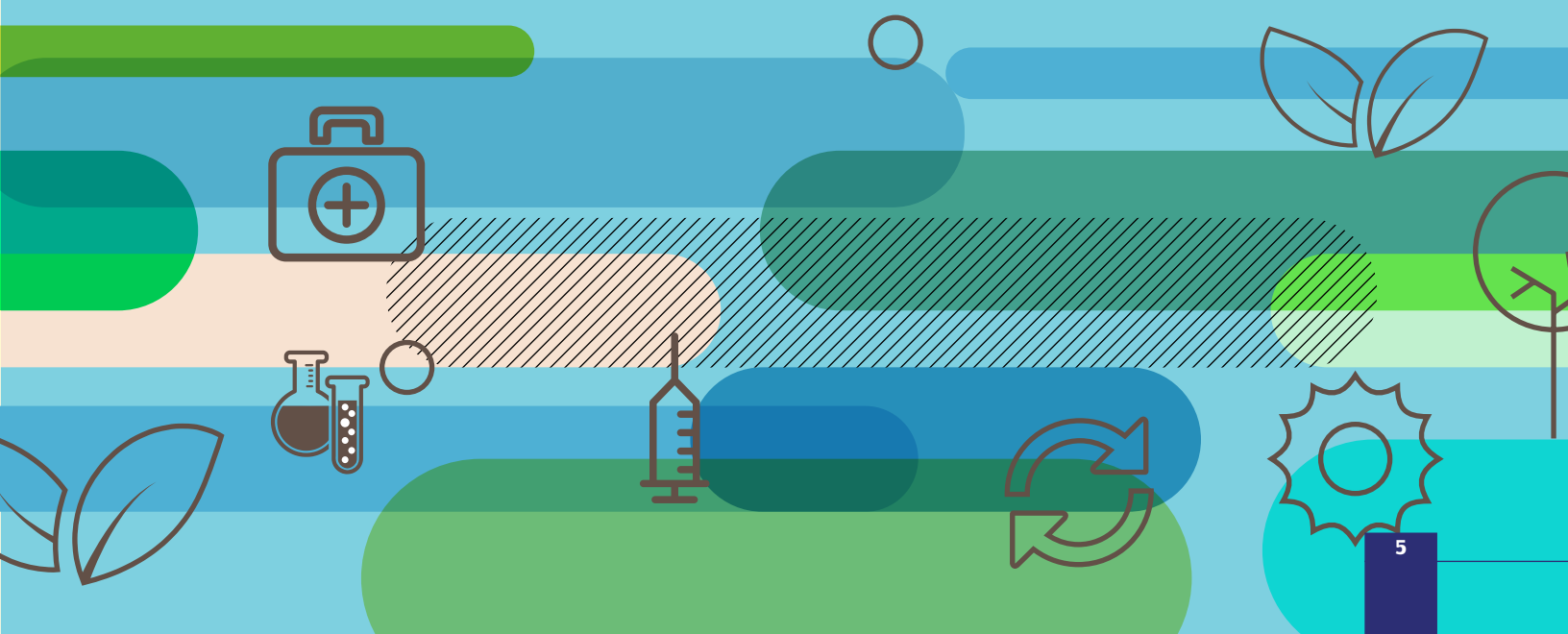
From research to manufacturing, from factory floor to shipped goods, we strive for excellence in every facet of our operations.

Tradition

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

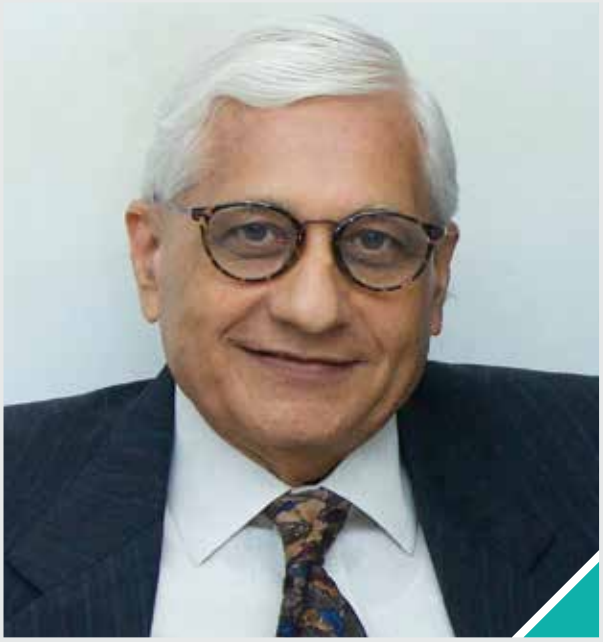
Employees' Loyalty

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



Chairman's Message

Sustainable Excellence is driven by path-breaking initiatives that keep us ahead of times



Dear Stakeholders,

It gives me an immense pleasure to once again interact with you through our annual report. One question I hear often is: how do we ensure that sustainability remains engrained in our organisation. This is the reason 'sustaining excellence' as our communication theme for this year's annual report.

Sustainability is more than just reducing your impact on the environment. It can help your business become more resilient and productive, save on costs and give you a distinct competitive advantage.

Since the time of our inception, sustainability has been our integral part of doing business. Apart from balancing financial, social and environmental risks, obligations and opportunities, sustainability moves across our day-to-day decisions and processes. As a result, EIL has achieved sustainable excellence through several path-breaking initiatives which are way ahead of its times.

What you build around, changes overtime. But, the core values will always remain the same. As a corporate, we have always remained socially relevant. It is our practice to develop products and solutions that the society needs. Our pioneering initiative on waste management is one such example. Besides, we promote Responsible Care and self-regulate ourselves so that we are not hazardous to the environment. We are India's first Company to commit our selves to the concept of 'Responsible Care'.

We believe in our business instincts. When we offer solutions that are ahead of time, we stick to it and patiently wait for the society to adapt. We have been constantly upgrading our product portfolio in the pharma intermediaries and agro-chemical intermediates business to proactively respond to the situational needs. Besides, we are also adapting less-polluting technologies to maintain a fair balance between economical and ecological prospects of our business.

In achieving sustainable excellence, our plans and directions are driven by strategies that meet the needs and expectations of all our stakeholders – company colleagues, business partners, customers, vendors, lenders and bankers. I whole-heartedly acknowledge their belief and support in us. We look forward to adapt, advance and build an agile organisation.

Best Wishes,

Ashwin C Shroff

Expanding our mindsets for customers of tomorrow



The key to moving our organisation from the status quo to an expectation of excellence is our corporate culture. We do not nurture an outmoded culture focused on problem solving. Instead, we equip our teams with the right mindset and skills necessary to adapt the changing needs of the day. This allows us to shape the market trends and build a portfolio of strong and innovative offerings to keep us ahead of the pack.

During 2016-17, we satisfactorily progressed with the construction of our Multipurpose (MPP) plant in Roha, enhanced pharma intermediate plant capacity by adding balance equipment and started commercial production of new agro intermediate (an import substitute). Besides that, we also participated in an International Event – CPhI Worldwide held at Europe for gaining desired global visibility and exploring new customer profile.

Ravi A Shroff,
Executive Director

Built for the long term



Developing an excellence in sustainability is about making yourself ready to the dynamic needs of tomorrow. We had envisaged the importance of waste-recycling long back and launched Excel OWC– an organic waste-converter machine. It is a pioneering initiative that rapidly processes organic waste, collected from hotels, apartment complexes, IT Parks and Industrial Canteens, into rich compost. The promotion of cleanliness and initiatives like 'Swachh Bharat' augurs well for our initiatives.

Hrishit A Shroff,
President –
Environment & Biotech Business and Corporate Services

Board of Directors

Mr. Ashwin C. Shroff, *Chairman and Managing Director*

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

He is a member of Research Council of National Institute for Interdisciplinary Science and Technology (NIIST), Thiruvananthapuram and has served as a Co-chairman of CII – Agri Biotech Committee. He has been richly recognised for his contributions to the growth of the Indian Chemical industry and received the ICC Lifetime achievement award in 2012.

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

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



Mr. Ravi A. Shroff, *Executive Director*

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

Mr. Dipesh K. Shroff, *Director*

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

Mr. H. N. Motiwalla, *Director*

Mr. Motiwalla is Chartered Accountant by profession and a highly respected professional for 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 Ltd, Ashapura Minechem Limited, Siyaram Silk Mills Ltd., LIC Nomura Mutual Fund Trustee Private Limited. He is also Chairman of Audit Committee of several listed companies. Mr Motiwalla has been enriching Excel with his wisdom and rich experience since 2002.

Mr. Atul G. Shroff, *Director*

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

Mr. Priyam S. Jhaveri, *Director*

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

Mr. R. N. Bhogale, *Director*

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

Mr. R. M. Pandia, *Director*

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



Mr. S. S. Vaidya, *Director*

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

Mr. M. B. Parekh, *Director*

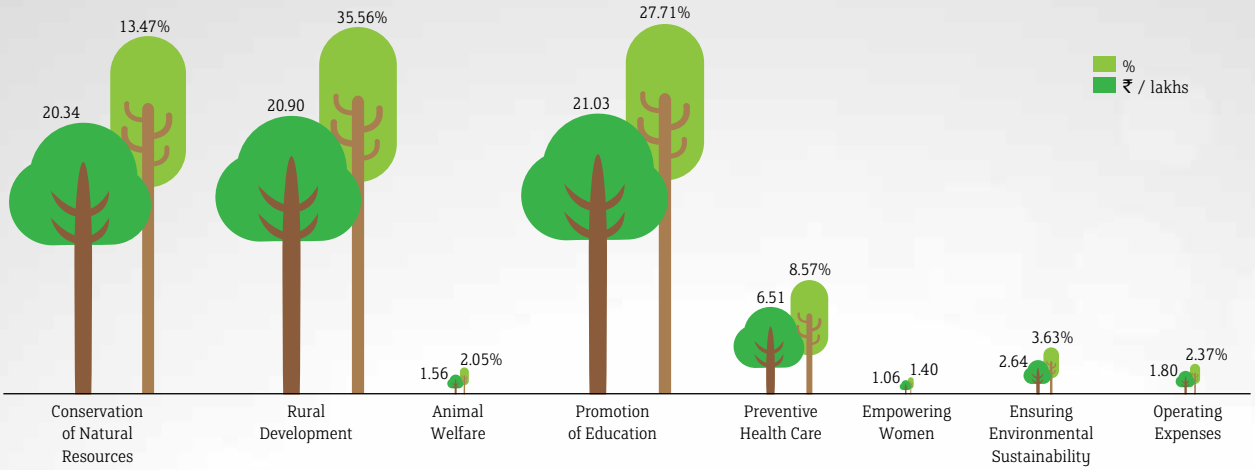
Mr. M. B. Parekh holds a post graduate degree in chemical engineering from University of Wisconsin, USA and he is an industrialist with rich experience in chemical industry and consumer products. He is the Executive Chairman of Pidilite Industries Limited and Chairman & Managing Director of Vinyl Chemicals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

Mr. R. K. Sood, *Director*

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

Corporate Social Responsibilities





This year was earmarked by untimely rains with hailstorms damaging standing crops in several parts of the country.

People have now started realizing what is 'Climate Change'. The effects of Global Warming are becoming more and more visible and reaching to the senses of the common man, making him believe that it is not a myth but a reality. Untimely and sometimes erratic rains/showers and hailstorms have caused damage to the agriculture/horticulture produce. Rising temperature is causing adverse impact on the ground water levels. Both these conditions are further eroding the livelihood sources of Rural India, mainly the farmer and farm based ancillary business dependent community.

The agricultural land is becoming more and more arid and less productive. Farmers fail to grow rabbi crop because of inadequate wetness/moisture levels in the soil. It is obvious that the youth here has turned his/her back to agriculture, their traditional livelihood profession. India may face acute shortage of water in near future. There stands an obvious question on our Food security too.

Under such circumstances the Company is continuously strengthening its efforts and the inputs in rain water harvesting activities and in promoting adoption of 'Sustainable Agriculture' practices/techniques.

HYDRO-GEOLOGY SURVEY

A Scientific Approach to water shed development for Rain Water charging below ground levels. An expert team from Geology Department, Devgiri College, Aurangabad, led by Prof. Ashok Tejankar, conducted this study.

Depleting water levels below the ground is a matter of great concern. Underground water is being continuously pumped out for various usages. However, recharging efforts are quite in negligible levels. Moreover, understanding the ground strata is prerequisite for deciding the locations and the type of water shed development.

The study of 4 villages in Roha, Raigad district revealed that, the ground strata is mainly made of Basalt (Compact, Amygdaloidal, Vesicular) as shown in the picture below.



This compact basalt prevents percolation of water. The hilly contour and the kind of ground strata results in to run-off of maximum rain water and very less potential of seepage. Based on the findings and the suggestions of this study, water shed development projects will be undertaken in 2017-18.









Above pictures of water stream taken in February and then in March 2017. Rising temperatures caused high rate of evaporation.

CONSERVATION OF NATURAL RESOURCES

Rain Water Harvesting

About 16,000 cubic meter (16 million litre) silt was removed from water streams at various locations to harvest rain water. This storage lasted till March and at some places till May. Water levels in well nearby these streams found raised because of seepage. High evaporation losses also were observed as seen in pictures below taken in February (filled with water) and March (very less water). This water became very useful for domestic and agriculture purpose. Villagers were more than happy to find their cattle quenching their thirst, which otherwise used to wander in search of water.

More than 300 temporary check dams were built after monsoon through people's participation. The stored water became very handy for vegetable and other rabbi crop cultivation and for domestic and cattle use.



Use of stones, soil



Use of sand/cement bags with soil






PROMOTION OF SUSTAINABLE CLIMATE THROUGH SMART AGRICULTURE.

1. With an overall objective of increasing the income of farmers from agriculture/horticulture produce despite Climate Change by adaptation of Climate Smart Agriculture Techniques, the Company is facilitating Capacity Building of Farmers program, being conducted by Shri. Vivekananda Research and Training Institute, at Kutch, in collaboration with two strategic organizations that have as a primary mission to assist rural villages mitigate and adapt to climate change through the application of Climate Smart Agricultural (CSA) practices. The first organization is the National Council for Climate Change Sustainable Development and Public Leadership (NCCSD). The second organization is Florida A&M University (FAMU). The emphasis is on developing Trainers for propagating the techniques in widespread areas of Gujarat. Good Agriculture Practices, Soil salinity assessment and interventions for productivity improvement, understanding crop water relationship and recommend methods to take crops even with inferior quality of water, Food safety aspects for horticultural crops, assessing role of women farmer in agriculture, challenges faced and providing suggestions for






improvement are some of the important subjects covered in the training programs benefiting more than 700 farmers.

Assessing role of women farmer in agriculture, challenges faced and providing suggestions for improvement are some of the important subjects covered in the training programs benefiting more than 700 farmers.

2. Improved productivity in paddy and pulses, Rs. 10000/- per acre direct savings, drudgery reduction by almost 80%, and cultivation of 2nd and 3rd crop(summer) without requiring ploughing are the major benefits gained by 55 farmers, by adopting Conservation Agriculture Technique. High and untimely rain did not have adverse impact as compared to that on traditional paddy fields. Promotion of drip irrigation helped farmers to take 3rd crop.



Nachani: Nursery to plantation



Nachani Processing

EMPOWERING WOMEN

Revival of Nachani (a staple food of poor in villages and a Healthy diet for urban society and diabetic patients) cultivation and development of entrepreneurs for making value added products on commercial level.

100 Women of 7 Bachat Gat, cultivated Nagli on 47 acres of land, generally on on tapering land of mountains and produced 14000.00 kg of Nachani. They managed to earn Rs. 2.4 lakh by sale of 7000 k.g. @ Rs. 35/- k.g., Rs. 0.93 lakh from Nachani Satva 1000 k.g. Value added products such as Ladoo, Shev, Chakali, Satva, Chikki, etc. which fetched additional income of Rs. 50000/-.

The picture depicts Nagli Cultivation and Nachani processing:



Making Products



Nachani : Value added products





Shivani Thale & Tanvi Thakur: Winners



Students engaged in Activity

PROMOTION OF EDUCATION

Soft skill development among the rural students, quality improvement in 10th std students for securing better ranks, career guidance and support for infrastructure development were primary focus. Two students achieved an exemplary success in district level elocution, essay competition. The school bagged the Science exhibition shield.

PREVENTIVE HEALTH MEASURES

Activities such as providing clean and safe drinking water facility in 4 schools costing about Rs. 3.50 lakhs, conducting health check-up camps, giving nourishment packets to about 800 girls and women who were found anemic and underweight were carried out.



Safe Drinking Water: S.S. Tank



Safe Drinking Water: U.V. with filters

ENSURING ENVIRONMENTAL SUSTAINABILITY

Kitchen Garden, a Concept of Using domestic waste water for vegetable cultivation in the backyard was also facilitated. More than 50 women cultivated vegetables for their day to day use.



Use of waste water: Kitchen garden



Use of waste water: Vegetable crop

NOTICE

NOTICE is hereby given that the **56th ANNUAL GENERAL MEETING** of the members of EXCEL INDUSTRIES LIMITED will be held at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020 on **Thursday, the 3rd August, 2017 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the **audited** standalone and consolidated **financial statements** of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors and Auditors thereon.

2. To declare a **Dividend** for the financial year ended 31st March, 2017, on Equity Shares of the Company.

3. To appoint a Director in place of **Mr Dipesh K Shroff** (DIN 00030792), who retires by rotation and being eligible, offers himself for re-appointment.

4. To **Appoint Auditors** of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 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) and pursuant to the recommendations of the Audit Committee and the Board of Directors M/s Price Waterhouse Chartered Accountants LLP, (ICAI Firm Registration No. 012754N/N500016), be and they are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s S R B C & Company LLP, Chartered Accountants (Registration No. 324982E/E00003) for a period of five years commencing from the conclusion of the 56th annual general meeting of the Company up to the conclusion of the 61st annual general meeting of the Company subject to ratification of such appointment by the members at every annual general meeting held after 56th annual general meeting at a remuneration and out of pocket expenses as may be fixed for each financial year by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

5. To re-appoint Mrs Usha A Shroff as Executive Vice-Chairperson of the Company and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the re-appointment of Mrs Usha A Shroff (DIN: 00020519) as Whole-time Director of the Company to be designated as 'Executive Vice-Chairperson' for a period of 5 (Five) years with effect from 22nd January, 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice with a liberty to the Board to alter and vary the terms and conditions of the appointment and the remuneration in such manner as may be agreed between the Board of Directors and Mrs Usha A Shroff;

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

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

6. To approve revision in salary of Mr Ravi A Shroff, Executive Director of the Company 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 sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Members hereby accord their approval for revision in salary of Mr Ravi A. Shroff (DIN: 00033505), Executive Director of the Company, with effect from 3rd September, 2017 for the remaining tenure of his present term ending on 2nd September, 2019 and that his remuneration and other terms and conditions for the said remaining period are as set out in the Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice with liberty to the Board to alter and vary the terms and conditions of the appointment and the remuneration in such manner as may be agreed between the Board of Directors and Mr Ravi A Shroff;

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

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Cost Auditors, M/s Kishore Bhatia & Associates (Firm Registration Number: 00294) for the financial year 2017-18 fixed at ₹ 3,75,000/- plus service tax and out-of-pocket expenses, by the Board of Directors at its meeting held on 26th May, 2017 be and is hereby ratified and confirmed."

NOTES:

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

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

2. Pursuant to the provisions of Section 102 of the Companies Act, 2013, an explanatory statement relating to the special business to be transacted at the meeting is annexed hereto.

3. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 in respect of Director retiring by rotation and being reappointed are given in the explanatory statement pursuant to section 102(1) of the Companies Act, 2013.

4. The register of members and the share transfer books of the Company will remain closed from **Friday, the 28th July, 2017 to Thursday, the 3rd August, 2017** (both days inclusive).

5. Payment of dividend as recommended by the Directors, if declared at the meeting, will be made from **9th August, 2017** 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 **3rd August, 2017**; 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 **27th July, 2017**.

6. Payment of dividend will be made through National Electronic Clearing Service (NECS) by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and who wish to avail of NECS facility to receive dividend from the Company may furnish the information to Link Intime India Private Limited, the Registrar and Share Transfer Agents. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS mechanism.
7. All the documents referred to in this notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays, during 2.00 p.m. to 4.00 p.m. up to the date of the Annual General Meeting.
8. Members are requested to notify immediately any change in their communication address to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID Number and to Link Intime India Private Ltd., Company's Registrar & Share Transfer Agents, in respect of their holding in physical shares, quoting Folio No.
9. Electronic copy of annual report for 2016-17 is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the annual report for 2016-17 are being sent to them.
10. To support the green initiatives of the Government, members who have not registered their e-mail address so far are requested to register their e-mail address, in respect of their electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agents of the Company i.e. M/s Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400 083.
11. Pursuant to the provisions of Sections 123 and 125 of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of seven years shall to be transferred to the Investor Education and Protection Fund.

    The details of dividend paid for the financial year 2009-10 onwards are given below:

Date of Declaration	Dividend for the year	Dividend ₹ / Per Share	Due date of the proposed transfer to the Investor Education & Protection Fund
19.07.2010	2009-10	2.00	24.08.2017
22.07.2011	2010-11	3.75	27.08.2018
20.07.2012	2011-12	2.00	25.08.2019
26.07.2013	2012-13	3.00	31.08.2020
26.09.2014	2013-14	3.75	01.11.2021
31.10.2014	2014-15	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

    Members who have not encashed the dividend warrants for the year 2009-2010 and/or any subsequent year(s) are requested to write to the Company for revalidation of dividend warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

12. **Facility for voting:**

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

(b) The Company will also provide voting facility through ballot paper at the meeting. Members who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

(c) Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

13. **Instructions for remote e-voting:** Following are the instructions for remote e-voting for members receiving an e-mail or a physical copy of this notice of Annual General Meeting:

(a) The voting period begins on **Monday, the 31st July, 2017 at 9.00 a.m. and ends on Wednesday, the 2nd August, 2017 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **27th July, 2017**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(b) The shareholders should log on to the e-voting website **www.evotingindia.com.**

(c) Click on Shareholders

(d) Now Enter your User ID

i. For CDSL: 16 digits beneficiary ID,

ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

iii. Members holding shares in physical form should enter Folio Number registered with the Company.

(e) Next enter the Image Verification as displayed and click on Login.

(f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(g) If you are a first time user follow the steps given below:

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

(h) After entering these details appropriately, click on "SUBMIT" tab.

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

(j) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(k) Click on the EVSN for the Company 'Excel Industries Limited'.

(l) On the voting page, you will see "RESOLUTION DESCRIPTION" and the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(s) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Thursday, 27th July, 2017**.

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

The Chairman or the person authorized by him in writing shall declare the result of the voting on or before **5th August, 2017**. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.excelind.co.in** and on the website of CDSL immediately after the result is declared and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

REQUEST TO THE MEMBERS

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Registered Office:

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

Mumbai, 26th May, 2017

Route Map to the venue of the AGM



ANNEXURE TO THE NOTICE

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

Item No. 3

Particulars of Mr. Dipesh K Shroff, Director, retiring by rotation and being eligible, offers himself for re-appointment, are as under:

Name of Director	MR. DIPESH K. SHROFF
Date of Birth	03.02.1960
Academic Qualification	Diploma in Civil Engineering, Owners'/Presidents' Management program at Harvard Business School, Boston, USA
Experience and Expertise	Industrialist with vast experience in Chemical and Agrochemical Industries and has expertise in the field of business management
Date of Appointment	03.09.2003
Other Companies in which Directorship is held	TML Industries Limited Excel Crop Care Limited Shroff Engineering Limited Kutch Crop Services Limited ECCL Investments and Finance Limited Transpek Industry Limited Agrocel Industries Private Limited Shrodip Investments Private Limited Devnidhi Plastics Private Limited Dipkanti Investments & Finance Private Limited Pritami Investments Private Limited Neo Seeds India Private Limited Vibrant Greentech Private Limited Hyderabad Chemicals Products Private Limited
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	Membership of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee in Transpek Industry Limited. Chairmanship of Corporate Social Responsibility Committee of Agrocel Industries Private Limited
No. of Shares held in the Company	8619
DIN	00030792
Relation with other Directors or Key Managerial Personnel	Cousin Brother of Mr. Ashwin C. Shroff and Mr Atul G. Shroff
No. of Board meetings attended during the year 2016-17	Four
Remuneration drawn in 2016-17	₹ 3,10,000
Remuneration and other terms & conditions of appointment	He is entitled to sitting fees for attending Board & Committee meetings and commission as approved by the Board of Directors

Item No. 4

The Audit Committee and the Board of Directors of the Company at their meeting held on 24th May, 2017 and 26th May, 2017 respectively had recommended the appointment of Price Waterhouse, Chartered Accountants LLP having firm registration no. 012754N/N500016 as the new Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting in place of existing Auditors S R B C & Co LLP, Chartered Accountants who will be retiring at this Annual General Meeting in compliance with mandatory rotation of Auditors as per the provisions of Section 139(2) of the Companies Act, 2013.

Price Waterhouse, Chartered Accountants LLP have consented to the proposed appointment and confirmed that their appointment if made, would be within limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of provisions of proviso to Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and Rules made thereunder.

None of the Directors and key managerial personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolution for approval of the members.

Item No. 5

Mrs Usha A Shroff was appointed as Executive Vice Chairperson of the Company for a period of five years with effect from 22nd January, 2013 and her current term as Executive Vice Chairperson would end on 21st January, 2018.

Mrs Usha A Shroff is post graduate in commerce and has rich experience of working with the Company since 1968. Considering her vast experience in the industry and involvement in the affairs of the Company for a long period of time, it would be in the interest of the Company to continue her appointment as Executive Vice Chairperson of the Company.

The Board of Directors at their meeting held on 26th May, 2017, on the recommendations of the Nomination and Remuneration Committee and subject to approval of the members by a Special Resolution, re-appointed her as the Executive Vice Chairperson of the Company for a further period of five years with effect from 22nd January, 2018.

Mrs Usha A Shroff has attained the age of 70 years and a Special Resolution is required to be passed by the members of the Company to approve her appointment as Whole-time Director of the Company to be designated as 'Executive Vice-Chairperson'.

Broad particulars of the terms of appointment and remuneration applicable to Mrs Usha A Shroff are as under:

I. SALARY

₹ 3,50,000/- per month in the scale of ₹ 3,50,000/- ₹ 6,50,000/- per month.

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

II. PERQUISITES

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

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

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

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

III. COMMISSION

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

IV. MINIMUM REMUNERATION

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

V. OTHER TERMS

(a) Leave: On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service shall be provided.

(b) Reimbursement of entertainment, travelling, hotel and other expenses actually incurred by her in performance of duties shall be paid.

(c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.

(d) The Directorship of Mrs Usha A Shroff shall not be liable to retire by rotation.

(e) In the event of any dispute or difference arising at any time between Mrs Usha A Shroff and the Company in respect of the terms of her appointment, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

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

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

Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 in respect of Mrs Usha A Shroff are as under:

Name of Director	MRS. USHA A. SHROFF
Date of Birth	28-03-1947
Academic Qualification	M. Com. with Cost Accounting
Experience and Expertise	Industrialist with vast business experience
Date of Appointment	13-09-2000

Other Companies in which Directorship is held	Kamaljyot Investments Limited
	Excel Bio Resources Limited
	Anshul Specialty Molecules Private Limited
	Agrocel Industries Private Limited
	Divakar Techno Specialities & Chemicals Private Limited
	Utkarsh Global Holdings Private Limited
	Brihat Investment Private Limited
	Harijash Investments Private Ltd
No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies	NIL
No. of Shares held in the Company	6497
DIN	00020519
Relation with other Directors or Key Managerial Personnel	Wife of Mr. Ashwin C. Shroff and mother of Mr. Ravi A. Shroff
No. of Board meetings attended during the year 2016-17	Five
Remuneration drawn in 2016-17	₹ 81,02,938
Remuneration and other terms & conditions of appointment	Mrs. Usha A Shroff is proposed to be re-appointed as Executive Vice Chairperson of the Company for a period of five years with effect from 22nd January, 2018 on a monthly salary of ₹ 3,50,000/- per month in the scale of ₹ 3,50,000/- - ₹ 6,50,000/- per month

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

The Board commends the resolution for approval of the members.

Item No. 6

Mr Ravi A Shroff was appointed as Executive Director of the Company for a period of five years with effect from 3rd September, 2014 at a remuneration of ₹ 1,50,000/- per month in the scale of ₹ 1,50,000/- - ₹ 3,00,000/- plus perquisites and commission. The current salary of Mr Ravi A Shroff is ₹ 2,50,000/- in the above salary scale.

The Board of Directors of the Company at their meeting held on 26th May, 2017 have approved, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company in general meeting by an Ordinary Resolution and in accordance with the provisions of Sections 196,197 and 203 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, to revise the salary of Mr Ravi A Shroff with effect from 3rd September, 2017 for the remaining tenure of his appointment ending on 2nd September, 2019 on the following terms and conditions:

I. SALARY

₹ 3,25,000/- per month in the revised scale of ₹ 1,50,000/- - ₹ 5,00,000/- per month.

The annual increment will be effective from 3rd September every year and will be decided by the Board of Directors.

II. PERQUISITES

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

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

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

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

III. COMMISSION

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

IV. MINIMUM REMUNERATION

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

V. OTHER TERMS

(a) Leave: On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service shall be provided.

(b) Reimbursement of entertainment, travelling, hotel and other expenses actually incurred by him in performance of duties shall be paid.

(c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.

(d) In the event of any dispute or difference arising at any time between Mr Ravi A Shroff and the Company in respect of the terms of his appointment, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

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

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

Upon approval of the members, the Agreement for contract of service executed with Mr Ravi A Shroff shall be revised to give effect to the resolution under item number 6. The draft of the proposed revised agreement is available at the registered office of the Company and shall remain opened for inspection by the members on all working days between 2.00 p.m. and 4.00 p.m. except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.

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

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

The Board commends the resolution for approval of the members.

Item No. 7

The Board of Directors at its meeting held on 26th May, 2017 appointed M/s Kishore Bhatia & Associates, practicing cost accountants, as Cost Auditors of the Company, in term of Section 148 of the Companies Act, 2013 and fixed a sum of ₹ 3,75,000/- plus out of pocket expenses and taxes as applicable as remuneration payable for the financial year 2017-18.

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 Section 148(3) of the Companies Act, 2013.

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

The Board commends the resolution for approval of the members.

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Registered Office:

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

Mumbai, 26th May, 2017

DIRECTORS' REPORT

To,
The Members,
Excel Industries Limited

Your Directors are pleased to present herewith the 56th Annual Report on the business and operations of your Company and the Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Auditors Report thereon.

KEY FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2017 is summarised below:

₹/Lacs

	2016-17		2015-16	
Gross Profit for the year	**3838.54**		5180.73	
Less: Depreciation/Amortization	**1391.79**		1487.52	
Profit before Tax before exceptional item		**2446.75**		3693.21
Exceptional item		**2668.78**		—
Profit before Tax		**5115.53**		3693.21
Provision for Taxation:				
Current Tax (MAT Payable)	**997.83**		913.13	
Minimum Alternate Tax (MAT credit Entitlement)	**(493.87)**		—	
Adjustment relating to earlier periods (net)	**(105.51)**		—	
Deferred Tax	**221.90**	**620.35**	235.72	1148.85
Profit After Tax from continuing operations		**4495.18**		2544.36
Less: Loss from discontinuing operations	**(51.52)**		(37.93)	
Tax credit of discontinuing operations	**17.83**	**(33.69)**	13.13	(24.80)
Profit for the year after tax		**4461.49**		2519.56
Add:				
Balance brought forward from the previous year		**1975.82**		2137.10
Balance available for Appropriation		**6437.31**		4656.66
Appropriations:				
Proposed Final Dividend*	**754.24**		565.68	
Tax on Dividend	**153.55**		115.16	
Transfer to General Reserve	**3500.00**		2000.00	
		4407.79		2680.84
Carried forward to next year		**2029.52**		1975.82

* During the year amount of per share dividend to be recognized as distributions to equity shareholders is ₹ 6/-.

DIVIDEND

Your Directors have recommended a dividend of ₹ 6 (120%) per equity share of Face Value of ₹ 5/- each as against the total dividend of ₹ 4.50 (90%) paid for the previous financial year 2015 -16. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

AMOUNT TRANSFERRED TO RESERVE

Your Company proposes to transfer ₹ 35 crores to the general reserve, and an amount of ₹ 20.30 crores is proposed to be retained in the Statement of Profit and Loss Account.

OPERATIONS

During the year under review, the net sales from continuing operations increased from ₹ 43,457.53 lacs to ₹ 44,499.42 lacs, registering an increase of 2.4%. The exports increased from ₹ 9,313.01 lacs to ₹ 9,616.25 lacs registering an increase of 3.3%. Further, the Company made a profit from its continuing operation before exceptional item and tax ₹ 2,446.75 lacs compared to ₹ 3,693.21 lacs in the previous year. Net profit after adjusting net loss from discontinuing operation and exceptional item of ₹ 33.69 lacs (previous year of ₹ 24.80 lacs) and ₹ 2,668.78 lacs respectively amounting to ₹ 4461.49 lacs as compared to ₹ 2,519.56 lacs in the previous year registering an increase of 77%.

NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The construction of Multipurpose (MPP) plant in Roha is progressing well. First phase of the plant is expected to be commissioned in Q2 of 2017-18.

During the year Pharma Intermediate plant capacity has been enhanced by adding balancing equipments.

The Company has started the production of a new agro intermediate, which is an import substitute through an inhouse developed process.

OUTLOOK

The Company is a major producer of agrochemical intermediates. India has emerged as a hub for production of Agrochemicals. The Government of India is taking steps to give boost to production of Agrochemicals in India. This augurs well for the Company as it is a leading supplier of intermediates for agrochemicals.

Currently, China is a major competitor in the area of agrochemical intermediates. The tightening of environmental norms in China might lead to cut down in their production and increase in prices of imported intermediated from China. This development will be favourable for the Company.

Further, a normal monsoon has been predicted for the current year which is a good sign for agrochemical industry.

In light of the above, the overall outlook for the financial year 2017-18 looks positive for agrochemical intermediates.

HUMAN RESOURCES

With steadfast commitment for enhancement of performance and human talent your Company has undertaken various initiatives in the gamut of talent management, learning and development. One of such initiatives is linkage of performance to variable pay, where employees are given incentive based on their individual and division's performance. Recent union agreement with employees at Lote Plant is a skill based agreement; where employees in the cadre of staff and worker are graded based on their techno-functional competence. For every position a skill-matrix is developed which denotes techno-functional competence from Level 1(beginner) to Level 5(master). Job rotations and on the job assignments are assigned to employees to enrich their working experience and to develop competence in the functional domain as well as in other disciplines.

Welfare practices at factories and corporate office are focused on holistic wellbeing of employees, apart from providing comfortable and safe work environment a well-balanced diet is provided in canteen at all locations to ensure good health and wellness of employees. At the Company's premises consultation by doctors is provided along with regular health check-up.

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

Employee strength of the Company as on 31st March, 2017 was 909.

ENVIRONMENT, HEALTH AND SAFETY

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

In October '16 the Company's Responsible Care logo was renewed after an comprehensive audit by Indian Chemical Council and is extending extensive mentorship to other Industries for Responsible Care.

The Company, for catering to the increased demand of Phosphorus Pentasulphide, has introduced a new totebin handling system, thereby vastly improving ergonomics and safety in plant.

QUALITY

The subject of quality has been moving from a mere technical requirements to a holistic approach, by the Company as also the customers and regulators. This is particularly so in case of chemical industry.

In keeping with this, not only we have been fulfilling evolving need of ISO standards, but also our quality systems and also continuously meeting customer expectations, like EcoVidis by European customers, Pharma companies audits as well as Responsible Care requirements.

We continue to invest in expertise and facilities as also training of our personnel for continuous improvement in Quality.

INSURANCE

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

PUBLIC DEPOSITS

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

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

(b) The amount of existing deposits from the public and the shareholders of the Company at the end of the FY 2016-17 aggregates to ₹ 15.18 lacs.

Total 45 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, 2017, was ₹ 15.18 lacs.

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has not made any loans, guarantees or investments during the financial year 2016-17.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATES COMPANIES

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

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

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

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

TRANSFER OF ENVIRONMENT AND BIO-TECH DIVISION OF THE COMPANY

The Board of Directors of the Company at their meeting held on 29th March, 2017 had approved the transfer of Environment and Bio-Tech (ENBT) Division of the Company to Excel Bio Resources Limited, a wholly owned subsidiary of the Company together with all related assets and liabilities, on a going concern basis by way of a slump sale for a consideration of not more than ₹ 10 crores. A Business Transfer Agreement was executed between the Company and Excel Bio Resources Limited on 31.03.2017

for the said purpose. The investment of the Company in ENBT division is less than 20% of the net worth of the Company and also the income of the division is less than 20% of the Income of the Company, therefore, this division is not regarded as Undertaking as per Section 180(1)(a) of the Companies Act, 2013, hence, shareholders' approval was not required.

NUMBER OF MEETINGS OF THE BOARD

During the FY 2016-17 seven meetings of the Board of Directors were held, details of the meetings held are provided in the Corporate Governance Report forming part of this annual report.

APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Dipesh K Shroff, Non-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 of the Director and other related information is provided in the Corporate Governance Report forming part of this Annual Report. Your Directors recommend his re-appointment as a Non-Executive Director.

NOMINATION AND REMUNERATION POLICY

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

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

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

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

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

Particulars of the Company's Remuneration Policy and information required under Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in **Annexure II**, forming part of this Report.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting and shall be made available to any shareholder upon request.

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

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

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a formal annual evaluation of its own performance and that of its Committees and individual Directors at its meeting held on 29th March, 2017.

The evaluation of each of the Directors was done, *inter-alia*, on the basis of their advisory role and contribution in the decision making. Further, the evaluation of the Board as a whole and all the Committees of the Directors was done, inter-alia, on the basis of the overall directions and guidance provided to the senior executives and supervision over their performance.

INDEPENDENT DIRECTORS

(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 Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) Criteria for Performance Evaluation

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

(iii) Details of Familiarization Programme

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

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into during the financial year 2016-17 were at an arm's length and in ordinary course of business.

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

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

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

In the FY 2016-17, the Company has undertaken various CSR activities at Roha, Lote and Mumbai. The CSR activities include water harvesting, rural development, promotion of education, animal welfare, women empowerment, entrepreneurship development, Swatchha Bharat/Sanitation programme and protection of environment.

For the year ended 31st March, 2017, the Company has spent ₹ 75.84 lacs on aforesaid CSR activities directly or through other registered welfare 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 IV**, forming part of this Report.

RISK MANAGEMENT

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

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

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

Your Company, through its risk management process strives to contain impact and likelihood of the risks within the risk 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 and Mrs. Usha A Shroff. All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors of the Company. The terms of reference and other details of the Audit Committee are available in the Corporate Governance Report forming part of this annual report.

STATUTORY AUDITORS

The Audit Committee and the Board of Directors of the Company at their meeting held on 24th May, 2017 and 26th May, 2017 respectively had recommended the appointment of Price Waterhouse, Chartered Accountants LLP having firm registration no. 012754N/N500016 as the new Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting subject to ratification by members every year in place of existing Auditors S R B C & Co LLP, Chartered Accountants who will be retiring at this Annual General Meeting in compliance with mandatory rotation of Auditors as per the provisions of Section 139(2) of the Companies Act, 2013.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board has appointed, Mr. Prashant Diwan, Practising Company Secretary as the Secretarial Auditor of the Company for the year 2016-17 to conduct the Secretarial Audit of the Company. The Secretarial Audit Report of the Company issued by Mr. Prashant Diwan for the financial year ended 31st March 2017 is attached with this Report as **Annexure V**.

COST AUDITORS

The Board of Directors at their meeting held on 27th May, 2016 had appointed M/s Kishore Bhatia & Associates (Firm Registration No. 00294), Practicing Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17 for all the applicable products of the Company. The Cost Audit Report for the year ended 31.03.2016 which was required to be filed with the Ministry of Corporate Affairs on or before 15.10.2016, was filed on 14.10.2016.

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.

EXTRACT OF ANNUAL RETURN

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

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

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

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

There are no significant material order passed by the regulators/courts which can impact the going concern status of the Company and its future operations. There are no material changes or commitments occurring after 31st March, 2017 which may affect the financial position of the Company.

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

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

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

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

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

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

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

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE I TO DIRECTORS' REPORT

Form AOC 1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A – Subsidiaries

Sr. No.	Particulars	Name of the Subsidiary	
		Kamaljyot Investments Limited	**Excel Bio Resources Limited**
1.	The date on which the subsidiaries were acquired	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	19,998,200	5,100,000
5.	Reserves and Surplus	221,735,138	781,591
6.	Total Assets	247,440,069	6,296,760
7.	Total Liabilities	247,440,069	6,296,760
8.	Investments	123,722,983	19,990
9.	Turnover	16,114,929	769,433
10.	Profit before taxation	236,391,910	(427,867)
11.	Provision for taxation	48,384,000	158,250
12.	Profit after taxation	187,925,105	(762,461)
13.	Proposed Dividend	Nil	Nil
	% of shareholding	100%	100%

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE I TO DIRECTORS' REPORT

Form AOC 1

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

Part B - Associates and Joint Ventures

Sr. No.	Name of Associate or Joint Ventures	MobiTrash Recycle Ventures Private Limited
1.	Latest Audited Balance Sheet date	31.03.2017
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. Shares held	N.A.
	(b) Amount of Investment is Associates/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 Balance Sheet	(3,009,772)
7.	Profit/(Loss) for the year	
	i. Considered in Consolidation	—
	ii. Not considered in Consolidation	(2,532,432)

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE II 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 2016-17 and percentage increase in the remuneration of each Director in the FY 2016-17:**

Name of Directors	Designation	Ratio of remuneration of the Director to the median remuneration	% increase in Remuneration
Ashwin C. Shroff	Chairman & Managing Director	22.42	-10.01
Usha. A. Shroff	Executive Vice Chairperson	17.42	-16.41
Ravi A. Shroff	Executive Director	13.21	-7.79
Dipesh K. Shroff	Non Executive Director	0.67	-31.11
Atul G. Shroff	Non Executive Director	0.70	6.67
R. K. Sood	Nominee Director	0.57	-31.58
H. N. Motiwalla	Independent Director	1.83	-10.64
R. N. Bhogale	Independent Director	1.80	-1.19
M. B. Parekh	Independent Director	1.07	22.50
P. S. Jhaveri	Independent Director	1.37	-17.11
S. S. Vaidya	Independent Director	0.91	16.67
R. M. Pandia	Independent Director	1.43	37.50

2. **Percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the FY 2016-17:**

Name	Designation	% increase in Remuneration
K. D. Dabholkar	Chief Financial Officer	10.31%
S. K. Singhvi	Company Secretary	28.98%

Notes:

(i) Remuneration includes commission paid to all Directors and sitting fees paid to Non-Executive Directors.
(ii) Commission to the Non-Executive Directors pertains to the FY 2015-16, which has been paid in the FY 2016-17.

3. **The median remuneration of employees of the Company has been increased by 12.20% in the FY 2016-17 over the median remuneration of employees of the Company in FY 2015-16.**

4. **There were 909 permanent employees on the rolls of the Company at the end of the FY 2016-17.**

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 2016-17 is 14.80% and decrease in the salary of managerial personnel is 2%.

   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.

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
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE III TO DIRECTORS' REPORT

Form No. AOC-2

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

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

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

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

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

Name(s) of the related party and nature of relationship	Appointment of Mr. Hrishit A. Shroff as President – Environment & Biotech Business and Corporate Services. Mr. Hrishit A. Shroff is the son of Mr. Ashwin C. Shroff and Usha A. Shroff and brother of Mr. Ravi A. Shroff, Directors of the Company
Nature of contracts/arrangements/transactions	Appointment of a related party in office or place of Profit. Mr. Hrishit A. Shroff has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time.
Duration of the contracts/arrangements/transactions	Contract of employment with Mr. Hrishit A. Shroff will continue as long as he remains an employee of the Company.

2. Details of material contracts or arrangement or transactions at arm's length basis (Contd.)

Salient terms of the contracts or arrangements or transactions including the value, if any	Mr. Hrishit A. Shroff has been appointed as President – Environment & Biotech Business and Corporate Services with effect from 1st February, 2017, on a monthly basic pay of ₹ 2,40,000 in the scale ₹ 2,00,000 – 10,000 – 4,00,000
Date(s) of approval by the Board, if any	3rd February, 2017
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE IV TO DIRECTORS' REPORT

Details on CSR Activities of the Company for the financial year 2016-17

1. Excel believes that the industry seeks a license to exist from the community around it. Hence, it shall pursue the commitment of Corporate Social Responsibility and carry out the welfare work directly and/ or through other committed organizations.

   Excel's CSR Policy focuses on following key areas for carrying out its social responsibility

   Rural development

   Environment

   Natural Resources Management

   Promotion of Education

   Preventive health care

   Animal welfare

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

2. The CSR Committee consists of:
   Mr A C Shroff, Chairman
   Mrs U A Shroff
   Mr R N Bhogale
   Mr M B Parekh
   Mr R M Pandia

3. Average net profit of the Company calculate as per Section 198 for the last three FY preceeding 31st March, 2017 is **₹ 3570.31 Lacs**

4. CSR expenditure prescribed under Section 135 of the Companies Act, 2013 for the FY 2016-17 is **₹ 71.41 Lacs**

5. (a) The total amount spent by the Company on CSR activities in FY 2016-17 is **₹ 75.84 Lacs**
   (b) Amount unspent, if any: **N.A.**
   (c) Manner in which the total amount spent by the Company on CSR activities in FY 2016-17 is detailed below:

(Amt in Lacs)

Sr. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/where project/programme was undertaken)	Amount outlay (budget) project or program wise	Amount spent on project of program – Direct expenses	Amount spent on project or program – Overhead expenses	Cumulative expenditure up to reporting period	Name and amount spend through implementing agency	
								Amount	Agency*
(i)	Water Management, Check Dam and Rainwater harvesting	Conservation of Natural Resources	State: Maharashtra Dist.: Raigad/ Ratnagiri & State: Gujarat	20.50	20.34	—	20.34	20.34	Shri. Vivekananda Research and Training Institute National Council for Climate Change, Sustainable Development and Public Leadership
(ii)	Community Development, Smart Agriculture and awareness programmes	Rural Development	Dist.: Raigad Taluka: Roha	20.90	20.90	—	20.90	20.90	Shri Vivekananda Research and Training Institute

(Amt in Lacs)

Sr. No.	CSR Project/Activity Identified	Sector in which the project is covered	Area of project implementation (Name of the Dist./state/where project/programme was undertaken)	Amount outlay (budget) project or program wise	Amount spent on project of program – Direct expenses	Amount spent on project or program – Overhead expenses	Cumulative expenditure up to reporting period	Name and amount spend through implementing agency	
								Amount	Agency*
(iii)	Animal Vaccination, Fodder and Construction of Cowshed	Animal Welfare	State: Maharashtra Dist.: Raigad/ Ratnagiri	1.56	1.56	—	1.56	1.56	Shri Vivekananda Research and Training Institute
(iv)	Infrastructure Support, Career guidance, overall Personality Development.	Promotion of Education	State: Maharashtra Dist.: Raigad/ Ratnagiri	21.03	21.03	—	21.03	21.03	Shri Vivekananda Research and Training Institute
(v)	Health Check-ups, providing Clean and Safe drinking water, holistic care for anemic and under weight girls and women.	Preventive Health Care	State: Maharashtra Dist.: Raigad/ Ratnagiri	6.51	6.51	—	6.51	6.51	Shri Vivekananda Research and Training Institute
(vi)	Cultivation and Development of entrepreneurs for making value added products on commercial level.	Empowering Women	State: Maharashtra Dist.: Ratnagiri	1.09	1.06	—	1.06	1.06	Shri Vivekananda Research and Training Institute
(vii)	Developed Biodiversity, tree plantation and developed kitchen garden, a concept of using domestic waste water for vegetable cultivation.	Ensuring Environmental Sustainability	State: Maharashtra Dist.: Raigad/ Ratnagiri	2.65	2.64	—	2.64	2.64	Shri Vivekananda Research and Training Institute
		Operating Expenses		1.8	—	1.80	1.80	1.80	
	Grand Total			**76.04**	**74.04**	**1.80**	**75.84**	**75.84**	

6 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: N.A.

7 The CSR Committee of the Company has confirmed that they have implemented and monitored the CSR Policy in compliance with CSR objectives and policy of the Company.

*Details of Implementing Agencies:

1. Shri. Vivekananda Research and Training Institute: It is a non profit organization having infrastructure, techical knowhow,expertise and proven experience in the field of rural development and other social work/activities in rural and urban areas.
2. National Council for Climate Change, Sustainable Development and Public Leadership (NCCSD): It is an organization to facilitate and carry out appropriate and target oriented action for climate change mitigation and adaptation; interlinking agriculture, sustainable development and rural development & Climate Smart Cities.

For and on behalf of the Board of Directors

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

Date: 26th May, 2017
Place: Mumbai

ANNEXURE V TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[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, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 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 (Buyback of Securities) Regulations, 1998.

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

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (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; and

  (d) 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 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, except for the events mentioned below there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

(i) The Company has bought back of 3,34,938 Equity shares from April 18, 2016 to May 30, 2016 (both days inclusive) at various prices not exceeding the maximum buy back price of ₹ 275/- per equity shares for an amount aggregating ₹ 9,11,75,393.70/-,

(ii) The Company has sold 2,45,760 Equity Shares of Excel Crop Care Ltd under off market Sale by the promoter sellers, being promoters of the Company, of their entire shareholding in the Company to Sumitomo Chemical Company Ltd, Japan (being the purchaser) pursuant to a Share Purchase agreement dated June 5, 2016;

PRASHANT DIWAN
Practising Company Secretary
FCS: 1403 CP: 1979

Date: 26th May, 2017
Place: Mumbai

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

Annexure "A"

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

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

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

PRASHANT DIWAN
Practising Company Secretary
FCS: 1403 CP: 1979

Date: 26th May, 2017
Place: Mumbai

ANNEXURE VI TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L24200MH1960PLC011807
Registration Date	:	05.09.1960
Name of the Company	:	Excel Industries Limited
Category of the Company	:	Company limited by shares
Sub-Category of the Company	:	Indian Non Government Company
Address of the Registered office and contact details	:	184-87, Swami Vivekanand Road, Jogeshwari (West), Mumbai 400 102. Maharashtra Tel : 91 22 66464200 Fax: 91 22 26783657 Email : excel.mumbai@excelind.com
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Share Transfer Agents, if any:	:	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli(W), Mumbai 400 083 Tel : 022 49186000 / 91 22 49186270 Fax: 91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Diethyl Thio Phosphoryl Chloride	300-9	43.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

* Shares held by subsidiaries of the Company.

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	423848	0	423848	3.28	423848	0	423848	3.37	0.09
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	6057100	0	6057100	46.93	6057100	0	6057100	48.18	1.25
e) Banks/FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Sub-total (A)(1):	**6480948**	**0**	**6480948**	**50.21**	**6480948**	**0**	**6480948**	**51.56**	**1.35**
(2) Foreign									
a) NRIs – Individuals	104082	0	104082	0.81	104082	0	104082	0.83	0.02
b) Other – Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2):	**104082**	**0**	**104082**	**0.81**	**104082**	**0**	**104082**	**0.83**	**(0.06)**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**6585030**	**0**	**6585030**	**51.02**	**6585030**	**0**	**6585030**	**52.38**	**1.36**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	825	25	850	0.01	825	25	850	0.01	0.00
b) Venture Capital Funds									
c) Alternate investments fund									
d) Foreign Venture Capital Funds									
e) Foreign portfolio investors	0	100	100	0.00	0	100	100	0.00	0.00
f) Banks/FI	1021058	194	1021252	7.91	970247	194	970441	7.72	(0.19)
g) Insurance Companies	0	1	1	0.00	0	1	1	0.00	0.00
h) Provident funds/Pension funds									
i) Others (specify)	24	398	422	0.01	24	398	422	0.00	(0.01)
Sub-total (B)(1):	**1021907**	**718**	**1022625**	**7.93**	**971096**	**718**	**971814**	**7.73**	**(0.20)**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3628654	347146	3975800	30.81	3359800	319815	3679615	29.27	(1.54)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	569621	0	569621	4.41	667237	0	667237	5.31	0.9
c) Non Resident									
d) Others (specify)	738055	14502	752554	5.83	649931	17065	666996	5.31	(0.52)
Sub-total (B)(2):	**4936330**	**361645**	**5297975**	**41.05**	**4676968**	**336880**	**5013848**	**39.89**	**(1.16)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**5958237**	**362363**	**6320600**	**48.98**	**5648064**	**337598**	**5985662**	**47.62**	**(1.36)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**12543267**	**362363**	**12905630**	**100.00**	**12233094**	**337598**	**12570692**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Atul Govindji Shroff	41109	0.32	0	41109	0.33	0	0.01
2.	Mr. Atul Govindji Shroff-HUF	18675	0.14	0	18675	0.15	0	0.01
3.	Mrs. Shruti Atul Shroff	22018	0.17	0	22018	0.18	0	0.01
4.	Miss Vishwa Atul Shroff	810	0.01	0	810	0.01	0	0
5.	Mrs. Chetna P Saraiya	8610	0.07	0.06	8610	0.07	0	0
6.	Mr. Praful M Saraiya	2033	0.02	0	2033	0.02	0	0
7.	Mrs. Hiral Tushar Dayal	10960	0.08	0	10960	0.09	0	0.01
8.	Mr. Tushar Charandas Dayal	1310	0.01	0	1310	0.01	0	0
9.	Ms. Ami Kantisen Shroff	31882	0.25	0	31882	0.25	0	0
10.	Mr. Kantisen Chaturbhuj Shroff	51546	0.40	0	51546	0.41	0	0.01
11.	Mr. Kantisen Chaturbhuj Shroff-HUF	5494	0.04	0	5494	0.04	0	0
12.	Mr. Dipesh Kantisen Shroff	8619	0.07	0	8619	0.07	0	0
13.	Mrs. Preeti Dipesh Shroff	14110	0.11	0.02	14110	0.11	0	0
14.	Mr. Abhay Sunil Saraiya	150	0	0	150	0	0	0
15.	Mr. Ashwin Champraj Shroff	83070	0.64	0	83070	0.66	0	0.02
16.	Mrs. Usha Ashwin Shroff	6497	0.05	0	6497	0.05	0	0
17.	Mrs. Anshul Ambrish Bhatia	21616	0.17	0	21616	0.17	0	0
18.	Mr. Ravi Ashwin Shroff	47670	0.37	0	47670	0.38	0	0.01
19.	Mr Hrishit Ashwin Shroff	47669	0.37	0	47669	0.38	0	0.01
20.	Mr. Dilipsinh G. Bhatia (NRI)	104082	0.81	0	104082	0.83	0	0.02
21.	Anshul Specialty Molecules Pvt. Ltd.	27500	0.21	0	0	0	0	(0.21)
22.	Dipkanti Investments & Financing Pvt. Ltd.	89972	0.70	0	235732	1.88	0	1.18
23.	Excel Crop Care Ltd.	145760	1.13	0	0	0	0	(1.13)
24.	Vibrant Greentech India Pvt. Ltd.	149991	1.16	0	149991	1.19	0	0.03
25.	Hyderabad Chemical Products Ltd.	46833	0.36	0	46833	0.37	0	0.01
26.	Pritami Investments Pvt. Ltd.	79862	0.62	0	79862	0.64	0	0.02
27.	Shrodip Investments Pvt. Ltd.	29350	0.23	0	29350	0.23	0	0
28.	Transpek Industry Limited	156650	1.21	0	156650	1.25	0	0.04
29.	Utkarsh Global Holdings Pvt. Ltd.	5331182	41.31	0	5358682	42.63	0	1.32
	Total	**6585030**	**51.02**	**0.08**	**6585030**	**52.38**	**0**	**1.36**

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

Sr. No.		Cumulative Shareholding during the year 2015-16		Cumulative Shareholding during the year 2016-17	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	5585030	**46.91**	6585030	**51.02**
	On 15.10.2014 the Company has converted 1000000 warrants in Equity Share of ₹ 5 each out of 2000000 warrants issued to **Utkarsh Global Holdings Pvt Ltd**	1000000	4.11	0	0
	At the End of the year	6585030	51.02	6585030	52.38

Note:

Change in shareholding percentage at the end of the year is also due to Buyback of 334938 shares from open market

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in shareholding during the year			Date of change	Cumulative shareholding during the year/Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No of shares Decrease	No of Shares Increase	Reason		No. of shares	% of total shares of the Company
1.	Life Insurance Corp of India	1012799	7.85	8790	0	Transfer	14.10.2016	1004009	7.99
				41210	0	Transfer	21.10.2016	962799	7.66
2.	Rajju D. Shroff	87432	0.68	15000	0	Transfer	13.05.2016	72432	0.58
				15000	0	Transfer	20.05.2016	57432	0.46
				0	25566	Market Purchase	04.11.2016	82998	0.66
				0	14047	Market Purchase	18.11.2016	97045	0.77
				0	7400	Market Purchase	25.11.2016	104445	0.83
				0	3140	Market Purchase	02.12.2016	107585	0.86
				0	4489	Market Purchase	09.12.2016	112074	0.89
				0	268	Market Purchase	23.12.2016	112342	0.89
				0	8	Market Purchase	10.03.2017	112350	0.89
3.	Musaddilal Rawat	64416	0.50	0	0	—	—	64416	0.51
4.	Maya Rawat	84991	0.66	0	0	—	—	84991	0.68
5.	Veena K. Jagwani	71000	0.55	12500	0	Transfer	07.10.2016	58500	0.47
				305	0	Transfer	28.10.2016	58195	0.46
				195	0	Transfer	04.11.2016	58000	0.46
6.	S. Shyam	63936	0.50	0	1000	Market Purchase	01.07.2016	64936	0.52
7.	Vinod Kumar Ohri	70000	0.54	0	0	—	—	70000	0.56
8.	Koushik Sekhar	63362	0.49	0	0	—	—	63362	0.50
9.	Deep J. Master	47000	0.36	1000	0	Transfer	08.04.2016	46000	0.37
				250	0	Transfer	15.04.2016	45750	0.36
				250	0	Transfer	06.05.2016	45500	0.36
				500	0	Transfer	05.08.2016	45000	0.36
				0	21500	Market Purchase	26.08.2016	66500	0.53
				0	2424	Market Purchase	02.09.2016	68924	0.55
				0	76	Market Purchase	09.09.2016	69000	0.55
				0	1000	Market Purchase	30.09.2016	70000	0.56
				0	250	Market Purchase	07.10.2016	70250	0.56
				250	0	Transfer	04.11.2016	70000	0.56
				0	750	Market Purchase	17.02.2017	70750	0.56
				0	250	Market Purchase	24.02.2017	71000	0.56
				0	1250	Market Purchase	03.03.2017	72250	0.57
				0	1250	Market Purchase	10.03.2017	73500	0.58
				0	1000	Market Purchase	17.03.2017	74500	0.59
				0	2250	Market Purchase	24.03.2017	76750	0.61
				0	750	Market Purchase	31.03.2017	77500	0.62
10.	Custodian (Special Court) A/c Rina S Mehta & Sudhir S Mehta	84824	0.66	0	0	—	—	84824	0.67

Note:

Change in shareholding percentage at the end of the year is also due to Buyback of 334938 shares from open market

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in shareholding during the year			Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No of shares Decrease	No of Shares Increase	Reason	No. of shares	% of total shares of the Company
	DIRECTORS							
1.	Mr. Ashwin C. Shroff	83070	0.64	0	0	—	83070	0.66
2.	Mrs. Usha A. Shroff	6497	0.05	0	0	—	6497	0.05
3.	Mr. Ravi A. Shroff	47670	0.40	0	0	—	47670	0.38
4.	Mr. Atul G. Shroff	41109	0.32	0	0	—	41109	0.33
5.	Mr. Atul G. Shroff-HUF	18675	0.14	0	0	—	18675	0.15
6.	Mr. Dipesh K. Shroff	8619	0.07	0	0	—	8619	0.07
7.	Mr. R. N. Bhogale	0	0	0	0	—	0	0
8.	Mr. H. N. Motiwalla	0	0	0	0	—	0	0
9.	Mr. P. S. Jhaveri	0	0	0	0	—	0	0
10.	Mr. M. B. Parekh	0	0	0	0	—	0	0
11.	Mr. R. K. Sood	0	0	0	0	—	0	0
12.	Mr. Shailesh Vaidya	0	0	0	0	—	0	0
13.	Mr. Rajeev M. Pandia	0	0	0	0	—	0	0
	Key Managerial Personnel (KMP)							
1.	Mr. Kailas Dabholkar	365	0.003	0	0	—	365	0.003
2.	Mr. S. K. Singhvi	100	0.000	0	0	—	100	0.000

Note:

Change in shareholding percentage at the end of the year is also due to Buyback of 334938 shares from open market

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	522,554,014	345,390,142	26,137,500	894,081,656
ii) Interest due but not paid	289,070	—	—	289,070
iii) Interest accrued but not due	600,335	1,014,229	2,113,876	3,728,440
Total (i+ii+iii)	**523,443,419**	**346,404,371**	**28,251,376**	**898,099,166**
Change in Indebtedness during the financial year				
Addition	526,612,642	456,304,793	—	982,917,435
Reduction	495,697,550	675,071,909	24,619,000	1,195,388,459
Net Change	**30,915,092**	**(218,767,116)**	**(24,619,000)**	**(212,471,024)**
Indebtedness at the end of the financial year				
i) Principal Amount	553,469,106	126,623,026	1,518,500	681,610,632
ii) Interest due but not paid	401,229	—	—	401,229
iii) Interest accrued but not due	335,251	337,144	—	672,395
Total (i+ii+iii)	**554,205,586**	**126,960,170**	**1,518,500**	**682,684,256**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors: (Amt. in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole-time Directors			Total Amount
		Mr. Ashwin C Shroff	Mrs. Usha A Shroff	Mr. Ravi A Shroff	
		Chairman and Managing Director	Executive Vice Chairperson	Executive Director	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	8,550,000	6,872,645	5,254,667	20,677,312
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,056,948	432,712	332,930	1,822,590
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission	—	—	—	—
	– as % of profit	—	—	—	—
	– others, specify	—	—	—	—
5.	Others, please specify				
	Total (A)	**9,606,948**	**7,305,357**	**5,587,597**	**22,499,902**
	Ceiling as per the Act	27,648,000			

B. Remuneration to Non-Executive Directors

1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Independent Directors						Total Amount
		Mr. R. N. Bhogale	Mr. H. N. Motiwalla	Mr. P. S. Jhaveri	Mr. M. B. Parekh	Mr. S. S. Vaidya	Mr. R. M. Pandia	
1.	Fee for attending Board/ Committee Meetings	380,000	390,000	280,000	90,000	120,000	210,000	1,470,000
2.	Commission	450,000	450,000	350,000	400,000	300,000	450,000	2,400,000
3.	Others, please specify	—	—	—	—	—	—	—
	Total (B1)	**830,000**	**840,000**	**630,000**	**490,000**	**420,000**	**660,000**	**3,870,000**

2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors		Name of the Nominee Director	Total Amount
		Mr. Atul G. Shroff	Mr. Dipesh K. Shroff	Mr. R. K. Sood	
1.	Fee for attending Board/ Committee Meetings	120,000	110,000	60,000	290,000
2.	Commission	200,000	200,000	200,000	600,000
3.	Others, please specify	—	—	—	—
	Total (B2)	**320,000**	**310,000**	**260,000**	**890,000**

Total Managerial remuneration to Non-Executive Director (B1 + B2)		**4,760,000**
Overall Ceiling as per the Act + Sitting Fees		4,525,000

Notes: 1. Commission to the Non-Executive Directors pertains to the FY 2015-16, has been paid in the FY 2016-17.
2. Ceiling limits are for the year 2016-17.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Kailas Dabholkar	Mr. Surendra Singhvi	
		Chief Financial Officer	Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,972,189.60	1,494,046.60	4,466,236.20
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	78,150	—	78,150
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	– as % of profit	—	—	—
	– others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total	**3,050,339.60**	**1,494,046.60**	**4,544,386.20**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

ANNEXURE VII TO DIRECTORS' REPORT 2016-17

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

(A) CONSERVATION OF ENERGY

1. As an ongoing process to improve Energy Efficiency and Conservation, the Company has implemented the following actions, in this financial year:
   - Installation of energy efficient refrigeration plant using ozone friendly refrigerant.
   - Installation of Energy efficient chilled/cooling water circulation pumps.
   - Replacement of old Electrical Motors with energy efficient IE2 grade motors.
   - Replacement of Mercury vapor lamps with LED Lamps.
2. To reduce the losses and improve the energy efficiency, cooling towers have been relocated near the consumption points.
3. During the year, new energy efficient Diesel Generators are installed, replacing old generators.
4. The capital investment on energy conservation equipments

   In FY 2016-17, Company has made following additions to Boilers to conserve energy:

(₹ in Lacs)

Particulars	Amount
Roha	9.98
Lote	72.23
Total	**82.21**

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

To enhance the analytical capacity and to measure low concentration impurities, the Company has introduced Gas Chromatograph Mass Spectroscopy (GCMS), Head space GC, Fourier Transform Infra Red Spectroscopy (FTIR) measurement techniques.

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

1. Successfully developed and commercialized the process of two agrochemical intermediates and two polymer intermediate molecules.
2. Successfully developed and commercialized the process of one API and five Pharmaceutical Intermediates.
3. Process application laboratory of the Company has successfully developed four innovative new application based products for Codex range.
4. Analytical method validation, Identification of all impurities has been completed for Pharma and Agro intermediates. Stability Studies are in progress.

(iii) The expenditure incurred on R&D for the FY 2016-17:

(₹ in Lacs)

(a) Capital	162.56
(b) Recurring	720.67
(c) Total	883.23
(d) Total R&D expenditure as a percentage of total turnover	1.95%

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

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

- Chemicals
- Pharmaceutical Intermediates and Actives
- Environment & Biotech

Management Discussion and Analysis – Chemicals Business

The Company is a leading producer of speciality and performance chemicals. The annual turnover of the Chemicals Business for the financial year 2016-17 was ₹ 416 cr.

The Chemicals Business can be categorized as follows:

- Agrochemical Intermediates
- Speciality Chemicals
- Polymer Inputs

In this report, the industry structure, outlook, opportunities and threats for each of the above businesses are sought to be discussed.

INTERMEDIATES FOR AGROCHEMICALS

Industry Structure

The Company is a leading supplier of speciality intermediates to agrochemical producers.

The Agrochemicals Sector has an important role to play in food security and improvement of agricultural productivity. In recent years, India has emerged as a hub for the production of generic agrochemicals. India is the fourth largest producer of agrochemicals (after USA, China and Japan). The size of the Indian agrochemical Industry is estimated at US $ 5 billion. This sector is a major foreign exchange earner with exports of ~ US $ 2.5 billion. The Agrochemicals Industry Companies in India can be classified into two categories viz manufacturing companies who produce the actives from imported/locally sourced intermediates and importers who prepare the final formulations from imported/locally sourced actives. The formulators are heavily dependent on imported actives from China. The manufacturers of active (technical) products also have significant dependence on China for the upstream intermediates/raw materials.

Government Policies like "The Make in India" initiative and the changes in Chinese policies like strict implementation of environmental control norms are likely to cause structural shifts in the Indian Agrochemical Industry. The likely fallout of these changes in terms of opportunities and threats for the industry and the Company will be discussed in the following paragraphs.

Outlook for the Industry

As part of the "Make in India" initiative, the Government has taken major steps to encourage indigenous production of agrochemical actives. This is expected to give a major boost to the Indian manufacturing companies.

At the same time, Sourcing of Intermediates/Raw Materials required for the production of actives is becoming extremely challenging. The Indian Agrochemicals Industry is heavily dependent on China for the upstream intermediates/raw materials. The Chinese Government has started tightening the pollution control norms. This is going hand in hand with strict implementation. Non-Compliant factories are being asked to shut down and in some cases, heavy penalties have been imposed. This is causing

problem of availability of some key intermediates. The limited availability also has an adverse impact on the prices of these intermediates. The technical manufacturers have to develop alternative vendors outside China to mitigate the supply chain risk. This is favourable for Indian producers of Intermediates who are the obvious choice to complement/replace China for the supply of key intermediates.

As per the advance forecasts available, the monsoon will be normal in this year. Further, there is an uptrend in demand from the Latin American market (which is a major export market for Agrochemicals manufactured in India) after a lean period of two years. This augurs well for the demand of agrochemicals and the intermediates for the financial year 2017-18.

Overall, the short term as well as long term outlook is favourable for Indian producers of Agrochemical Intermediates.

Opportunities

- The Company is a leader in the production of intermediates required for the production of Organophosphorous (OP) Insecticides. As mentioned in the Section on Outlook for the industry, the demand conditions for OP insecticides are expected to be favourable in the financial year 2017-18. The Company is well poised to take advantage of this favourable situation. Wherever required, the Company has augmented the capacities of the existing products by debottlenecking.
- The Government of India has come out with regulations which will be favourable for the domestic production of agrochemicals. This is expected to give a boost to the agrochemical manufacturing in India. This in turn, will mean increased opportunities to suppliers of intermediates. Further, given the situation in China, there will be an increased demand for reliable Indian suppliers of intermediates. Multinational companies are increasingly looking towards Indian companies for contract manufacturing of speciality intermediates. The Company with its established market presence, customer relations and manufacturing strengths is in a good position to take advantage of these opportunities.

Threats

- Agrochemicals are under the constant scanner of regulatory agencies and environmental activists. Any adverse impact due to regulatory action on any of the major molecules consuming the intermediates produced by the Company can have a negative impact on the Company's products. In order to mitigate this risk, the Company is actively pursuing development of intermediates based on chemistries other than the ones in which it is currently established.

Speciality Chemicals

The Company is a major producer of a wide range of Speciality and Performance Chemicals like Organophosphonates, Biocides, Pharmaceutical intermediates and floatation reagents.

Industry Structure

Organophosphates and related products account for a major portion of the turnover of the Speciality Chemicals Product Segment. These products are characterised by excess supply, commoditisation and intense price competition.

The Company produces a biocide which gives good performance and is highly cost effective. The Company is the major producer of this biocide in the country.

Opportunities

Recently, the US Government has imposed an anti-dumping duty on the import of one of the large volume Organophosphonates. The Company has completed actions to take advantage of this situation and increase its exports to US.

The Company has positioned itself well to take advantage of its status as the major producer of its biocide. It has been successful in expanding the usage of the product in newer applications.

Threats

As mentioned above, the organophosphonate group products are characterised by excess supply, commoditisation and intense price competition. China is a major player with huge manufacturing capacities. This makes these products extremely vulnerable to pricing pressures.

POLYMER INPUTS

Industry Structure

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

In recent years, the Company has been able to establish itself as a leader in the range of polymer inputs produced by it. The Company has been able to attain market leadership for the products produced by it.

Opportunities

With its established position for the polymer input products manufactured by it, the Company is ideally placed to take advantage of the market opportunities by expanding on the range of its offerings. The Company has developed some new products in the R & D which it plans to launch shortly.

Threats

- A shift to new generation products by the customer might adversely impact the sale of some of the products manufactured by the Company. The Company is actively working on expanding its product range in order to mitigate this threat.

PHARMACEUTICAL INTERMEDIATES AND ACTIVES

The Indian pharmaceuticals market increased at a CAGR of 17.46 per cent during 2005-16 with the market increasing from US$ 6 billion in 2005 to US$ 36.7 billion in 2016 and is expected to expand at a CAGR of 15.92 per cent to US$ 55 billion by 2020.

India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others.

The Indian API industry and its latest trends

For the ₹ 112,000 crore Indian pharma market, in 2012-13, API constitutes over ₹ 55,000 crore. The Indian pharmaceutical industry is fragmented with more than 10,000 manufacturers in the organized and unorganized segments. While 77 per cent of these are engaged in production of formulations, the remaining 23 per cent are in the active pharmaceutical ingredient space. API manufacturers are likely to benefit as market dynamics have undergone a major change. The patent expiry provides a significant opportunity for supply of APIs to manufacturers of generic drugs. There are also increased opportunities in outsourcing of bulk drugs by multinational pharmaceutical companies. These opportunities have led the Indian API industry to focus on core competencies and access to novel technologies.

The role of Indian API manufacturers in the global pharmaceutical supply chain is gradually evolving with increasing presence in synthesis and manufacture of late stage intermediates and APIs. Traditionally, innovators have frequently opted to perform final stages of API synthesis in-house or partner with specialized European suppliers while outsourcing early stage intermediates to Indian manufacturers. However, in recent times, the reputed track record of Indian companies in supplying quality

products coupled with complex synthesis capabilities has enabled increasing participation in supply of late stage intermediates to innovator companies

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

Segment Performance and Outlook

The Company has identified production of Pharma Intermediates and activities as a key focus area. The Pharma business recorded a turnover of ₹ 24 crore in the financial year 2016-17, covering its strengths in process development and manufacturing. The Company has been able to emerge as a leading producer in India of an API used in the treatment of Gout. The Company has also invested in building the required facilities.

The Company has obtained WHO-GMP certificate and has taken steps to build on the progress made till date in the Pharma business.

ENVIRONMENT AND BIOTECH

Industry Structure and Development

Municipal Solid Waste Management activity is seeing the most interesting time in the country. For the first time after independence, India is witnessing so much interest in scientifically managed solid waste and composting. There have been two important developments over the last one and a half years:

i. Municipal Solid Waste Management Rules 2016 released by the Ministry of Environment and Forests which lay significant emphasis on segregation, de-centralized (at source treatment of waste) and composting.

ii. Marketing Development Assistance of ₹ 1,500 per MT on the sale of City Compost released by the Department of Fertilizers

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

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

Opportunities and Threats

Urban Local Bodies have relentless pressure from the state and centre. Though the process is slow, this presents immense opportunities to all players in the industry in terms of offering technology solutions, end-to-end services as well as operations and maintenance of small and medium plants employing the urban poor.

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

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

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

FINANCIAL PERFORMANCE AND ANALYSIS

During the year under review, the net sales from continuing operations increased from ₹ 43,457.53 lacs to ₹ 44,499.42 lacs, registering an increase of 2.4%. The exports increased from ₹ 9,313.01 lacs to ₹ 9,616.25 lacs registering an increase of 3.3%. Further, the Company made a profit from its continuing operation before exceptional item and tax ₹ 2,446.75 lacs compared to ₹ 3,693.21 lacs in the previous year. Net profit after adjusting net loss from discontinuing operation and exceptional item of ₹ 33.69 lacs (previous year of ₹ 24.80 lacs) and ₹ 2,668.78 lacs respectively amounting to ₹ 4461.49 lacs as compared to ₹ 2,519.56 lacs in the previous year registering an increase of 77%.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

With steadfast commitment for enhancement of performance and human talent your Company has undertaken various initiatives in the gamut of talent management, learning and development. One of such initiatives is linkage of performance to variable pay, where employees are given incentive based on their individual and division's performance. Recent union agreement with employees at Lote Plant is a skill based agreement; where employees in the cadre of staff and worker are graded based on their techno-functional competence. For every position a skill-matrix is developed which denotes techno-functional competence from Level 1(beginner) to Level 5(master). Job rotations and on the job assignments are assigned to employees to enrich their working experience and to develop competence in the functional domain as well as in other disciplines.

Welfare practices at factories and corporate office are focused on holistic wellbeing of employees, apart from providing comfortable and safe work environment a well-balanced diet is provided in canteen at all locations to ensure good health and wellness of employees. At the Company's premises consultation by doctors is provided along with regular health check-up.

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

Employee strength of the Company as on 31st March, 2017 was 909.

CAUTIONARY STATEMENT

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

2. **Board of Directors**

For the year 2016-17, the Board of Directors comprised of three Whole-time Directors and nine Non-Executive Directors.

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

NAME	CATEGORY	NO. OF BOARD MEETINGS ATTENDED DURING 2016-17	ATTENDANCE AT LAST AGM	NO. OF DIRECTORSHIP HELD IN OTHER PUBLIC LIMITED COMPANIES	NO. OF POSITIONS HELD IN THE COMMITTEES* OF DIRECTORS OF OTHER PUBLIC COMPANIES	
					AS A MEMBER	AS A CHAIRMAN
Mr. Ashwin C. Shroff (promoter)	Chairman & Managing Director	7	YES	2	Nil	Nil
Mrs. Usha A. Shroff (promoter)	Executive Vice Chairperson	5	YES	2	Nil	Nil
Mr. Ravi A. Shroff (promoter)	Executive Director	6	YES	4	Nil	Nil
Mr. Atul G. Shroff (promoter)	Promoter – Non-Executive	6	YES	1	1	Nil
Mr. Dipesh K. Shroff (promoter)	Promoter – Non-Executive	4	YES	6	1	Nil
Mr. R. N. Bhogale	Independent Director	7	YES	Nil	Nil	Nil
Mr. H. N. Motiwalla	Independent Director	7	YES	8	2	5
Mr. P. S. Jhaveri	Independent Director	6	YES	3	3	Nil
Mr. M. B. Parekh	Independent Director	4	YES	4	2	Nil
Mr. R. K. Sood	Nominee Director	3	YES	Nil	Nil	Nil
Mr. S. S. Vaidya	Independent Director	5	YES	4	Nil	Nil
Mr. R. M. Pandia	Independent Director	7	YES	3	1	1

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

Date of Board meetings of the Company held during the year 2016-17.

27.05.2016	05.06.2016	26.07.2016	16.09.2016
11.11.2016	03.02.2017	29.03.2017	

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

3. **No. of Shares held by Non-Executive Directors as on March 31, 2017**

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

Other Non-Executive Directors do not hold any shares in the Company as on March 31, 2017.

4. **Audit Committee**

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

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

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

The Audit Committee of the Board of Directors of the Company comprised of the following four Members as on March 31, 2017:

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

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

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

20.05.2016	27.05.2016	26.07.2016	16.09.2016
11.11.2016	03.02.2017		

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

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

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.

5. **Nomination and Remuneration Committee**

Terms of reference and composition:

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

The Nomination and Remuneration Committee comprised of the following three Members as on March 31, 2017:

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

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

27.05.2016 26.07.2016 03.02.2017

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

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	3	3
Mr. R. N. Bhogale	3	3
Mr. P. S. Jhaveri	3	2

6. **Stakeholders' Relationship Committee:**

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

The Stakeholders' Relationship Committee comprised of the following Members as on March 31, 2017:

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

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

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

27.05.2016	26.07.2016	11.11.2016	24.11.2016
12.01.2017	03.02.2017	23.02.2017	07.03.2017

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

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Dipesh K. Shroff	8	3
Mrs. Usha A. Shroff	8	7
Mr. H. N. Motiwalla	8	4
Mr. Ravi A. Shroff	8	8

During the year 9 complaints were received from the investors, all of which were resolved. There are no shares pending for transfer as on March 31, 2017.

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

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

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

The Corporate Social Responsibility Committee comprised of the following Members as on March 31, 2017:

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

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

27.05.2016	16.09.2016	03.02.2017	29.03.2017

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

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Ashwin C. Shroff	4	4
Mrs. Usha A. Shroff	4	3
Mr. R. N. Bhogale	4	4
Mr. M. B. Parekh	4	1
Mr. R. M. Pandia	4	4

8. **Risk Management Committee:**

The Company has voluntarily formed Risk Management Committee.

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

The Committee comprises of the following Members:

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

Attendance at the Corporate Risk Management Committee meetings during the last financial year was as follows:

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	1	1
Mr. Rajeev M. Pandia	1	1
Mr. Ravi A. Shroff	1	1
Mr. B. Balachandran	1	1

9. **Remuneration of Directors:**

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

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

Given below are the details of remuneration paid to the Directors during the financial year 2016-17:

DIRECTORS	SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹)	SALARIES AND OTHER PERQUISITES (₹)	COMMISSION (₹)	TOTAL (₹)
Mr. Ashwin C. Shroff	N.A.	1,03,14,948	0	1,03,14,948
Mrs. Usha A. Shroff	N.A.	81,02,938	0	81,02,938
Mr. Ravi A. Shroff	N.A.	60,74,693	0	60,74,693
Mr. Atul G. Shroff	120000	N.A.	2,00,000	3,20,000

DIRECTORS	SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹)	SALARIES AND OTHER PERQUISITES (₹)	COMMISSION (₹)	TOTAL (₹)
Mr. R. N. Bhogale	380000	N.A.	450000	830000
Mr. H. N. Motiwalla	390000	N.A.	450000	840000
Mr. P. S. Jhaveri	280000	N.A.	350000	630000
Mr. Dipesh K. Shroff	110000	N.A.	200000	310000
Mr. M. B. Parekh	90000	N.A.	400000	490000
Mr. R. K. Sood	60000	N.A.	200000	260000
Mr. S. S. Vaidya	120000	N.A.	300000	420000
Mr. R. M. Pandia	210000	N.A.	450000	660000

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

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

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

*Commission to the Non-Executive Directors pertains to the year 2015-16, which has been paid in the year 2016-17.

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

Performance evaluation criteria for Independent Directors:

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

10. **General Meetings**

Location and time of the last three Annual General Meetings

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2013-14	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Friday, 26th September, 2014	3.00 p.m.	5
2014-15	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Thursday, 10th September, 2015	3.00 p.m.	2
2015-16	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	Tuesday, 26th July, 2016	3.00 p.m.	1

Postal Ballot

During the year, the following special resolution was passed through Postal Ballot:

Appointment of Mr. Hrishit A. Shroff as President – Environment & Biotech Business and Corporate Services of the Company.

The results of Postal Ballot are as under:

	Votes cast in favour	**Votes cast against**	**Total**
Remote e-voting	11,71,772	155	11,71,927
Postal Ballot	1,88,326	2,188	1,90,514
Total	**13,60,098**	**2,343**	**13,62,441**

% of votes in favour of the resolution	99.83
% of votes against the resolution	0.17

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

None of the business proposed to be transacted at the ensuing 56th Annual General Meeting require passing thorough Postal Ballot.

11. **Disclosures**

i) **Related Party Transactions:**

Related party transactions are entered in the Register of Contract under Section 189 of the Companies Act, 2013 and the register is placed before the Board. All related party transactions entered into during the year 2016-17 were at arm's length and in the ordinary course of business.

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

ii) **Whistle Blower Policy:**

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

iii) **Particulars of Cost Auditor:**

Name of the Cost Auditor	M/s. Kishore Bhatia & Associates
Firm Registration No.	00294
Date of Appointment for the year 2016-17:	27.05.2016
Filing of Cost Audit Report for FY 2015-16:	
Due Date	16.10.2016
Actual Date	14.10.2016

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

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

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

12. **Means of Communication:**

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

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

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

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

13. **Management Discussion and Analysis forms part of the Annual Report.**

14. **General Shareholder Information**

- **Annual General Meeting**

  Date and Time : Thursday, the 03rd August, 2017 at 3.00 p.m.

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

- **Financial Year** : Year ended March 31, 2017
- **Dates of Book Closure** : Friday, 28th July, 2017 to Thursday, 03rd August, 2017 (both days inclusive).
- **Listing on Stock Exchanges** : The Company's Equity shares are listed on the following Stock Exchanges:

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

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

  The Company has paid the listing fees to these Stock Exchanges for the year 2016-17.

- **Dividend payment date** : From 9th August, 2017
- **Stock Codes (for shares):**

  The Stock Exchange, Mumbai (Physical Segment) : 650
  The Stock Exchange, Mumbai (Demat Segment) : 500650
  National Stock Exchange of India Limited : EXCELINDUS
  Demat ISIN Number in NSDL and CDSL : INE 369A01029

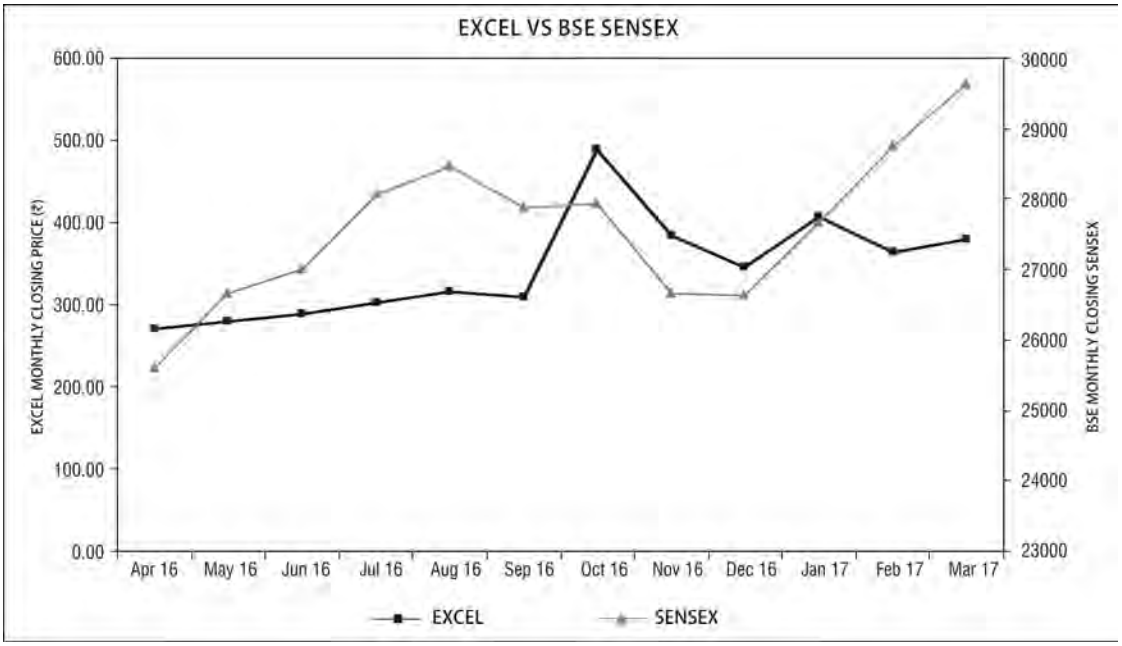
- **Market Price Data:**

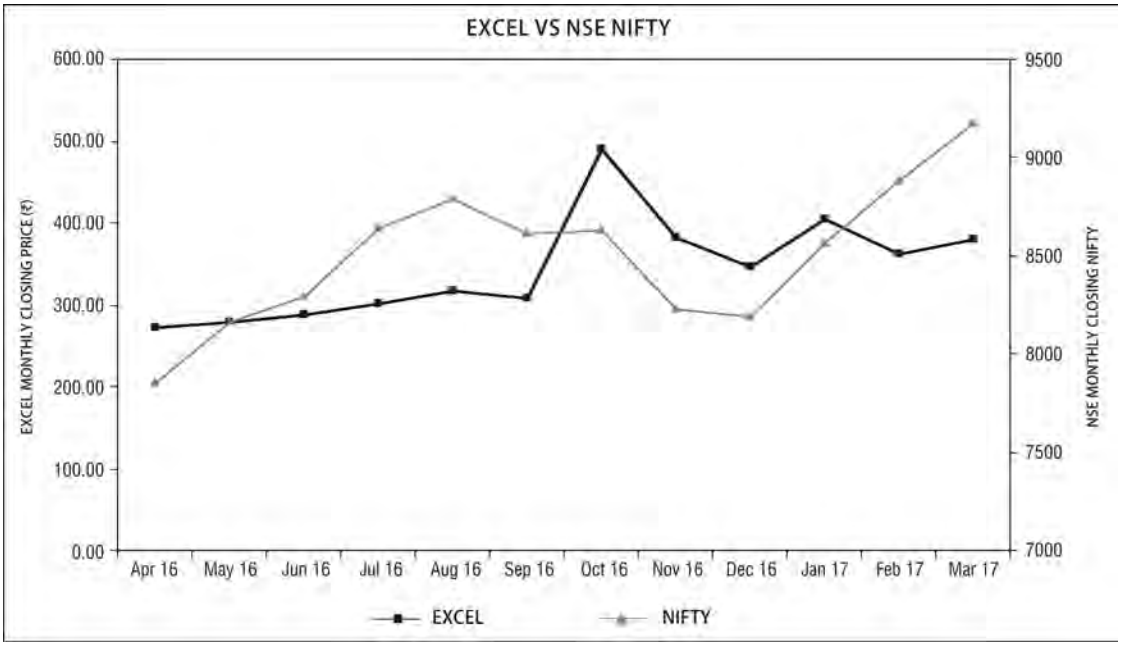
	(IN ₹)		(IN ₹)	
	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	HIGH	LOW	HIGH	LOW
April-2016	279.00	218.00	280.00	217.05
May-2016	293.35	271.00	294.20	270.00
June-2016	291.90	263.30	295.00	261.00
July-2016	344.00	284.00	345.00	284.05
Aug-2016	329.00	284.50	328.95	281.10
Sept-2016	349.95	299.70	348.90	296.10
Oct-2016	493.40	303.75	494.00	308.00
Nov-2016	496.00	349.00	496.00	345.50
Dec-2016	388.00	325.00	386.85	323.05
Jan-2017	448.90	342.00	449.90	341.80
Feb-2017	424.00	356.00	424.95	354.10
Mar-2017	408.00	350.00	404.90	350.55

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

- **Share Price Movements:**

  Share Price Movement for the period from April, 2016 to March 2017 Excel Industries Limited v/s BSE Sensex & NSE Nifty.





Share Transfer System: The share transfer function is carried out by the Registrar and Transfer Agent-Link Intime India Pvt. Ltd. Share transfers in physical form can be lodged at their office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 (Tel: +91 22 49186000 Fax: +91 22 49186060).

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

- **Distribution of Shareholdings as on March 31, 2017**

CATEGORY	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 500	11885	89.51	1493395	11.88
501 - 1000	763	5.74	561016	4.46
1001 - 2000	324	2.44	462710	3.68
2001 - 3000	103	0.78	257214	2.05
3001 - 4000	44	0.33	153043	1.22
4001 - 5000	28	0.21	129888	1.03
5001 - 10000	49	0.37	349627	2.78
Above 10000	82	0.62	9163799	72.90
Total	13278	100.00	12570692	100.00

- **Categories of Shareholders as on March 31, 2017**

CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES	VOTING STRENGTH %
Promoters	34	6585030	52.38
Individuals	12837	4602226	36.61
Companies	206	311515	2.48
Non-Resident Individuals	176	100107	0.80
Indian Banks, Financial Institutions and Mutual Funds	17	971292	7.73
Foreign Institutional Investors & Foreign Banks	8	522	0.00
Total	13278	12570692	100.00

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

CATEGORY	NO. OF SHAREHOLDERS	SHARES
Body Corporate	8	579
Foreign Banks	3	187
Mutual Funds	2	100
Public	247	35804
Total	260	36670

- **Unclaimed Shares**

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

Outstanding shares lying in the account at the beginning of the year		Number of shareholders approached and to whom the Company transferred shares from the Unclaimed Share Suspense Account to shareholder account during the year		Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	
No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
261	36925	1	255	260	36670

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

- **Dematerialisation of Shares and Liquidity:**

97.31% of the Company's share capital is held in dematerialized form as on March 31, 2017. The Company's shares are regularly traded on the Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd., (NSE).

- **Factory Locations:**

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

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

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

- **Address for correspondence:**

  Excel Industries Limited,
  184-87, Swami Vivekanand Road, Jogeshwari (West),
  Mumbai-400 102.
  Tel.: 6646 4200, 6646 4250
  Fax.: 6696 3514 / 2678 3657

- **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:

  ranjan.desai@excelind.com

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

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

For and on behalf of the Board of Directors

ASHWIN C. SHROFF
Chairman & Managing Director
DIN: 00019952

Date: 26th May, 2017
Place: Mumbai

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of Excel Industries Limited
184-87, Swami Vivekanand Road,
Jogeshwari (West),
Mumbai-400 102

1. The accompanying Corporate Governance Report prepared by Excel Industries Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

    i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors w.r.t Executive and Non-Executive Directors has been met throughout the reporting period;

iii. Obtained and read the Directors Register as on 31st March 2017 and verified that at least one women Director was on the Board during the year;

iv. Obtained and read the minutes of the following committee meetings held from 1st April 2016 to 31st March 2017:

(a) Board of Directors meeting;

(b) Audit committee;

(c) Nomination and remuneration committee;

(d) Stakeholders Relationship Committee;

(e) Corporate Social Responsibility Committee (CSR); and

(f) Risk management committee.

v. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Other matters and Restriction on Use

8. This report 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.

9. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership Number: 037924

Place: Mumbai
Date: 26th May, 2017

TEN-YEAR HIGHLIGHTS

(₹ in lacs)

		2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
I.	CAPITAL ACCOUNTS										
	A. Share Capital	**628.53**	645.28	595.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28
	B. Reserves	**23595.76**	20061.02	17582.26	14119.45	12849.76	11750.98	10536.63	9670.21	9127.96	9147.61
	C. Convertible Warrants	**—**	—	—	172.50	345.00	—	—	—	—	—
	D. Shareholders' Funds (A+B+C)	**24224.29**	20706.30	18350.55	15009.73	13395.04	12296.26	11081.91	10215.49	9673.24	9692.89
	E. Borrowings	**5958.12**	7772.62	7881.65	9462.45	6887.10	6371.31	5181.78	6011.05	7523.50	7358.85
	F. Deferred Tax Liability (Net)	**2091.38**	1869.49	1633.77	1382.83	1472.50	1406.24	1369.61	1468.26	1019.22	993.70
	G. Capital Employed (D+E+F)	**32273.79**	30348.41	27865.97	25855.01	21754.64	20073.81	17633.30	17694.80	18215.96	18045.44
	H. Gross Block	**30814.43**	27585.27	26350.90	27900.95	24923.78	23246.53	21251.31	21507.89	21474.10	20721.74
	I. Net Block	**19121.88**	16573.53	15835.04	14664.19	12310.04	11256.31	10096.98	10440.01	10650.45	10975.93
	J. Debt-Equity Issue	**0.25:1**	0.38:1	0.43:1	0.63:1	0.51:1	0.52:1	0.47:1	0.59:1	0.78:1	0.76:1
II.	REVENUE ACCOUNTS										
	A. Gross Revenue**	**51227.87****	49307.71**	53655.32	46101.74	42454.83	34376.84	29647.53	25497.38	26963.53	25412.91
	B. Profit/(Loss) before Taxes	**2395.23**	3655.28	5029.33	2053.42	2168.09	1176.75	2035.25	1139.61	137.08	593.50
	% of Gross Revenue	**4.68%**	7.41%	9.37%	4.44%	5.11%	3.42%	6.86%	4.47%	0.51%	2.34%
	C. Exceptional Item	**2668.78**	—	—	—	—	724.01	—	—	—	—
	D. Profit/(Loss) after Taxes	**4461.49**	2519.56	4056.43	1748.15	1479.31	1514.33	1430.90	607.06	74.49	421.73
	% of Gross Revenue	**8.71%**	5.11%	7.56%	3.78%	3.48%	4.41%	4.83%	2.38%	0.28%	1.66%
	E. Return on Shareholders' Funds %	**18.42%**	12.17%	22.11%	11.65%	11.04%	12.32%	12.91%	5.94%	0.77%	4.35%
III.	EQUITY SHAREHOLDERS' EARNINGS										
	A. Earning per Equity Share * ₹	**35.36**	20.05	36.22	16.03	13.59	13.46	12.30	7.30	0.40	3.62
	B. Dividend per Equity Share * ₹	**6.00**	4.50	7.00	3.75	3.00	2.00	3.75	2.00	0.50	1.00
	C. Equity Dividend ₹	**754.24**	565.68	803.40	408.96	327.17	218.11	408.96	218.11	54.53	109.06
	D. Net Worth per Equity Share* ₹	**192.69**	160.44	154.13	137.63	122.83	112.75	101.62	93.67	88.70	88.88
	E. Market Rate as on 31st March ₹	**380.40**	217.10	280.90	69.00	60.00	68.70	74.15	58.25	26.45	53.15

* Face Value of Equity Share – ₹ 5/-.

** Includes Gross revenue of discontinuing operation.

SUMMARISED BALANCE SHEET
As at 31st March

	2017 ₹ (in lacs)	2017 ₹ (in lacs)	2016 ₹ (in lacs)	2016 ₹ (in lacs)
WHAT THE COMPANY OWNED				
1. FIXED ASSETS				
Gross Block	**30,814.43**		27,585.27	
Less: Depreciation	**11,692.55**		11,011.74	
		19,121.88		16,573.53
2. INTANGIBLE ASSETS (Net)		**50.51**		101.81
3. NON-CURRENT INVESTMENTS		**1,036.76**		1,403.02
4. LONG TERM LOANS & ADVANCES & OTHER NON-CURRENT ASSETS		**2,509.44**		2,677.34
5. NET CURRENT ASSETS		**10,682.77**		10,615.26
		33,401.36		31,370.96
WHAT THE COMPANY OWED				
1. BORROWINGS (LONG TERM & SHORT TERM)		**5,958.12**		7,772.62
2. LONG TERM PROVISIONS		**1,127.57**		1,022.55
3. NET WORTH (Shareholders' Equity) Represented by				
(i) Share Capital	**628.53**		645.28	
(ii) Reserves	**23,595.76**		20,061.02	
		24,224.29		20,706.30
4. DEFERRED TAX LIABILITIES (NET)		**2,091.38**		1,869.49
		33,401.36		31,370.96

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

	2017 ₹ (in lacs)	2017 ₹ (in lacs)	2016 ₹ (in lacs)	2016 ₹ (in lacs)
WHAT THE COMPANY EARNED				
From Sales (including Excise Duty)		**47,988.34**		47,192.39
From Export Earnings	**370.25**		102.27	
From Other Sources	**1,200.77**		656.85	
		1,571.02		759.12
		49,559.36		47,951.51
WHAT THE COMPANY SPENT				
On Manufacturing Costs	**38,527.46**			36,114.66
On Employees	**6,341.96**			5,585.50
Interest on Loans	**851.40**			1,070.62
Depreciation	**1,391.79**			1,487.52
		47,112.61		44,258.30
OPERATING PROFIT FROM CONTINUING OPERATION		**2,446.75**		3,693.21
OPERATING (LOSS) FROM DISCONTINUING OPERATION		**(51.52)**		(37.93)
OPERATING PROFIT		**2,395.23**		3,655.28
ADD : EXCEPTIONAL INCOME (PROFIT ON SALE OF SHARES)		**2,668.78**		—
PROFIT BEFORE TAX		**5,064.01**		3,655.28

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Excel Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There was a delay in transfer to Investor Education and Protection Fund of ₹ 1.27 lacs in respect of proceeds of fractional bonus shares issued in the earlier years.

iv. The Company has provided requisite disclosures in Note 46 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership No.: 37924

Place : Mumbai
Date : 26 May 2017

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

Re: Excel Industries Limited ('the Company')

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company. Further, three title deeds of immovable properties having gross book value of ₹ 1,232.75 lacs (31 March 2016:₹ 406.75 lacs) included in Property, Plant and Equipment are mortgaged with the lenders. As per confirmation from the lenders and information provided to us by the management, the title deeds are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) In respect of deposits accepted during the earlier years, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act related to the manufacture of insecticides, industrial alcohol, fertilizers, chemicals and bulk drugs and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Customs	Custom Demand	144.88	FY 2011- 13	Commissioner of Appeals of Customs, Mumbai
Central Excise Act,1944	Excise Duty Demand	21.11	FY 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act,1944	Excise Duty Demand	26.78	FY 2008-13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act,1944	Excise Duty Demand	1.34	FY 2013-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act,1944	Excise Duty Demand	3.41	FY 2013-15	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act,1944	Excise Duty Demand	3.41	FY 2014-16	Assistant Commissioner of Central Excise, Raigad
Central Excise Act,1944	Excise Duty Demand	8.99	FY 2005-10	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act,1944	Excise Duty Demand	22.12	FY 2008-14	Commissioner of Appeals of Central Excise, Raigad
Central Excise Act,1944	Excise Duty Demand	2.26	FY 2014-16	Assistant Commissioner of Central Excise, Raigad
Service Tax (Finance Tax, 1994)	Service Tax Demand	1.73	FY 2014-15	Assistant Commissioner of Central Excise, Raigad
State Excise Act	Excise Duty Demand	323.16	FY 2002-17	High Court, Mumbai
Income Tax Act,1961	Income Tax Demand	818.32	AY 2010-11 to AY 2012-13	Commissioner of Income Tax (Appeals)
MMC Act, 1888	Property Tax	45.00	FY 15-16 to FY 16-17	Brihanmumbai Mahanagar Palika

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

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institution or banks. As informed, the Company does not have any borrowings from government or by way of debentures.

(ix) In our opinion and according to the information and explanations given by the management, the company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management the Company has not raised any money by way of initial public offer / further public offer / debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership No.: 37924

Place : Mumbai
Date : 26 May 2017

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

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

We have audited the internal financial controls over financial reporting of the company as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership No.: 37924

Place : Mumbai
Date : 26 May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**6,28.53**	6,45.28
Reserves and surplus	4	**235,95.76**	200,61.02
		242,24.29	207,06.30
Non-Current Liabilities			
Long-term borrowings	5	**9,14.80**	10,10.40
Deferred tax liability (net)	6	**20,91.38**	18,69.49
Long-term provisions	7	**11,27.57**	10,22.55
		41,33.75	39,02.44
Current Liabilities			
Short-term borrowings	8	**50,43.32**	67,62.22
Trade payables	9		
– Total outstanding dues of micro enterprises and small enterprises		**2,72.65**	2,04.74
– Total outstanding dues of creditors other than micro enterprises and small enterprises		**60,76.71**	69,28.83
Other current liabilities	9	**16,70.09**	18,96.78
Short-term provisions	7	**7,35.72**	13,70.42
		137,98.49	171,62.99
TOTAL		**421,56.53**	417,71.73
ASSETS			
Non-Current Assets			
Fixed assets			
Property, Plant and Equipment	10	**182,73.62**	162,54.26
Intangible assets	11	**50.51**	1,01.81
Capital work-in-progress		**8,48.26**	3,11.62
Intangible assets under development		**—**	7.65
Non-current investments	12	**10,36.76**	14,03.02
Loans and advances	13	**23,37.50**	25,99.78
Other non-current assets	14.2	**1,71.94**	77.56
		227,18.59	207,55.70
Current Assets			
Inventories	15	**55,11.10**	62,89.40
Trade receivables	14.1	**120,33.90**	126,89.28
Cash and bank balances	16	**4,02.07**	4,00.75
Loans and advances	13	**11,92.86**	15,40.91
Other current assets	14.2	**2,98.01**	95.69
		194,37.94	210,16.03
TOTAL		**421,56.53**	417,71.73
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	**Current Year (₹ in Lacs)**	Previous Year (₹ in Lacs)
CONTINUING OPERATIONS			
INCOME			
Revenue from operations (gross)	17	**487,52.25**	476,69.36
Less: Excise duty		**42,52.83**	42,11.83
Revenue from operations (net)		**444,99.42**	434,57.53
Other income	18	**8,07.11**	2,82.15
Total revenue (I)		**453,06.53**	437,39.68
EXPENSES			
Cost of raw materials and components consumed	19	**224,98.85**	217,32.95
Purchase of traded goods	20	**2,99.14**	3,75.17
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	**9,54.07**	4,70.36
Employee benefits expense	21	**63,41.96**	55,85.50
Other expenses	22	**102,35.88**	91,40.75
Total expenses (II)		**403,29.90**	373,04.73
Earnings before depreciation and amortisation, interest and tax (EBITDA) (I-II)		**49,76.63**	64,34.95
Depreciation and amortisation expense	23	**13,91.79**	14,87.52
Finance costs	24	**11,38.09**	12,54.22
Profit before Exceptional item and tax		**24,46.75**	36,93.21
Exceptional item	26	**26,68.78**	—
Profit before tax		**51,15.53**	36,93.21
Tax expenses			
Current tax (MAT payable)		**9,97.83**	9,13.13
Minimum Alternative Tax (MAT Credit Entitlement)		**(4,93.87)**	—
Deferred tax		**2,21.90**	2,35.72
Adjustment relating to earlier periods (net)		**(1,05.51)**	—
Total tax expense		**6,20.35**	11,48.85
Profit after tax		**44,95.18**	25,44.36
Profit for the year from continuing operations (A)		**44,95.18**	25,44.36
Discontinuing operations	40		
Loss before tax from discontinuing operations		**(51.52)**	(37.93)
Tax credit of discontinuing operations		**17.83**	13.13
Loss after tax from discontinuing operations (B)		**(33.69)**	(24.80)
Profit for the year (A +B)		**44,61.49**	25,19.56
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	25		
Basic and Diluted			
Computed on the basis of profit from continuing operations		**35.63**	20.25
Computed on the basis of total profit for the year		**35.36**	20.05
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year ended March 31, 2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended March 31, 2016 (₹ in Lacs)	(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operation		**51,15.53**		36,93.21
Loss before tax from discontinuing operation		**(51.52)**		(37.93)
Adjustments for :				
Depreciation / amortisation on continuing operation	**13,24.22**		13,98.86	
Depreciation / amortisation on discontinuing operation	**39.23**		51.97	
Amortisation of Intangible Assets	**67.57**		88.66	
Tangible Assets written off on continuing operation	**62.05**		1,45.26	
Tangible Assets written off on discontinuing operation	**—**		20.82	
Provision for Doubtful Receivables (net) on continuing operation	**81.18**		25.88	
Provision for Doubtful Receivables (net) on discontinuing operation	**42.82**		(14.89)	
Bad Debts / Sundry Debit Balances Written Off	**—**		8.70	
Loss on sale of Tangible Assets on continuing operation	**26.75**		1,04.19	
(Profit) / Loss on sale of Tangible Assets on discontinuing operation	**0.19**		(0.62)	
Interest income on continuing operation	**(1,12.31)**		(41.59)	
Interest income on discontinuing operation	**(0.74)**		(0.19)	
Interest expenses	**8,51.40**		10,70.62	
Dividend received	**(6,35.44)**		(31.43)	
Exchange difference Adjustment unrealised gain / (loss)	**90.03**		(23.19)	
Profit on sale of non-current investment	**(26,68.78)**		—	
		(8,31.83)		28,03.05
Operating Profit before working capital changes		**42,32.18**		64,58.33
Movements in Working Capital				
Decrease / (Increase) in Trade Receivables	**4,13.36**		(21,82.92)	
Decrease / (Increase) in Inventories	**7,78.30**		3,62.67	
Decrease / (Increase) in Other Current Assets	**(3,05.10)**		2,81.11	
Decrease / (Increase) in Loans & Advances	**(1,95.09)**		(2,15.01)	
Increase / (Decrease) in Current Liabilities & Provisions	**(4,96.88)**		13,11.54	
		1,94.59		(4,42.61)
Cash generated from Operations		**44,26.77**		60,15.72
Direct taxes paid (Net of refunds)		**7,15.21**		14,57.84
Net cash flow from Operating Activities (A)		**37,11.56**		45,57.88
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets including CWIP and capital advances		**(40,85.72)**		(26,56.59)
Purchase of intangible assets		**(16.27)**		(17.84)
Proceeds from sale of fixed assets		**84.88**		1,73.11
Loan to Subsidiary Company		**—**		(3,00.00)
Loan recovered from Subsidiary Company		**11,40.00**		—
Interest received		**1,16.62**		41.37
Dividend received		**6,35.44**		31.43
Sale of long term Investments (net)		**30,35.04**		—
Net cash flow from/(used) in Investing Activities (B)		**9,09.99**		(27,28.52)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year ended March 31, 2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended March 31, 2016 (₹ in Lacs)	(₹ in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Amount paid for buy-back of Equity shares		**(9,43.46)**		—
Proceeds from conversion of warrants to Equity shares		**—**		5,17.50
Proceeds from Long-term borrowings		**8,30.73**		3,81.66
Proceeds from Short-term borrowings (net)		**(17,21.53)**		7,07.29
Repayment of Short-term borrowings (net)		**—**		—
Repayment of Long-term borrowings		**(12,36.54)**		(16,28.55)
Dividend Paid		**(5,58.28)**		(4,69.48)
Tax on final dividend		**(1,15.16)**		(96.95)
Interest Paid		**(8,80.84)**		(11,50.42)
Net cash flow used in Financing Activities (C)		**(46,25.07)**		(17,38.95)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(3.52)**		90.41
Cash and cash equivalents at the beginning of the year		**2,88.96**		1,98.54
Cash and cash equivalents at the end of the year		**2,85.44**		2,88.95
Break-up:				
Balance with Banks:				
(i) In Unclaimed Dividend Accounts*		**44.68**		37.28
(ii) In Current Accounts		**2,40.76**		2,51.68
Total cash and cash equivalents (note 16)		**2,85.44**		2,88.96

Note: * Cash and cash equivalents include **₹ 44.68 lacs** (Previous Year: ₹ 37.28 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.

Summary of significant accounting policies 2.1

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain class of assets for which revaluation was carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policy

I. Accounting for Proposed Dividend

As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the company cannot create provision for dividend proposed / declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements. Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by ₹ 907.79 lacs and current provision would have been higher by ₹ 907.79 lacs (including dividend distribution tax of ₹ 153.55 lacs).

(a) Use of estimates

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

(b) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, except for the following :

(i) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on September 30, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.

(ii) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase

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

price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The company identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognised in the Statement of Profit and Loss.

(c) Depreciation on property, plant and equipment

I. Component Accounting

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

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

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

(ii) Other Property, Plant and Equipment:

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

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

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

(2) With effect from 1st April, 2014, the Company has prospectively changed its method of providing depreciation in respect of its assets

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

viz. Furniture & Fixtures, Vehicles, Laboratory Equipments and Office Equipments from written down value basis to straight line method basis based on following useful life taken as per technical estimates.

Description of Property, Plant and Equipment.	Useful life of Assets as estimated by the management.
Furniture & Fixtures	10 Years
Vehicles	8 Years
Laboratory Equipments	10 Years
Office Equipments	8 Years

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

(d) Intangible assets and Amortisation

(i) Intangible assets are stated at cost less accumulated amortisation.

(ii) Amortisation:

(a) Computer software is amortised on a straight line basis proportionately over a period of four years.

(b) Trademarks are amortised on a straight line basis proportionately over a period of five years.

(c) Product Registration expenses are amortised on a straight line basis over a period of four years.

(d) The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

(e) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(e) Research and development costs

Research costs (other than cost of Property, Plant and Equipment acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

(f) Leases

Where the company is lessee

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(g) Borrowing costs

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

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

(h) Impairment of fixed assets

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount

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

since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Government grants and subsidies

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

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

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

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

(j) Investments

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

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

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

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

(k) Inventories

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

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

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

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

(l) Revenue recognition

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Sale of goods

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

Income from services

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

Interest

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

Export Benefits

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

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

Dividend

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

Royalty

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

Other Income

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

(m) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

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

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

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

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

(n) Retirement and other employee benefits

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

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

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

The Company also operates 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.

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

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

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

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

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

(o) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

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

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

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

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

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

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

(p) Segment reporting

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(q) Earnings Per Share

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

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

(r) Provisions

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

Warranty provisions

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

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

(u) Derivative Instruments and hedge accounting

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

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

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

Cash flow hedges

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

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

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

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

(v) Measurement of EBITDA

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3. SHARE CAPITAL

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Authorised shares		
3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	**19,00.00**	19,00.00
8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	**85.00**	85.00
3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	**15.00**	15.00
Issued, subscribed and fully paid-up shares		
1,25,70,692 (Previous Year: 1,29,05,630) Equity Shares of ₹ 5/- each (Refer note 3 (d) below)	**6,28.53**	6,45.28
	6,28.53	6,45.28

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

Equity Shares	**March 31, 2017**		March 31, 2016	
	Nos.	**₹ in Lacs**	Nos.	₹ in Lacs
At the beginning of the period	**129,05,630**	**6,45.28**	119,05,630	5,95.28
Issued during the period - Convertible warrants	**—**	**—**	10,00,000	50.00
Buy Back of Shares	**3,34,938**	**16.75**		
Outstanding at the end of the period	**125,70,692**	**6,28.53**	129,05,630	6,45.28

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

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

During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders is ₹ **Nil** (Previous Year: ₹ 4.50/-)

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

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

Name of the shareholder	**As at March 31, 2017**		As at March 31, 2016	
	Nos. of Shares	**% holding in the class**	Nos. of Shares	% holding in the class
Equity shares of ₹ 5/- each fully paid				
Life Insurance Corporation of India	**9,62,799**	**7.66%**	10,12,799	7.85%
Utkarsh Global Holdings Private Limited	**53,58,682**	**42.63%**	53,31,182	41.31%

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3. SHARE CAPITAL *(Contd.)*

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
(d) **Buyback of Equity Shares**		
The Board of Directors had approved to buyback a maximum upto 11,50,000 Equity Shares of the Company at a price not exceeding ₹ 275 per Equity Share and the total consideration not exceeding ₹ 1800 lacs.		
During the year, the Company has bought back 3,34,938 equity shares utilizing ₹ 9,26.71 lacs (including transaction charges, brokerage, tax etc.) from securities premium account under the said Buyback offer. As a result of the Buyback, total equity shares of the Company has reduced from 1,29,05,630 to 1,25,70,692. Further, the Company has transferred ₹ 16.75 lacs to Capital Redemption Reserve from General Reserve being the sum equal to the nominal value of shares so purchased.		
(e) **Proposed Dividend on Equity Shares**		
The board proposed dividend on equity shares after the balance sheet date.		
Proposed dividend on equity shares for the year ended 31 March 2017: **₹ 6.00** per share (31 March 2016: ₹ 4.50 per share) also refer note 2.1.I.	**754.24**	5,65.68
DDT on proposed dividend	**153.55**	1,15.16

4. RESERVES AND SURPLUS

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Capital reserve		
(a) Profit on purchase of debentures	**0.01**	0.01
(b) Government grants/subsidies	**70.00**	70.00
	70.01	70.01
Securities premium account		
Balance as per the last financial statements	**14,61.08**	8,21.08
Add: Premium on issue of equity shares on conversion of convertible warrants	**—**	6,40.00
Less: Adjustment on account of Buyback of equity shares (Refer Note 3(d) above)	**(9,26.71)**	—
Closing balance	**5,34.37**	14,61.08
Cash Flow Hedge Reserve	**—**	0.04
Capital Redemption Reserve:		
Balance as per the last financial statements	**—**	—
Add : On account of Buy back of Equity Shares transferred from General reserve	**16.75**	—
Closing balance	**16.75**	—
General Reserve:		
Balance as per the last financial statements	**165,54.07**	145,54.07
Less: On account of Buy back of Equity Share transfered to Capital redemption reserve	**(16.75)**	—
Add: Amount transferred from surplus balance in the statement of profit and loss	**35,00.00**	20,00.00
Closing balance	**200,37.32**	165,54.07
Surplus in the statement of profit and loss:		
Balance as per the last financial statements	**19,75.82**	21,37.10
Profit for the year	**44,61.49**	25,19.56
Less: Appropriations		
Proposed dividend on equity shares for the year [Amount per share ₹ **Nil/-** (Previous Year: ₹ 4.50/-)]	**—**	(5,65.68)
Tax on proposed equity dividend	**—**	(1,15.16)
Transfer to general reserve	**(35,00.00)**	(20,00.00)
Total appropriations	**(35,00.00)**	(26,80.84)
Net surplus in the statement of profit and loss	**29,37.31**	19,75.82
Total reserves and surplus	**235,95.76**	200,61.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

5. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Term Loans (secured):				
Indian rupee loan from banks	**2,42.11**	6,64.34	**4,22.22**	4,22.22
From other (secured):				
Under vehicle finance scheme	**28.84**	34.00	**20.27**	15.99
Housing Finance company	**3,44.81**	—	**64.79**	—
Finance lease obligation	**2,99.04**	3,12.06	**3,35.52**	4,68.62
Deposits (unsecured):				
From shareholders	**—**	—	**—**	22.98
From public	**—**	—	**—**	2,16.18
	9,14.80	10,10.40	**8,42.80**	11,45.99
The above amount includes:				
Secured borrowings	**9,14.80**	10,10.40	**8,42.80**	9,06.83
Unsecured borrowings	**—**	—	**—**	2,39.16
Amount disclosed under the head "other current liabilities" (Refer Note 9)	**—**	—	**(8,42.80)**	(11,45.99)
Net amount	**9,14.80**	10,10.40	**—**	—

(a) Loan from Bank of India amounting to **₹ 331.00 lacs** (Previous Year: ₹ 531.00 lacs) is for a period of five years repayable in quarterly instalments of ₹ 50 lacs and carrying interest rate of 12.25% to 12.90% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further to be secured by registered mortgage of land and buildings of the factory located at Roha.

(b) Loan from HDFC Bank Ltd. amounting to **₹ 333.33 lacs** (Previous Year: ₹ 555.56 lacs) is for a period of five years repayable in quarterly instalments of ₹ 55.56 lacs and carrying rate of interest @11.60% to 11.90% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further to be secured by registered mortgage of immovable assets at Lote Parashuram.

(c) Term loans under vehicle finance from a financial institution amounting to **₹ 49.11 lacs** (Previous Year: ₹ 49.99 lacs) carrying interest rate ranging from 12% to 14% p.a. repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.

(d) Finance lease obligation amounting to **₹ 6,34.56 lacs** (Previous Year: ₹ 7,80.68 lacs) from Siemens Financial Services Pvt. Ltd. for a period of three years and is secured by hypothecation of equipment's taken on lease. It will be discharged by monthly lease rental payments on various dates and carry the interest @ 11.50% p.a. to 12.50% p.a.

(e) Loan from Housing Development Finance Corporation Limited amounting to **₹ 4,09.60 lacs** (Previous Year: ₹ Nil) carrying interest rate @ 11.50 % p. a. repayable in sixty equated monthly instalments and secured by first equitable mortgage on property along with stilt area and undivided portion of freehold land at New Delhi both present and future and by way of first charge on all the receivables including lease rent and sale proceeds of the herein mentioned property.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

6. DEFERRED TAX LIABILITY (Net)

		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting		**23,04.71**	20,81.13
Other allowances		**5,91.72**	2,54.99
	(A)	**28,96.43**	23,36.12
Deferred tax assets			
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowed for tax purpose on payment basis		**4,64.91**	4,24.63
Provision for doubtful receivables and advances		**73.63**	30.71
Other disallowances		**2,66.51**	11.29
Gross deferred tax assets	**(B)**	**8,05.05**	4,66.63
Net deferred tax liability	**(A – B)**	**20,91.38**	18,69.49

7. PROVISIONS

	Long-term		**Short-term**	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Provision for employee benefits				
Provision for gratuity (Refer Note 27)	**—**	49.26	**4,31.11**	5,00.00
Provision for leave benefits	**10,32.86**	9,73.29	**2,70.25**	1,89.58
Provision for voluntary early separation scheme	**94.71**	—	**34.36**	—
Other provisions				
Proposed equity dividend	**—**	—	**—**	5,65.68
Provision for tax on proposed equity dividend	**—**	—	**—**	1,15.16
Total	**11,27.57**	10,22.55	**7,35.72**	13,70.42

8. SHORT-TERM BORROWINGS

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	**37,77.09**	33,08.32
Foreign currency buyer's credit (unsecured)	**5,17.43**	3,72.07
Short term foreign currency loan (unsecured)	**—**	9,91.36
Short Term Loan from Banks (unsecured)	**7,48.80**	20,90.47
Total	**50,43.32**	67,62.22

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

8. SHORT-TERM BORROWINGS *(Contd.)*

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
The above amount includes		
Secured Borrowing	**37,77.09**	33,08.32
Unsecured Borrowing	**12,66.23**	34,53.90

Cash credit and packing credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the Property, Plant and Equipment at Roha and Lote Parashuram. The cash credit and packing credit loan is repayable on demand and carries interest rates @ 11.70% to 13.20% p.a.

Outstanding foreign currency buyers's credit are unsecured and carry an interest rate of libor plus 0.23% to 0.80%

Short term unsecured loans from Banks are payable within period of 3 to 6 months and carries interest rate of 8.90% p.a to 9.50% p.a.

9. OTHER CURRENT LIABILITIES

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 36 for details of dues to micro and small enterprises)	**2,72.65**	2,04.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	**60,76.71**	69,28.83
(A)	**63,49.36**	71,33.57
Other liabilities		
Current maturities of long-term borrowings (Refer Note 5)	**8,42.80**	11,45.99
[Includes current maturity of finance lease obligation ₹ **335.52 lacs** (Previous Year: ₹ 468.62 lacs)]		
Interest accrued but not due on borrowings	**6.72**	37.28
Interest accrued and due on borrowings	**4.01**	2.89
Investor education and protection fund will be credited by following amounts as and when due:		
Unclaimed dividend	**44.68**	37.28
Unclaimed matured deposits	**15.19**	22.22
Advances from customers	**58.06**	31.32
Creditors for capital goods	**3,69.63**	1,98.69
Statutory liabilities	**2,27.27**	2,87.05
Sundry deposits	**14.35**	14.72
Others	**87.38**	1,19.34
(B)	**16,70.09**	18,96.78
Total (A+B)	**80,19.45**	90,30.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

10. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Land free hold	Land lease hold	Leasehold improve-ments	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
Cost or Valuation												
At April 1, 2015	1,71.85	2,82.71	23.43	37,24.20	195,78.77	6,71.14	5,82.54	1,74.55	6,09.04	2,88.61	9.15	261,15.99
Additions	—	—	—	4,34.20	16,93.89	64.36	1,30.90	1,03.46	1,15.89	51.76	1.20	25,95.66
Disposals/adjustment	—	—	—	22.42	12,82.91	35.90	(16.13)	(0.46)	21.34	99.09	0.58	14,45.65
At March 31, 2016	**1,71.85**	**2,82.71**	**23.43**	**41,35.98**	**199,89.75**	**6,99.60**	**7,29.57**	**2,78.47**	**7,03.59**	**2,41.28**	**9.77**	**272,66.00**
Additions	3,50.00	—	—	6,65.39	20,33.26	44.69	2,27.89	10.26	1,17.43	107.63	0.13	35,56.68
Disposals/adjustments	—	—	—	23.25	6,56.48	41.55	49.13	52.46	21.44	11.67	0.53	8,56.51
At March 31, 2017	**5,21.85**	**2,82.71**	**23.43**	**47,78.12**	**213,66.53**	**7,02.74**	**9,08.33**	**2,36.27**	**7,99.58**	**3,37.24**	**9.37**	**299,66.17**
Depreciation												
At April 1, 2015	—	62.55	23.43	9,81.99	77,89.97	5,77.94	3,33.38	92.87	5,00.79	1,67.68	8.69	105,39.29
Charge for the year	—	3.69*	—	97.25	11,72.23	34.48	44.82	19.40	49.55	28.93	0.47	14,50.82#
Adj. Against Reserves				—	—	—	—	—	—	—	—	—
Disposals/adjustments	—	—	—	20.52	8,41.87	33.94	(14.64)	(0.31)	19.96	76.41	0.62	9,78.37
At March 31, 2016	—	**66.24**	**23.43**	**10,58.72**	**81,20.33**	**5,78.48**	**3,92.84**	**1,12.58**	**5,30.38**	**1,20.20**	**8.54**	**110,11.74**
Charge for the year	—	3.69*	—	1,14.38	10,57.13	39.85	50.27	21.44	52.20	24.17	0.32	13,63.45#
Adj. Against Reserves				—	—	—	—	—	—	—	—	—
Disposals/adjustments	—	—	—	11.93	5,31.09	38.53	46.67	30.14	20.99	2.78	0.51	6,82.64
At March 31, 2017	**—**	**69.93**	**23.43**	**11,61.17**	**86,46.37**	**5,79.80**	**3,96.44**	**1,03.88**	**5,61.59**	**1,41.59**	**8.35**	**116,92.55**
Net Block												
At March 31, 2016	**1,71.85**	**2,16.47**	**—**	**30,77.26**	**118,69.42**	**1,21.12**	**3,36.73**	**1,65.89**	**1,73.21**	**1,21.08**	**1.23**	**162,54.26**
At March 31, 2017	**5,21.85**	**2,12.78**	**—**	**36,16.95**	**127,20.16**	**1,22.94**	**5,11.89**	**1,32.39**	**2,37.99**	**1,95.65**	**1.02**	**182,73.62**

Notes: a.* Amount amortized in respect of leasehold land.

b. Buildings include cost of shares in co-operative housing societies **₹ 0.01 lac** (Previous Year: ₹ 0.01 lac).

c. Buildings include buildings given on operating lease:
Gross book value **₹ 1,99.70 lacs** (Previous Year: ₹ 1,99.70 lacs).
Depreciation for the year **₹ 3.25 lacs** (Previous Year: ₹ 3.25 lacs).
Accumulated depreciation **₹ 94.91 lacs** (Previous Year: ₹ 91.66 lacs).
Net block **₹ 1,01.54 lacs** (Previous Year: ₹ 1,04.79 lacs).

d. Plant and Machinery includes plant taken on finance lease:
Gross block **₹ 17,48.98 lacs** (Previous Year: ₹ 13,38.47 lacs).
Depreciation charge for the year **₹ 1,10.98 lacs** (Previous Year: ₹ 98.03 lacs).
Accumulated depreciation **₹ 1,34.29 lacs** (Previous Year: ₹ 36.26 lacs).
Net book value **₹ 15,03.71 lacs** (Previous Year: ₹ 12,04.18 lacs).

e. # includes an amount of **₹ 39.23 lacs** (Previous Year: ₹ 51.96 lacs) relating to the discontinuing operation of Environment and Bio-tech Division.

11. INTANGIBLE ASSETS (ACQUIRED)

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Total
Cost (Gross block)				
At April 1, 2015	7.00	3,26.61	67.70	4,01.31
Additions/purchase	—	17.84	—	17.84
Disposals/Adjustment	—	—	—	—
At March 31, 2016	**7.00**	**3,44.45**	**67.70**	**4,19.15**
Additions/purchase	—	16.27	—	16.27
Disposals/Adjustment	—	—	9.43	9.43
At March 31, 2017	**7.00**	**3,60.72**	**77.13**	**4,44.85**
Amortisation				
At April 1, 2015	7.00	1,58.79	62.89	2,28.68
Charge for the year	—	83.85	4.81	88.66
Disposals/Adjustment	—	—	—	—
At March 31, 2016	**7.00**	**2,42.64**	**67.70**	**3,17.34**
Charge for the year	—	67.57	—	67.57
Disposals/Adjustment	—	—	9.43	9.43
At March 31, 2017	**7.00**	**3,10.21**	**77.13**	**3,94.34**
Net Block				
At March 31, 2016	—	**1,01.81**	**—**	**1,01.81**
At March 31, 2017	—	**50.51**	**—**	**50.51**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12. NON CURRENT INVESTMENTS

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
(a) **1,99,982** (Previous Year: 1,99,982) Equity Shares of ₹ 100/- each fully paid-up in Kamaljyot Investments Limited	**1,99.98**	1,99.98
(b) **5,10,000** (Previous Year: 5,10,000) Equity Shares of ₹ 10/- each fully paid-up in Excel Bio Resources Limited	**51.13**	51.13
Investment in joint venture		
4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong $ 1 each fully paid-up in Wexsam Limited, Hong Kong	**27.26**	27.26
Less: Provision for diminution in value of investment	**(27.26)**	(27.26)
	—	—
Others		
(a) **8,88,750** (Previous Year: 8,88,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	**1,77.75**	1,77.75
(b) **10,67,450** (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Private Limited	**2,86.08**	2,86.08
Quoted equity instruments		
Others		
(a) **Nil** (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	**—**	3,66.26
(b) **5,84,977** (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	**3,09.00**	3,09.00
Total trade Investment (A)	**10,23.94**	13,90.20
Non-trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
(a) **2,500** (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	**0.25**	0.25
(b) **50,000** (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	**5.00**	5.00
Quoted equity instruments		
(a) **4,285** (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	**1.54**	1.54
(b) **13,400** (Previous Year: 13,400) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	**6.03**	6.03
Total non-trade investments (B)	**12.82**	12.82
Total Investments (A+B)	**10,36.76**	14,03.02
Aggregate amount of quoted investments [Market value **₹ 16,74.64 lacs**: (Previous Year: ₹ 38,02.47 lacs)]	**3,16.57**	6,82.83
Aggregate amount of unquoted investments (net of provision for diminution)	**7,20.19**	7,20.19
Aggregate provision for diminution in value of investments	**27.26**	27.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

13. LOANS AND ADVANCES

		Non-current		Current	
		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Capital advances					
Unsecured, considered good	**(A)**	**12.24**	2,29.03	**—**	—
Unsecured, considered doubtful		**41.62**	—		
		53.86	2,29.03	**—**	—
Provision for doubtful Capital advance		**(41.62)**	—	**—**	—
		12.24	2,29.03		
Security deposits					
Unsecured, considered good	**(B)**	**4,06.31**	4,27.39	**—**	—
Loan to a related party (Refer Notes 29, 35 & 45)					
Unsecured, considered good	**(C)**	**—**	8,40.00	**—**	3,00.00
Advances recoverable in cash or kind					
Unsecured, considered good		**—**	—	**6,27.90**	6,42.79
Unsecured, considered doubtful		**—**	—	**35.00**	35.00
		—	—	**6,62.90**	6,77.79
Provision for doubtful advances		**—**	—	**(35.00)**	(35.00)
	(D)	**—**	—	**6,27.90**	6,42.79
Other loans and advances, unsecured, considered good					
Advance income-tax (net of provision for taxation)		**13,90.21**	10,55.62	**—**	—
MAT Credit Entitlement		**4,93.87**	—	**—**	—
Prepaid expenses		**21.10**	26.42	**1,67.21**	2,19.85
Loans to employees		**13.77**	21.32	**21.73**	25.85
Balances with statutory/government authorities		**—**	—	**3,76.02**	3,52.42
	(E)	**19,18.95**	11,03.36	**5,64.96**	5,98.12
Total	**(A+B+C+D+E)**	**23,37.50**	25,99.78	**11,92.86**	15,40.91

14. TRADE RECEIVABLES AND OTHER ASSETS

14.1. Trade receivables

	Current	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**1,41.65**	4,65.56
Doubtful	**1,41.09**	58.71
	2,82.74	5,24.27
Less: Provision for doubtful receivables	**(1,41.09)**	(58.71)
	1,41.65	4,65.56
Other receivables		
Unsecured, considered good	**118,92.25**	122,23.72
	120,33.90	126,89.28

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

14.2. Other assets

		Non-current		Current	
		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Unsecured, considered good unless stated otherwise	**(A)**				
Non-current bank balance (Refer Note 16)		**1,68.00**	73.00	**—**	—
Others					
Interest receivable		**—**	—	**14.28**	17.85
Export benefit receivable		**—**	—	**2,71.74**	14.19
Income tax refund receivable		**3.94**	4.56	**—**	—
Fixed asset held for Sale (valued at lower of cost and net realisable value)		**—**	—	**—**	24.51
Miscellaneous receivables		**—**	—	**11.99**	39.14
	(B)	**3.94**	4.56	**2,98.01**	95.69
Total	**(A+B)**	**1,71.94**	77.56	**2,98.01**	95.69

15. INVENTORIES (Valued at lower of cost and net realisable value)

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Raw materials [including stock-in-transit ₹ **5,20.22 lacs** (Previous Year: ₹ 5,32.68 lacs)] (Refer Note 19)	**22,39.12**	21,18.46
Packing materials (Refer Note 19)	**1,21.22**	1,07.76
Finished goods [including stock-in-transit ₹ **167.26 lacs** (Previous Year: ₹ 80.29 lacs)] (Refer Note 20)	**10,61.71**	19,06.38
Work-in-progress (Refer Note 20)	**13,12.43**	14,78.72
Traded goods (Refer Note 20)	**2,43.64**	1,91.12
Stores and spares [including stock-in-transit ₹ **1,66.07 lacs** (Previous Year: ₹ 1,45.87 lacs)] [including fuel and coal]	**5,32.98**	4,86.96
Total	**55,11.10**	62,89.40

16. CASH AND BANK BALANCES

	Non-current		Current	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Cash and cash equivalents				
Balances with banks:				
On current accounts	**—**	—	**2,40.76**	2,51.68
On unclaimed dividend accounts	**—**	—	**44.68**	37.28
	—	—	**2,85.44**	2,88.96
Other bank balances				
Deposits with remaining maturity for more than 12 months	**1,68.00**	73.00	**—**	—
Deposits with rremaining maturity for less than 12 months	**—**	—	**1,10.00**	1,05.00
Margin money deposits	**—**	—	**6.63**	6.79
	1,68.00	73.00	**1,16.63**	1,11.79
Amount disclosed under non-current assets (Refer Note 14.2)	**(1,68.00)**	(73.00)	**—**	—
Total	**—**	—	**4,02.07**	4,00.75

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹ **6.63 lacs** (Previous Year: ₹ 6.79 lacs) have been given against opening of Letter of Credit Account and Bank guarantee.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

17. REVENUE FROM OPERATIONS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from Continuing operations		
Sale of products		
Finished goods	**476,05.76**	466,39.24
Traded goods	**3,82.58**	5,53.15
Sale of services		
Processing charges	**2,62.33**	2,21.45
Other operating revenue		
Export incentives	**3,70.25**	1,02.27
Scrap sales	**1,31.33**	1,53.25
Revenue from operations (gross)	**487,52.25**	476,69.36
Less: Excise duty	**42,52.83**	42,11.83
Revenue from operations (net)	**444,99.42**	434,57.53

Export incentives includes amount claimed and recognised as income in respect of export of earlier years ₹ 2,76.29 lacs. (Previous year ₹ Nil)

Details of products sold	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Finished goods sold		
Phosphorous and its compounds	**335,40.85**	322,67.20
Chemicals	**139,44.77**	141,81.46
Others	**1,20.14**	1,90.58
	476,05.76	466,39.24
Traded goods sold		
Chemicals	**3,82.58**	5,53.15
	3,82.58	5,53.15
	479,88.34	471,92.39

18. OTHER INCOME

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest income on		
Bank deposits	**29.63**	34.85
Income tax refund	**39.10**	3.28
Unsecured loan	**20.03**	0.31
Others	**23.55**	3.15
	1,12.31	41.59
Dividend income		
From long term investments	**6,35.44**	31.43
Others		
Rent	**24.31**	29.14
Exchange gain (net)	**—**	89.75
Others	**35.05**	90.24
	59.36	2,09.13
Total	**8,07.11**	2,82.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
a. Raw materials			
Inventory at the beginning of the year		**21,08.79**	19,06.67
Add: Purchases		**216,50.33**	208,46.52
		237,59.12	227,53.19
Less: Inventory at the end of the year		**22,39.12**	21,08.79
	(A)	**215,20.00**	206,44.40
b. Packing materials			
Inventory at the beginning of the year		**78.15**	100.27
Add: Purchases		**10,21.92**	10,66.43
		11,00.07	11,66.70
Less: Inventory at the end of the year		**1,21.22**	78.15
	(B)	**9,78.85**	10,88.55
Total	**(A+B)**	**224,98.85**	217,32.95

Details of raw materials consumed

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw materials		
Phosphorous and its compounds	**103,26.48**	104,11.89
Minerals	**6,45.95**	8,00.72
Organic Chemicals	**78,07.25**	67,53.21
Others	**27,40.32**	26,78.58
	215,20.00	206,44.40

Details of inventory

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Raw materials		
Phosphorous and its compounds	**13,47.05**	12,02.84
Minerals	**23.62**	53.50
Organic Chemicals	**7,45.37**	7,87.36
Others	**1,14.37**	65.09
	22,30.42	21,08.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

20. (INCREASE)/DECREASE IN INVENTORIES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	(Increase)/decrease ₹ in Lacs
Inventories at the end of the year			**March 31, 2017**
Finished goods	**10,34.58**	18,29.58	**7,95.00**
Work-in-progress	**13,12.44**	14,78.57	**1,66.13**
Traded goods	**17.76**	10.70	**(7.06)**
	23,64.78	33,18.85	**9,54.07**
Inventories at the beginning of the year			March 31, 2016
Finished goods	**18,29.58**	20,44.12	2,14.54
Work-in-progress	**14,78.57**	17,04.20	2,25.63
Traded goods	**10.70**	40.89	30.19
	33,18.85	37,89.21	4,70.36
	9,54.07	4,70.36	

Details of purchase of traded goods

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Chemicals	**2,99.14**	3,75.17
	2,99.14	3,75.17
Details of inventory		
Finished goods*		
Phosphorous and its compounds	**3,19.47**	7,30.58
Chemicals	**6,77.72**	10,54.70
Others	**37.39**	44.30
	10,34.58	18,29.58
Work-in-progress		
Phosphorous and its compounds	**7,09.07**	8,15.42
Chemicals	**5,70.25**	6,20.42
Others	**33.12**	42.73
	13,12.44	14,78.57
Traded goods*		
Chemicals	**17.76**	10.70
	17.76	10.70

* Details of inventory (Finished goods and Traded goods) excludes an amount of ₹ **253.00 lacs** (Previous Year: ₹ 257.23 lacs) on account of discontinuing business operations of Environment and Bio-tech (E&BT) Division

21. EMPLOYEE BENEFITS EXPENSE

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	**48,18.18**	45,02.00
Contribution to provident and other funds	**4,30.23**	4,06.30
Provision/payment of gratuity (Refer Note 27)	**2,71.24**	1,08.23
Provision for other retirement benefits	**4,03.01**	1,72.57
Workmen and staff welfare expenses	**4,19.30**	3,96.40
	63,41.96	55,85.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

22. OTHER EXPENSES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares (Refer Note 39)	**45.76**	43.68
Processing charges	**79.15**	71.70
(Increase)/decrease of excise duty on inventory	**(1,10.34)**	(19.87)
Power and fuel	**29,53.43**	27,59.24
Effluent expenses	**5,83.22**	5,26.68
Rent (Refer Note 30)	**36.79**	38.64
Rates and taxes	**96.33**	1,17.79
Insurance	**70.75**	68.52
Repairs and maintenance		
— Plant and machinery	**17,79.30**	15,41.08
— Buildings	**1,48.40**	1,65.54
— Others	**91.75**	98.74
CSR expenditure (Refer Note 44)	**75.84**	69.83
Sales commission and discounts	**1,65.10**	1,88.11
Travelling and conveyance	**1,88.65**	2,16.38
Legal and professional fees	**4,45.61**	3,23.41
Directors' sitting fees	**17.60**	19.10
Payment to auditor (refer details below)	**42.14**	43.98
Exchange differences (net)	**1,16.91**	—
Bad debts/sundry debit balances written off (net)	**—**	(3.62)
Freight outward and forwarding expenses	**13,45.65**	11,55.83
Charity and donations (Refer Note 43)	**67.63**	64.65
Provision for doubtful receivables/advances (net)	**81.18**	25.88
Property, Plant and Equipment written off	**62.05**	1,45.26
Loss on sale of Property, Plant and Equipment (net)	**26.75**	1,04.19
Miscellaneous expenses	**18,26.23**	13,76.00
	102,35.88	91,40.74

Payment to auditor (net of Service Tax)	**Current Year ₹ in Lacs**	Previous Year ₹ in Lacs
As auditor:		
Audit fee	**25.50**	23.00
Tax audit fee	**6.00**	6.00
Limited review	**6.00**	4.50
In other capacity:		
Certification fees and other matters	**2.80**	9.30
Reimbursement of expenses	**1.84**	1.18
	42.14	43.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

23. DEPRECIATION AND AMORTISATION EXPENSES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Depreciation on Property, Plant and Equipment (refer note below)	**13,24.22**	13,98.86
Amortisation of intangible assets	**67.57**	88.66
	13,91.79	14,87.52

The above figures excludes an amount of **₹ 39.23 lacs** (Previous Year: ₹ 51.96 lacs) relating to the discontinuing operation of Environment and Bio-tech Division.

24. FINANCE COSTS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest	**8,51.40**	10,70.62
Bank and financial charges	**2,03.59**	1,55.39
Exchange difference on borrowings	**83.10**	28.21
	11,38.09	12,54.22

25. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Total operations for the year		
Profit after tax as per statement of profit and loss	**44,61.49**	25,19.56
Net profit for calculation of basic and diluted EPS	**44,61.49**	25,19.56
Continuing operations		
Profit after tax as per statement of profit and loss	**44,95.18**	25,44.36
Net profit for calculation of basic and diluted EPS	**44,95.18**	25,44.36
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	**1,29,05,630**	1,25,64,510
Buyback of Shares	**(2,88,798)**	—
Net Weighted average number of equity shares in calculating diluted EPS	**1,26,16,832**	1,25,64,510
Basic and Diluted E.P.S.		
Based on Continuing operations (in ₹)	**35.63**	20.25
Based on total profit for the year (in ₹)	**35.36**	20.05

26. EXCEPTIONAL ITEM

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Gain on sale of long term investments	**26,68.78**	—
	26,68.78	—

During the year, the Company has sold 2,45,760 Equity Shares of Excel Crop Care Limited to Sumitomo Chemical Company, Limited, Japan at a price of ₹ 12,59.36 per Equity Share in accordance with Share Purchase Agreement executed on 5th June 2016. The profit earned (net of related expenses) on the said transaction has been disclosed as an exceptional item.

27. DETAILS OF EMPLOYEE BENEFITS

(I) Defined Benefit Plan Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service as of 31st March 2017 except staff and workers, then instead of 15 days, he / she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with insurance Companies in the form of qualifying insurance policies.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of profit and loss are as follows:

Defined Benefit Plan	**Current Year Gratuity (₹ in Lacs)**	Previous Year Gratuity (₹ in Lacs)
Current service cost	**2,13.32**	2,01.94
Interest cost on benefit obligation	**3,08.04**	2,96.11
Expected return on plan assets	**(2,74.04)**	(2,56.57)
Net actuarial (gain) / loss recognised in the year	**1,78.08**	(1,28.25)
Curtailment Cost	**(1,41.81)**	—
Gross Amount included under the head employee benefit expenses	**2,83.59**	1,13.23
Less: In respect of discontinuing operation	**12.35**	5.00
Net Amount included under the head employee benefit expenses (Refer Note 21)	**2,71.24**	1,08.23

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

	As at March 31, 2017 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at March 31, 2016 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	**43,19.46**	39,74.76
Less: Fair value of plan assets	**38,88.35**	34,25.50
Net Liability included under the head Provisions in Note No. '7'	**4,31.11**	5,49.26

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

	As at March 31, 2017 Gratuity (₹ in Lacs)	As at March 31, 2016 Gratuity (₹ in Lacs)
Opening defined benefit obligation	**39,74.76**	37,85.56
Interest cost	**3,08.04**	2,96.11
Current service cost	**2,13.32**	2,01.94
Curtailment cost	**(1,41.81)**	—
Benefits paid	**(2,17.53)**	(1,74.41)
Actuarial (gains)/losses on obligation	**1,82.68**	(1,34.44)
Closing defined benefit obligation	**43,19.46**	39,74.76

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

	As at March 31, 2017 Gratuity (₹ in Lacs)	As at March 31, 2016 Gratuity (₹ in Lacs)
Opening fair value of plan assets	**34,25.50**	29,23.83
Expected return	**2,74.04**	2,56.57
Contributions by employer	**4,01.73**	4,25.70
Benefits paid	**(2,17.53)**	(1,74.41)
Actuarial gains/(losses)	**4.61**	(6.19)
Closing fair value of plan assets	**38,88.35**	34,25.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

27. DETAILS OF EMPLOYEE BENEFITS (*Contd.*)

		As at 31st March, 2017 Gratuity (₹ in Lacs)	As at 31st March, 2016 Gratuity (₹ in Lacs)
(e)	Expected contribution to defined benefit plan for the next year.	**4,31.11**	5,00.00
(f)	The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	**Current Year**	Previous Year
	Insurer Managed Funds	**100.00%**	100.00%
		100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

		Gratuity Current Year	Gratuity Previous Year
(g)	The principal actuarial assumptions at the Balance Sheet date:		
	Discount rate	**7.40%**	7.75%
	Expected rate of return on assets	**8.00%**	8.00%
	Expected rate of salary increase	**8.50%**	8.50%
	Mortality table	**IALM (2006-08) Ult.**	IALM (2006-08) Ult.
		Ultimate	Ultimate
	Proportion of employees opting for early retirement	**5% to 1%**	5% to 1%

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
2. Amounts for the current and previous four years are as follows: [AS15 Para 120(n)] [1]

(₹ in Lacs)

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	**43,19.46**	39,74.76	37,85.56	32,24.42	25,83.68
Plan assets	**38,88.35**	34,25.50	29,23.83	24,91.40	21,41.39
Surplus/(deficit)	**(4,31.11)**	(5,49.26)	(8,61.73)	(7,33.02)	(4,42.29)
Experience adjustments on plan liabilities	**70.87**	(1,50.09)	66.98	93.12	88.21
Experience adjustments on plan assets	**4.61**	(6.19)	0.12	9.88	(2.93)

(II) Defined contribution Plans:

(i) Provident Fund is a defined contribution scheme established under a State Plan.

(ii) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

(iii) Defined Contribution Plan	**Current Year (₹ in Lacs)**	Previous Year (₹ in Lacs)
Current service cost included under the head contribution to provident and other funds in employee benefits expense (Refer Note 21)		
Provident Fund	**1,88.79**	1,73.06
Family Pension Fund	**1,30.40**	1,30.87
Superannuation Fund	**1,01.48**	92.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28. SEGMENT INFORMATION

1. Information About Primary Business Segments:

	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
	Continuing operations	**Discontinuing operations**		Continuing operations	Discontinuing operations	
Particulars	**Chemicals**	**Environment and Bio-tech**	**Total**	Chemicals	Environment and Bio-tech	Total
REVENUE:						
External Revenue:	**445,47.97**	**16,68.51**	**462,16.48**	436,79.35	13,56.20	450,35.55
Un-allocated revenue:			**7,58.56**			60.33
Inter-segment Revenue (At selling price):			**—**			—
Total Revenue:			**469,75.04**			450,95.88
RESULT:						
Segment result:	**52,61.72**	**(51.52)**	**52,10.20**	69,74.74	(37.93)	69,36.81
Un-allocated expenditure net of un-allocated income:			**16,76.88**			20,27.31
Finance Costs			**11,38.09**			12,54.22
Operating profit			**23,95.23**			36,55.28
Profit/(Loss) after exceptional item but before tax			**—**			20,53.42
Exceptional gain on sale of shares			**26,68.78**			—
Profit before taxation but after prior period adjustments			**50,64.01**			36,55.28
Provision for Taxation:						
Current:			**9,80.00**			9,00.00
In respect of earlier years (net)			**(1,05.51)**			—
Minimum Alternative Tax (Entitlement)			**(4,93.87)**			—
Deferred tax:			**2,21.90**			2,35.72
Profit/(Loss) after tax:			**44,61.49**			25,19.56
OTHER INFORMATION:						
Segment Assets:	**350,97.11**	**11,50.84**	**362,47.95**	349,40.59	10,28.73	359,69.32
Un-allocated Assets:			**59,08.58**			58,02.41
Total Assets:			**421,56.53**			417,71.73
Segment Liabilities:	**(64,11.87)**	**(2,16.86)**	**(66,28.73)**	(69,79.64)	(2,09.04)	(71,88.68)
Un-allocated Liabilities:			**(113,03.51)**			(138,76.75)
Total Liabilities:			**(179,32.23)**			(210,65.43)
Segment Capital expenditure:						
Property, Plant and Equipment	**25,26.84**	**28.13**	**25,54.98**	24,28.51	1,33.19	25,61.70
Intangibles	**—**	**—**	**—**	4.09	—	4.09
Un-allocated Capital expenditure:						
Property, Plant and Equipment			**10,01.70**			33.96
Intangibles			**16.27**			13.75
Segment Depreciation and Amortisation:	**12,89.87**	**39.23**	**13,29.10**	13,78.31	51.97	14,30.28
Un-allocated Depreciation and Amortisation:			**1,01.92**			1,09.20
Segment Non-cash expenses other than Depreciation and Amortisation:	**7,01.65**	**69.08**	**7,70.73**	4,71.17	29.18	5,00.35
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			**1,42.97**			58.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2. Information About Secondary Business Segments:

	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Revenue: Sales to External customers	**373,58.79**	**96,16.25**	**469,75.04**	357,82.87	93,13.01	450,95.88
Carrying amount of Assets:	**389,26.34**	**32,30.19**	**421,56.53**	390,26.94	27,44.79	417,71.73
Capital Expenditure:						
Property, Plant and Equipment	**35,56.68**	**—**	**35,56.68**	25,95.66	—	25,95.66
Intangibles	**16.27**	**—**	**16.27**	17.84	—	17.84

3. Notes:

1. The Company is organised into two business segments namely:
   (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. The Environment and Biotech segment has been shown as discontinuing operations as an Business transfer Agreement has been executed by the Company dated 31st March, 2017 for transferring the said segment to its wholly owned subsidiary company viz Excel Bio Resources Limited as a going concern by way of slump sale.
2. Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.
3. 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.
4. Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.

29. RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS)-18 "RELATED PARTY DISCLOSURES".

(1) Related parties where control exists:

Subsidiaries

Kamaljyot Investments Limited

Excel Bio Resources Limited

(2) Related parties with whom transactions have taken place during the year:

Enterprises owned or significantly influenced by key management personnel or their relatives or through companies/entities which are controlled/ significantly influenced by the KMP and their relatives

Utkarsh Global Holdings Private Limited

Agrocel Industries Private Limited

Anshul Specialty Molecules Private Limited

Divakar Techno Specialities & Chemicals Ltd.

Excel Crop Care Limited (up to 07.10.2016)

Mobitrash Recycle Ventures Private Limited

Shree Vivekanand Research and Training Institute

C C Shroff Research Institute Centre

Transpek Industry (Europe) Limited

Transpek Industry Limited

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri. Ravi Ashwin Shroff (Executive Director)

Relatives of KMP

Shri. Hrishit Ashwin Shroff (Son of Shri. Ashwin C. Shroff and Smt. Usha A. Shroff)

Smt. Anshul A. Bhatia (Daughter of Shri. Ashwin C. Shroff and Smt. Usha A. Shroff)

Smt. Kanaklata A. Saraiya (Sister of Smt. Usha A. Shroff)

Smt. Uma Shailesh Kapadia (Sister of Smt. Usha A. Shroff)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/purchase of goods & services and other transactions

(₹ in Lacs)

	Year ended	Sale of goods	Sale of services	Purchase of fixed assets	Sale of fixed assets	Interest Received	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Proceeds from conversion of warrants to equity shares	Reimbur-sement of Expenses to Party (Expenses)	Salary, Bonus & contribution to PF	CSR Expen-diture	Charity and donations	Amount owed by related parties	Amount owed to related parties
Subsidiaries																	
Excel Bio Resources Limited	**31-Mar-17**	**2.20**	—	—	—	—	—	—	—	—	—	—	—	—	—	**2.33**	—
	31-Mar-16	—	—	—	—	—	—	—	5.00	—	—	—	—	—	—	—	4.50
Kamaljyot Investments Limited	**31-Mar-17**	—	—	—	—	**20.03**	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	0.03	—	—	—	—	—	—	—	—	—	11,40.00	—
Enterprises owned or significantly influenced by key management personnel or their relatives																	
Excel Crop Care Limited	**31-Mar-17**	**21,32.38**	**8.42**	**74.01**	—	—	**58.98**	—	**17.55**	—	—	—	—	—	—	**8,27.50**	**20.39**
	31-Mar-16	44,02.89	20.46	—	3.60	—	30.72	—	31.01	5.83	—	—	—	—	—	9,36.15	8.30
Agrocel Industries Private Limited	**31-Mar-17**	—	—	—	—	—	—	**4.74**	—	—	—	—	—	—	—	**10.00**	—
	31-Mar-16	—	—	—	—	—	—	17.95	—	—	—	—	—	—	—	10.00	3.46
Anshul Specialty Molecules Private Limited	**31-Mar-17**	**19.78**	—	—	—	—	—	—	—	**1.24**	—	—	—	—	—	**0.18**	**3.20**
	31-Mar-16	1.58	—	—	—	—	—	—	—	1.10	—	—	—	—	—	—	—
Transpek Industry Limited	**31-Mar-17**	—	—	—	—	—	—	—	—	**7.05**	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	0.53	—	6.27	—	—	—	—	—	1.28	—
Divakar Techno Specialities & Chemicals Ltd.	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	**29.75**	—	—	—	—	**19.88**
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	72.39	—	—	—	—	30.83
C C Shroff Research Institute	**31-Mar-17**	—	**1.10**	—	—	—	—	—	—	—	—	—	—	—	—	**1.28**	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transpek Industry (Europe) Limited	**31-Mar-17**	—	—	—	—	—	—	—	**20.68**	—	—	—	—	—	—	**1.31**	—
	31-Mar-16	—	—	—	—	—	—	—	22.16	—	—	—	—	—	—	—	14.16
Utkarsh Global Holdings Private Limited	**31-Mar-17**	—	—	—	—	—	—	—	—	**2,39.90**	—	**59.97**	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	1,73.25	5,17.50	—	—	—	—	—	—
Mobitrash Recycle Ventures Private Limited	**31-Mar-17**	**22.72**	—	—	—	—	—	—	—	—	—	—	—	—	—	**48.54**	—
	31-Mar-16	—	1.75	—	22.54	—	—	—	—	—	—	—	—	—	—	24.54	—
TML Industries Limited	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	0.17	—	—	—	—	—
Shree Vivekanand Research and Training Institute	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	**65.84**	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	43.49	20.00	—	—
Samarth Gram Vikas Trust	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	2.15	—	—	—
Rashtriya Seva Trust	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—
C C Shroff Self Help Centre	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	0.02	—	—	—	—	—	3.00	—	—
Mrs. Usha A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**0.29**	—	—	**81.03**	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	0.26	—	—	96.96	—	—	—	2.06
Mr. R. A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**2.15**	—	—	**60.75**	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	1.91	—	—	65.85	—	—	—	3.25
Mr. A. C. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**3.74**	—	—	**1,03.15**	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	3.32	—	—	1,14.62	—	—	—	1.44
Mr. H. A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**2.15**	—	—	**9.52**	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	1.91	—	—	—	—	—	—	—
Others	**31-Mar-17**	—	—	—	—	—	—	—	—	**0.99**	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	0.99	—	—	—	—	—	—	—

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

(b) Loans given and repayment thereof

(₹ in Lacs)

	Year ended	Loans given	Repayment	Amount owed by related parties
Subsidiary				
Kamaljyot Investments Ltd. (Refer Note 13 & 45)	**31-Mar-17**	**—**	**11,40.00**	**—**
	31-Mar-16	3,00.00	—	11,40.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

30. OPERATING LEASES

Office premises and godowns are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable. In respect of Office premises, the operating lease are renewable for further period of five years, with an escalation clause of 5% over the existing lease rent. There are no restrictions imposed by lease agreements / arrangements.

		For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Lease payments for the year		**44.11**	43.54
Sub-lease payments received during the year		**Nil**	Nil
Minimum lease payments under non cancelleable operating lease as at 31st March			
(a)	Not later than one year	**39.58**	38.74
(b)	Later than one year but not later than five years	**29.67**	63.86
(c)	Later than five years	**Nil**	Nil

The Company has leased out its office premises on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

Future Minimum Lease rentals receivable are as follows:

(a)	Not later than one year	**7.99**	16.80
(b)	Later than one year but not later than five years	**1.44**	6.76
(c)	Later than five years	**Nil**	Nil

31. RESEARCH AND DEVELOPMENT COSTS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Research and Development costs, as certified by the Management, debited to the statement of profit and loss are as under:		
* Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	**6,41.35**	4,88.48
Depreciation on Research and Development Equipment	**76.30**	72.19
	7,17.65	5,60.67

*includes **₹ 1,42.05 lacs**, **₹ 1,25.55 lacs** and **₹ 2,57.11 lacs** (Previous Year: ₹ 1,23.84 lacs, ₹ 91.29 lacs and ₹ 1,81.09 lacs) in respect of Research and Development Units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of **₹ 44.88 lacs, ₹ 23.92 lacs and ₹ 89.55 lacs** (Previous Year: ₹ 4.86 lacs, ₹ 37.56 lacs and ₹ 49.99 lacs in respect of Research and Development Units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology)].	**1,70.95**	1,96.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

32. CONTINGENT LIABILITIES

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Bills discounted	**90.83**	4,58.00
Disputed income-tax liability	**7,55.50**	7,20.61
Disputed excise duty liability	**4,18.18**	3,84.64
Disputed sales tax liability	**17.89**	17.89
Disputed custom duty liability	**1,44.88**	1,44.88
Disputed service tax liability	**—**	2.26
Claims against the Company not acknowledged as debts	**28.89**	27.37
Liability in respect of claims made by workers and contract labourers	**Amount not ascertainable**	Amount not ascertainable

33. CAPITAL AND OTHER COMMITMENTS

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**9,30.70**	3,15.47

For commitments relating to lease arrangements, please refer notes 30 and 41

34. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE

	Currency	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2017 Foreign Currency Value in Lacs	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2016 Foreign Currency Value in Lacs
(a) Derivates Outstanding as at the reporting date					
(i) Hedge of highly probable foreign curreny sales	USD	**—**	**—**	8,26.06	12.00
(b) Forward contract – Buy for Hedging Purpose					
(i) Loans/Interest thereon	USD	**5,18.75**	**8.00**	13,63.43	20.61
(c) Un-hedged Foreign Currency Exposure on					
(i) Import Payables	USD	**10,58.64**	**16.32**	22,32.72	33.70
(ii) Export Receivables	USD	**32,15.58**	**49.58**	25,20.14	37.95
	EURO	**14.61**	**0.21**	2,24.65	2.98
(iii) Bank Balances	USD	**22.42**	**0.35**	4.75	0.07

35. DETAILS OF UNSECURED LOAN GIVEN TO A SUBSIDIARY COMPANY

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Kamaljyot Investments Limited (Refer Note 13, 29 & 45)		
Maximum amount outstanding during the year **₹ 11,40 lacs** (Previous Year: ₹ 11,40 lacs)	**—**	11,40.00
During the year an unsecured loan of **₹ Nil** (Previous Year: ₹ 300 lacs) was granted to Kamaljyot Investments Limited payable on 28th March, 2017 with an interest charge of 12.50% p.a. During the year the entire loan was repaid by the Subsidiary Company.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company has overdue amounts to suppliers under MSMED as at March 31, 2017. The disclosure pursuant to the said Act is as under:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**2,72.65**	2,04.74
Interest due on above	**0.45**	0.01
	2,73.10	2,04.75
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**—**	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**15.32**	2.16
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**15.32**	2.16
Year ended 31 March 2014 ₹ 27.46 lacs		
Year ended 31 March 2015 ₹ 18.25 lacs		
Year ended 31 March 2016 ₹ 2.16 lacs		
Year ended 31 March 2017 ₹ 15.32 lacs		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**63.19**	47.87

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Company.

37. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw-materials	**118,98.09**	126,22.83
Capital goods	**2,19.21**	93.39
	121,17.30	127,16.22

38. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Subscription	**12.74**	17.77
Freight Outwards	**1,00.98**	1,05.34
Travelling and Conveyance	**38.58**	17.41
Legal and Professional Fees	**0.09**	1.03
Commission on Export Sales	**17.29**	14.28
Export Product Registration	**12.07**	12.36
Others	**73.00**	34.12
	2,54.75	2,02.31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

39. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	% of total consumption	**Value ₹ in Lacs**	% of total consumption	Value ₹ in Lacs
Raw Materials				
Imported	**57%**	**122,07.02**	62%	127,03.97
Indigenous obtained	**43%**	**93,12.98**	38%	79,40.43
	100%	**215,20.00**	100%	206,44.40
Stores & Spares				
Imported	**—**	**—**	—	—
Indigenous obtained	**100%**	**45.76**	100%	43.68
	100%	**45.76**	100%	43.68

40. DISCONTINUING OPERATION OF ENVIRONMENT AND BIO-TECH DIVISION

On 29 March 2017, the Company announced the decision of its board of directors to discontinue the Environment and Bio-tech (E & BT) Division, which is also a separate segment as per AS 17 Segment Reporting. The proposed discontinuation is consistent with the Company's long-term strategy to focus its activities in the areas of Solid waste management and related services, and to divest unrelated activities. On 31st March 2017, the Company signed a business transfer agreement to sell the Biotech Division to Excel Bio Resources Limited for ₹ 975.00 lacs.

At 31st March 2017, the carrying amount of assets of the Environment and Bio-tech (E&BT) Division was **₹ 11,50.84 lacs** (31st March 2016: ₹ 10,28.73 lacs) and its liabilities were **₹ 2,16.86 lacs** (31st March 2016: ₹ 2,09.04 lacs). The process of transferring the Environment and Bio-tech (E&BT) Division would be completed on fulfillment of conditions precedent as provided in the business transfer agreement.

The following statement shows the revenue and expenses of discontinuing operations:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue	**16,68.51**	13,56.20
Expenses	**16,80.80**	13,42.16
Provision for employee termination	**—**	—
Profit / (loss) from operating activities	**(12.29)**	14.04
Finance costs	**—**	
Depreciation / amortization	**39.23**	51.97
Impairment loss	**—**	—
Loss before tax	**(51.52)**	(37.93)
Income-tax credit	**17.83**	13.13
Loss after tax	**(33.69)**	(24.80)

The carrying amounts of the total assets and liabilities to be disposed off at 31st March are as follows. Comparative information for Biotech Division is included in accordance with AS 24 Discontinuing Operations.

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Total assets	**11,50.84**	10,28.73
Total liabilities	**2,16.86**	2,09.04
Net assets	**9,33.98**	8,19.69

The net cash flows attributable to the Biotech Division are as below:	**For the year ended March 31, 2017 ₹ in Lacs**	For the year ended March 31, 2016 ₹ in Lacs
Operating activities	**36.65**	33.39
Investing activities	**(24.28)**	(98.93)
Net cash inflows / (outflows)	**12.37**	(65.54)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

41. FINANCE LEASE : COMPANY AS LESSEE

The Company has finance leases for various items of plant & machinery. These leases involve significant upfront lease payment, having terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	March 31, 2017		March 31, 2016	
	Minimum Payments ₹ in Lacs	**Present Value of MLP ₹ in Lacs**	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs
Within one year	**3,68.23**	**3,35.52**	5,14.31	4,68.62
After one year but not more than five years	**3,60.19**	**2,99.04**	3,75.88	3,12.06
More than five years	**—**	**—**	—	—
Total minimum lease payments	**7,28.42**	**6,34.56**	8,90.19	7,80.68
Less: Amounts representing Finance charges	**(93.86)**	**—**	(1,09.51)	—
Present value of Minimum Lease Payments	**6,34.56**	**6,34.56**	7,80.68	7,80.68

42. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Exports of Goods on F.O.B. basis	**94,43.78**	91,95.46
	94,43.78	91,95.46

43. DETAILS OF DONATION TO A POLITICAL PARTY

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Bharatiya Janata Party	**5.00**	—
	5.00	—

44. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR):

As a responsible corporate citizen, our CSR strategy complements our business philosophy and objectives. During the year, the company had as its social responsibility, partnered with its group NGOs like Shree VRTI, Samarth Gram Vikas Trust etc and other reputed organisations for undertaking various social activities in the field of education, employment through vocational training activities, rural development, environment and nature conservation.

During the year the company has incurred an amount of **₹ 75.84 lacs** (Previous Year: ₹ 69.83 lacs) towards the above mentioned activities.

A. Gross amount required to be spent by the Company during the Year: ₹ 71.41 lacs (Previous Year: ₹ 59.02 lacs)

B. Amount spend during the year:

	₹ in Lacs	**Current Year ₹ in Lacs**	₹ in Lacs	Previous Year ₹ in Lacs
1. Natural Resources Management				
Directly Expended	**—**		1.24	
Indirectly Expended through other organisations	**20.34**	**20.34**	4.61	5.85
2. Rural Development:				
Directly Expended	**—**		3.01	
Indirectly Expended through other organisations	**20.90**	**20.90**	14.73	17.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
		₹ in Lacs	**₹ in Lacs**	₹ in Lacs	₹ in Lacs
3.	**Environment**				
	Directly Expended	—		1.75	
	Indirectly Expended through other organisations	**2.64**	**2.64**	1.19	2.94
4.	**Promotion of Education**				
	Directly Expended	—		5.10	
	Indirectly Expended through other organisations	**21.03**	**21.03**	25.53	30.63
5.	**Entrepreneurship Development**				
	Directly Expended	—		0.23	
	Indirectly Expended through other organisations	**1.06**	**1.06**	0.69	0.92
6.	**Preventive Health Care**				
	Directly Expended	—		0.70	
	Indirectly Expended through other organisations	**6.51**	**6.51**	4.07	4.77
7.	**Animal Welfare**				
	Directly Expended	—		0.41	
	Indirectly Expended through other organisations	**1.56**	**1.56**	2.13	2.54
8.	**Seminars / Meetings/Infrastructure**				
	Directly Expended	—		2.89	
	Indirectly Expended through other organisations	**1.80**	**1.80**	1.55	4.44
	Total		**75.84**		69.83

C. Related Party Organisation

Following are the related party transactions during the year.

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Samarth Gram Vikas Trust	—	2.15
Shree Vivekanand Research and Training Institute	**65.84**	43.49

45. DISCLOSURE REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT, 2013

Included in loans and advance are certain intercorporate loan the particulars of which are disclosed below as required by Sec. 186(4) of Companies Act, 2013 (Refer Notes 13, 29 & 35)

₹ in Lacs

Name of the loanee	Opening Balance	Further loan given during the year	Repaid during the year	Closing Balance	Purpose of Loan given
Kamaljyot Investments Ltd.	11,40.00	—	11,40.00	—	For Business purpose

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

46. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016: DISCLOSURE AS STATED IN NOTIFICATION G.S.R. 308€ DATED 30TH MARCH 2017.

₹ in Lacs

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	7.48	3.21	10.69
(+) Permitted receipts	—	19.02	19.02
(-) Permitted payments	—	17.08	17.08
(-) Amount deposited in Banks	7.48	—	7.48
Closing cash in hand as on 30th December, 2016	—	5.15	5.15

47. PREVIOUS YEAR FIGURES

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Excel Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 32 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There was a delay in transfer to the Investor Education and Protection Fund of ₹ 1.27 lacs in respect of proceeds of fractional bonus shares by the Holding Company during the year ended March 31, 2017.

iv. The Holding Company, subsidiaries incorporated in India, have provided requisite disclosures in Note 43 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 2,474.40 lacs and net assets of ₹ 2,417.33 lacs as at March 31, 2017, and total revenues of ₹ 161.15 lacs and net cash outflows of ₹ 41.52 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership No.: 37924

Place : Mumbai
Date : May 26, 2017

Annexure 1 to the independent auditor's report of even date on the consolidated financial statements of Excel Industries Limited

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

In conjunction with our audit of the consolidated financial statements of Excel Industries Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to this one subsidiary company, which are companies incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Jayesh M. Gandhi
Partner
Membership No.: 37924

Place : Mumbai
Date : May 26, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ In Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	**6,28.53**	6,45.28
Reserves and surplus	4	**258,21.17**	204,14.81
		264,49.70	210,60.09
Non-Current Liabilities			
Long-term borrowings	5	**9,14.80**	10,10.40
Deferred tax liability (net)	6	**20,91.38**	18,69.49
Long-term provisions	7	**11,27.57**	10,22.55
		41,33.75	39,02.44
Current Liabilities			
Short-term borrowings	8	**50,43.32**	67,62.22
Trade payables	9		
– Total outstanding dues of micro enterprises and small enterprises		**2,72.65**	2,04.74
– Total outstanding dues of creditors other than micro enterprises and small enterprises		**60,77.43**	69,25.40
Other current liabilities	9	**16,71.95**	18,97.89
Short-term provisions	7	**7,92.04**	13,70.42
		138,57.39	171,60.67
TOTAL		**444,40.84**	421,23.20
ASSETS			
Non-Current Assets			
Fixed assets			
Property, Plant and Equipment	10	**182,73.62**	162,54.26
Intangible assets	11	**51.26**	1,02.56
Capital work-in-progress		**8,48.26**	3,11.62
Intangible assets under development		**—**	7.65
Non-current investments	12.1	**20,22.70**	26,98.68
Loans and advances	13	**23,37.65**	17,69.40
Other non-current assets	14.2	**1,71.94**	77.56
		237,05.43	212,21.73
Current Assets			
Current Investments	12.2	**11,53.48**	6.56
Inventories	15	**55,11.10**	62,89.40
Trade receivables	14.1	**120,31.57**	126,89.28
Cash and bank balances	16	**4,33.26**	4,69.32
Loans and advances	13	**12,98.05**	13,46.44
Other current assets	14.2	**3,07.95**	1,00.47
		207,35.41	209,01.47
TOTAL		**444,40.84**	421,23.20
Summary of significant accounting policies	2.2		

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	**Current Year (₹ in Lacs)**	Previous Year (₹ In Lacs)
INCOME			
Revenue from operations (gross)	17	**503,96.93**	490,48.01
Less: Excise duty		**42,52.83**	42,11.83
Revenue from operations (net)		**461,44.10**	448,36.18
Other income	18	**9,77.58**	3,53.84
Total revenue (I)		**471,21.68**	451,90.02
EXPENSES			
Cost of raw materials and components consumed	19	**226,08.50**	217,93.94
Purchase of traded goods	20	**8,91.42**	9,14.54
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	**9,58.44**	4,66.55
Employee benefits expense	21	**66,56.88**	58,59.18
Other expenses	22	**109,10.41**	96,12.65
Total expenses (II)		**420,25.65**	386,46.86
Earnings before depreciation and amortisation, interest and tax (EBITDA) (I-II)		**50,96.03**	65,43.16
Depreciation and amortisation expense	23	**14,31.02**	15,39.49
Finance costs	24	**11,47.73**	12,54.45
Profit before tax and Exceptional item		**25,17.28**	37,49.22
Exceptional item	26	**49,06.40**	—
Profit from ordinary activities before tax		**74,23.68**	37,49.22
Tax expenses			
Current tax (MAT payable)		**14,65.42**	9,07.09
Minimum Alternative Tax (MAT Credit Entitlement)		**(4,93.87)**	—
Deferred tax		**2,21.90**	2,35.72
Adjustment relating to earlier periods (net)		**(1,02.92)**	1.59
Total tax expense		**10,90.53**	11,44.40
Profit after tax but before profit/loss from Associate Company		**63,33.15**	26,04.82
Share of Loss in an Associate Company		**—**	(0.40)
Profit for the year		**63,33.15**	26,04.42
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	25		
Basic & Diluted			
Computed on the basis of total profit for the year		**50.20**	20.73
Summary of significant accounting policies	2.2		

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year ended March 31, 2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended March 31, 2016 (₹ in Lacs)	(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		**74,23.68**		37,49.22
Adjustments for :				
Depreciation	**13,63.45**		14,50.82	
Amortisation of Intangible Assets	**67.57**		88.66	
Tangible Assets Written Off	**62.05**		1,66.08	
Provision for Doubtful Receivables/Advances (net)	**1,24.00**		10.99	
Bad Debts/Sundry Debit Balances written off	**—**		8.70	
Loss on sale of tangible Assets (net)	**26.94**		1,03.57	
Interest income	**(1,21.83)**		(60.65)	
Interest expenses	**8,61.04**		10,70.85	
Dividend received	**(7,60.62)**		(93.92)	
Exchange difference adjustment unrealised gain/(loss)	**90.03**		(23.19)	
Share of loss in partnership firm	**—**		2.05	
Provision for Diminution in Value of Investments/written back	**(1.18)**		(10.23)	
Profit on sale of long term investments	**(49,06.40)**		(2.24)	
Unrealised Gain/(loss) on mutual funds	**(7.81)**		—	
Contingent Provision for Standard Assets	**0.18**		—	
Loss/(Profit) on sale of short term investments * ₹ 15	**(3.07)**		—	
		(32,05.66)		27,11.50
Operating Profit before working capital changes		**42,18.01**		64,60.72
Movements in Working Capital				
Decrease/(Increase) in Trade Receivables	**4,15.69**		(21,82.92)	
Decrease/(Increase) in Inventories	**7,78.30**		3,62.67	
Decrease/(Increase) in Other Current Assets	**(3,13.27)**		2,79.69	
Decrease/(Increase) in Loans & Advances	**(1,94.74)**		3,37.50	
Increase/(Decrease) in Current Liabilities & Provisions	**(4,35.66)**		13,14.85	
		2,50.32		1,11.79
Cash generated from Operations		**44,68.34**		65,72.51
Direct taxes paid (net of refunds)		**11,94.07**		19,73.93
Net cash flow from Operating Activities (A)		**32,74.27**		45,98.58
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets including CWIP and capital advances		**(40,85.67)**		(26,56.59)
Purchase of intangible assets		**(16.27)**		(17.84)
Proceeds from sale of fixed assets		**84.88**		1,73.11
Interest received		**1,26.81**		62.25
Dividend received		**7,60.62**		93.92
Purchase of current investments *** ₹ 75		**(11,52.79)**		*** —
Purchase of Non current Investments		**(1,48.80)**		(3,79.72)
Proceeds from sale of long term Investments (net)		**57,33.55**		8.08
Proceeds from sale of current Investments		**24.57**		2.03
Net cash flow from Investing Activities (B)		**13,26.90**		(27,14.76)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year ended March 31, 2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended March 31, 2016 (₹ in Lacs)	(₹ in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from conversion of warrants to Equity shares		—		5,17.50
Proceeds from Long-term borrowings		**8,30.73**		3,81.66
Proceeds from Short-term borrowings (net)		—		7,07.29
Repayment of Short-term borrowings (net)		**(17,21.54)**		—
Repayment of Long-term borrowings		**(12,45.46)**		(16,28.55)
Dividend Paid		**(5,58.28)**		(4,69.49)
Tax on final dividend		**(1,15.16)**		(96.95)
Interest Paid		**(8,90.48)**		(11,50.64)
Amount paid for buy-back of equity shares		**(9,43.46)**		—
Net cash flow from Financing Activities (C)		**(46,43.65)**		(17,39.18)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(42.49)**		1,44.62
Cash and cash equivalents at the beginning of the year		**3,46.35**		2,01.73
Cash and cash equivalents at the end of the year		**3,03.86**		3,46.35
Break-up:				
Balance with Banks:				
(i) In Unclaimed Dividend Accounts#		**44.68**		37.28
(ii) In Current Accounts		**2,59.18**		3,09.07
Total cash and cash equivalents (note 16)		**3,03.86**		3,46.35

Note: # Cash and cash equivalents include ₹ **44.68 lacs** (Previous Year ₹ 37.28 lacs) in respect of unclaimed dividend, the balance of which is not available to the Holding Company.

Summary of significant accounting policies 2.2

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

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Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Officer

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. CORPORATE INFORMATION

Excel Industries Limited (The Company or the Holding Company) is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Holding Company is engaged in manufacturing and selling of Chemicals, Pharma intermediates and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio-Pesticides and other Bio-products. The Holding Company caters to both domestic and international markets. The Holding Company is also engaged in manufacturing activity on behalf of third parties. Excel Bio-Resources Limited is a wholly owned subsidiary of the Company and is in the process of exploring business opportunities in the areas of renewable bio-resources, waste management, renewable energy and biotechnological processes. 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.

2. CONSOLIDATION

(a) The Consolidated financial statements comprise of the financial statements of the Holding Company and its subsidiary Companies (hereinafter referred to as "the group") and an associate Company. The details of subsidiary Companies considered for consolidation together with proportion of share holding held by the group are as follows:

Name of the Subsidiary Companies	**Country of Incorporation**	**% of Group Holding**	
		As at March 31, 2017	As at March 31, 2016
Kamaljyot Investments Limited	India	**100%**	100%
Excel Bio Resources Limited	India	**100%**	100%

(b) Investment in entity in which the Group has significant influence but not a controlling interest are reported accordingly to the equity method i.e. the investment is initially recorded at cost. Difference between the cost of investment in associate and the net assets at the time of aquisition of investment in associate is treated in the Consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment annually. The carying amount of investment is adjusted thereafter for the post aquisition charge in the Group's share of net assets of the associate. The Consolidated statement of profit and loss includes the Group's Share of the results of the operations of the associate.

Name of the Associate	**Country of Incorporation**	**% of Group Holding**	
		As at March 31, 2017	As at March 31, 2016
MobiTrash Recycle Ventures Private Limited*	India	**39.98%**	—

* Incorporated on 15th October 2015

(c) The group had 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest in the said entity as per the latest available audited Balance Sheet as at March 31, 2016 have been considered for preparation of the consolidated financial statements. The said partnership firm has been dissolved as at March 31, 2016.

(d) Consolidated financial statements have been prepared in the same format as adopted by the Holding Company, to the extent possible, as required by Revised Accounting Standard (AS) 21 'Consolidated Financial Statements' and Accounting Standard (AS) 27 'Financial Reporting of Interest in Joint Ventures' notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and comprise of the consolidated balance sheet, consolidated statement of profit and loss, and notes, other statements and explanatory material that form an integral part thereof.

(e) The financial statement of the subsidiaries and associate Company drawn up to the same reporting date viz. year ended March 31, 2017 has been used for the purpose of consolidation.

(f) The Consolidated financial statements of the Holding Company, its Subsidiary Companies and joint venture entity have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2. CONSOLIDATION *(Contd.)*

intra-group balances and intra-group transactions resulting in unrealised Profits/Losses. Unrealised losses are eliminated only when the cost cannot be recovered.

(g) Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited financial statements to make them uniform with the accounting policies followed by the Holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the Group company are stated in Note No. 2.2 below, if material.

2.1 BASIS OF PREPARATION

The Consolidated financial statements of the group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The group has prepared these Consolidated financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain class of assets for which revaluation was carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. In the case of Kamaljyot Investments Limited, a Non Banking Financial Company, relevant Reserve Bank of India (RBI) guidelines, circulars and notifications are complied with.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Group in the consolidated financial statements are stated hereunder. In case the uniform accounting policy is not followed by the Subsidiary Company in the Group, the same, as disclosed in the audited accounts of the said company, has been reproduced.

Change in accounting policy

I. Accounting for Proposed Dividend

As per the requirements of pre-revised AS 4, the Holding Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the holding company cannot create provision for dividend proposed/declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the Consolidated financial statements. Accordingly, the holding company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the holding company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by ₹ 907.79 lacs and current provision would have been higher by ₹ 907.79 lacs (including dividend distribution tax of ₹ 153.55 lacs.).

(a) Use of estimates

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

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

(b) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, except for the following:

(i) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on September 30, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.

(ii) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Holding Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The holding company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the Statement of Profit and Loss.

(c) Depreciation on property, plant and equipment

I. Component Accounting

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

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

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

(ii) Other Property, Plant and Equipment:

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

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

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

* Depreciation Rates on a Straight line Method for the balance useful life based on technical estimates.

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

Description of Property, Plant and Equipment.	Useful life of Assets as estimated by the management of Holding Company
Furniture & Fixtures	10 Years
Vehicles	8 Years
Laboratory Equipments	10 Years
Office Equipments	8 Years

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

(d) Intangible assets and Amortisation

(i) Intangible assets are stated at cost less accumulated amortisation.

(ii) Amortisation:

(a) Computer software is amortised on a straight line basis proportionately over a period of four years.

(b) Trademarks are amortised on a straight line basis proportionately over a period of five years.

(c) Product Registration expenses are amortised on a straight line basis over a period of four years.

(d) The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

(e) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(e) Research and development costs

Research costs (other than cost of Property, Plant and Equipment acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

(f) Leases

Where the Holding Company is lessee

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

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

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

Where the Holding Company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

(g) Borrowing costs

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

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

(h) Impairment of tangible and intangible assets

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

The Holding Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Holding Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

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

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

(i) Government grants and subsidies

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

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

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

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

(j) Investments

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

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

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

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

Subsidiary Company-

Kamaljyot Investments Limited.

If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

(k) Inventories

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

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

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

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

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

(l) Revenue recognition

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

Sale of goods

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

Income from services

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

Interest

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

Export Benefits

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

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

Dividend

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

Royalty

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

Other Income

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

Subsidiary Company-

Kamaljyot Investments Limited.

Gains and losses on sale of securities are recognized on trade date basis. Gains and losses on sale of securities are determined based on the weighted average cost method of accounting.

(m) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

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

(ii) Conversion

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

(iii) Exchange differences

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

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

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

(n) Retirement and other employee benefits

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

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

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

The Company also operates 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 recognized in full in the period in which they occur in the statement of profit and loss. This Scheme is not funded.

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

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

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

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

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

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

(o) Income taxes:

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

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognises MAT credit as an asset in accordance with the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

(p) Segment reporting

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(q) Earnings Per Share

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

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

(r) Provisions

A provision is recognised when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Warranty provisions

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

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

(u) Derivatives Instruments and hedge accounting

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

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

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

Cash flow hedges

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

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

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

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

Option Derivatives

Subsidiary Company -

Kamaljyot Investments Limited

All derivatives, are measured using the mark-to-market principle with the resulting gains/ losses thereon being recorded in the statement of profit and loss. For derivatives which are outstanding as on the reporting date, the Subsidiary Company adopts a conservative approach and ignores the anticipated profit on such transactions and no credit is taken in the statement of profit and loss.

The investments made in LiquidBeEs are pledged as Margin for trading in Futures and Option Segment of NSE Nifty index and have been disclosed as restricted investment.

On the final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squared up price and contract price and disclosed in the statement of profit and loss under the head profit/loss on securities.

"Nifty Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

(v) Measurement of EBITDA

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3. SHARE CAPITAL

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Authorised shares		
3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each	**19,00.00**	19,00.00
8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each	**85.00**	85.00
3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each	**15.00**	15.00
	20,00.00	20,00.00
Issued, subscribed and fully paid-up shares		
1,25,70,692 (Previous Year:1,29,05,630) Equity Shares of ₹ 5/- each (Refer Note 3 (d) below)	**6,28.53**	6,45.28
	6,28.53	6,45.28

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

Equity Shares	**March 31, 2017**		March 31, 2016	
	Nos.	**₹ in Lacs**	Nos.	₹ in Lacs
At the beginning of the period	**12,905,630**	**6,45.28**	11,905,630	5,95.28
Issued during the period - Convertible warrants	**—**	**—**	1,000,000	50.00
Buy Back of Shares	**334,938**	**16.75**	—	—
Outstanding at the end of the period	**12,570,692**	**6,28.53**	12,905,630	6,45.28

(b) Terms/rights attached to equity shares

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

During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders is ₹ **Nil** (Previous year: ₹ 4.50/-)

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

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

Name of the shareholder	**As at March 31, 2017**		As at March 31, 2016	
	Nos. of Shares	**% holding in the class**	Nos. of Shares	% holding in the class
Equity shares of ₹ 5/- each fully paid				
Life Insurance Corporation of India	**962,799**	**7.66%**	1,012,799	7.85%
Utkarsh Global Holdings Private Limited	**5,358,682**	**42.63%**	5,331,182	41.31%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3. SHARE CAPITAL *(Contd.)*

(d) Buyback of Equity Shares

The Board of Directors had approved to buyback a maximum upto 1150000 Equity Shares of the Holding Company at a price not exceeding ₹ 275 per Equity Share and the total consideration not exceeding ₹ 1800 lacs.

During the year, the Holding Company has bought back 3,34,938 equity shares utilizing ₹ 9,26.71 lacs (including transaction charges, brokerage, tax etc.) from Securities premium account under the said Buyback offer. As a result of the Buyback, total equity shares of the Holding Company has reduced from 1,29,05,630 to 1,25,70,692. Further the Holding Company has transferred ₹ 16.75 lacs to Capital Redemption Reserve from General Reserve being the sum equal to the nominal value of shares so purchased.

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
(e) Proposed Dividend on Equity Shares		
The board proposed dividend on equity shares after the balance sheet date.		
Proposed dividend on equity shares for the year ended 31 March 2017 : **₹ 6.00 per share** (31 March 2016: ₹ 4.50 per share) also refer note 2.1 l	**754.24**	5,65.68
DDT on proposed dividend	**153.55**	1,15.16

4. RESERVES AND SURPLUS

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Capital reserve		
(a) Profit on purchase of debentures	**0.01**	0.01
(b) Government grants/subsidies	**70.00**	70.00
	70.01	70.01
Securities premium account		
Balance as per the last financial statements	**14,61.08**	8,21.08
Add: Premium on issue of equity shares on conversion of convertible warrants	**—**	6,40.00
Less: Adjustment on account of Buyback of equity shares (refer note 3(d) above)	**(9,26.71)**	—
Closing balance	**5,34.37**	14,61.08
Hedging Reserve:		
Cash Flow Hedge Reserve	**—**	0.04
Capital Redemption Reserve		
Balance as per the last financial statements	**0.02**	0.02
Add: On account of Buy back of Equity Shares transferred from General reserve	**16.75**	—
	16.77	0.02
Statutory Reserve Fund		
Statutory Reserve Fund (as per Sec 45IC (1) of RBI Act, 1934)	**27.65**	11.07
Add: Appropriations for Statutory Reserve	**3,75.85**	16.58
	4,03.50	27.65
General Reserve:		
Balance as per the last financial statements	**166,04.07**	146,04.07
Less: On account of Buy back of Equity Share transferred to Capital redemption reserve	**(16.75)**	—
Add: Amount transferred from surplus balance in the statement of profit and loss	**35,00.00**	20,00.00
Closing balance	**200,87.32**	166,04.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4. RESERVES AND SURPLUS *(Contd.)*

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Surplus in the statement of profit and loss:		
Balance as per last financial statements	**22,51.96**	23,44.96
Add: Profit for the year	**63,33.15**	26,04.42
Less: Appropriations		
Proposed dividend on equity shares for the year [Amount per share ₹ **Nil** (Previous Year: ₹ 4.50/-)]	**—**	(5,65.68)
Tax on proposed equity dividend	**—**	(1,15.16)
Transfer to general reserve	**(35,00.00)**	(20,00.00)
Appropriations for Statutory Reserve Fund	**(3,75.85)**	(16.58)
Total appropriations	**(38,75.85)**	(26,97.42)
Net surplus in the statement of profit and loss	**47,09.26**	22,51.96
Total reserves and surplus	**258,21.17**	204,14.81

5. LONG-TERM BORROWINGS

	Non-current portion		**Current maturities**	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Term Loans (secured)				
Indian rupee loan from banks	**2,42.11**	6,64.34	**4,22.22**	4,22.22
From other (secured)				
Under vehicle finance scheme	**28.84**	34.00	**20.27**	15.99
Housing finance Company	**3,44.81**	—	**64.79**	—
Finance lease obligation	**2,99.04**	3,12.06	**3,35.52**	4,68.62
Deposits (unsecured)				
From shareholders	**—**	—	**—**	22.98
From public	**—**	—	**—**	2,16.18
	9,14.80	10,10.40	**8,42.80**	11,45.99
The above amount includes				
Secured borrowings	**9,14.80**	10,10.40	**8,42.80**	9,06.83
Unsecured borrowings	**—**	—	**—**	2,39.16
Amount disclosed under the head "other current liabilities" (Refer Note 9)	**—**	—	**(8,42.80)**	(11,45.99)
Net amount	**9,14.80**	10,10.40	**—**	—

(a) Loan from Bank of India amounting to ₹ **3,31.00 lacs** (Previous Year : ₹ 5,31.00 lacs) is for a period of five years repayable in quarterly instalments of ₹ 50 lacs and carrying interest rate of 12.25% to 12.90% p.a. and is secured by first exclusive charge by way of hypothecation of plant and machinery and further secured by registered mortgage of land and buildings of the factory located at Roha.

(b) Loan from HDFC Bank Ltd. amounting to ₹ **3,33.33 lacs** (Previous Year: ₹ 5,55.56 lacs) is for a period of five years repayable in quarterly instalments of ₹ 55.56 lacs and carrying rate of interest @11.60% to 11.90% p.a. and is secured by exclusive charge by way of hypothecation of entire movable assets at Lote Parashuram and further secured by registered mortgage of immovable assets at Lote Parashuram.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

5. LONG-TERM BORROWINGS *(Contd.)*

(c) Term loans under vehicle finance from a financial institution amounting to **₹ 49.11 lacs** (Previous Year: ₹ 49.99 lacs) carrying interest rate ranging from 12% to 14% p.a. repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans.

(d) Finance lease obligation amounting to **₹ 6,34.56 lacs** (Previous Year: ₹ 7,80.68 lacs) from Siemens Financial Services Pvt. Ltd for a period of three years and is secured by hypothecation of equipment's taken on lease. It will be discharged by monthly lease rental payments on various dates and carry the interest @ 11.50% p.a. to 12.50% p.a.

(e) Loan from Housing Development Finance Corporation Limited amounting to **₹ 4,09.60 lacs** (Previous Year: ₹ Nil) carrying interest rate @ 11.50% p.a. repayable in sixty equated monthly instalments and secured by first equitable mortgage on property along with stilt area and undivided portion of freehold land at New Delhi both present and future and by way of first charges on all the receivables including lease rent and sale proceeds of the herein mentioned property.

6. DEFERRED TAX LIABILITY (Net)

		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting		**23,04.71**	20,81.13
Other allowances		**5,91.72**	2,54.99
	(A)	**28,96.43**	23,36.12
Deferred tax assets			
Impact of expenditure charged to the statement of profit and loss in the current / earlier years but allowed for tax purpose on payment basis		**4,64.91**	4,24.63
Provision for doubtful receivables and advances		**73.63**	30.71
Other disallowances		**2,66.51**	11.29
Gross deferred tax assets	**(B)**	**8,05.05**	4,66.63
Net deferred tax liability	**(A – B)**	**20,91.38**	18,69.49

7. PROVISIONS

	Long-term		**Short-term**	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Provision for employee benefits				
Provision for gratuity (Refer Note 27)	**—**	49.26	**4,31.11**	5,00.00
Provision for leave benefits	**10,32.86**	9,73.29	**2,70.25**	1,89.58
Provision for voluntary early separation scheme	**94.71**	—	**34.36**	—
Other provisions				
Proposed equity dividend	**—**	—	**—**	5,65.68
Provision for tax on proposed equity dividend	**—**	—	**—**	1,15.16
Contingent Provision for Standard Assets	**—**	—	**0.18**	—
Provision for Income Tax (Net of Advance Tax)	**—**	—	**56.14**	—
Total	**11,27.57**	10,22.55	**7,92.04**	13,70.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

8. SHORT-TERM BORROWINGS

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	**37,77.09**	33,08.32
Foreign currency buyer's credit (unsecured)	**—**	3,72.07
Short term foreign currency loan (unsecured)	**5,17.43**	9,91.36
Short Term Loan from Banks (unsecured)	**7,48.80**	20,90.47
Total	**50,43.32**	67,62.22
The above amount includes		
Secured Borrowing	**37,77.09**	33,08.32
Unsecured Borrowing	**12,66.23**	34,53.90

Cash credit and packing credit loan from banks are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the Property, Plant and Equipment at Roha and Lote Parashuram. The cash credit and packing credit loan is repayable on demand and carries interest rates @ 11.70% to 13.20% p.a.

Outstanding foreign currency buyers's credit are unsecured and carry an interest rate of libor plus 0.23% to 0.80%.

Short term unsecured loans from Banks are payable within period of 3 to 6 months and carries interest rate of 8.90% p.a to 9.50% p.a.

9. OTHER CURRENT LIABILITIES

		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 36 for details of dues to micro and small enterprises)		**2,72.65**	2,04.74
Total outstanding dues of creditors other than micro enterprises and small enterprises		**60,77.43**	69,25.40
	(A)	**63,50.08**	71,30.14
Other liabilities			
Current maturities of long-term borrowings (Refer Note 5)		**8,42.80**	11,45.99
[Includes current maturity of finance lease obligation ₹ **3,35.52** lacs (Previous Year: ₹ 4,68.62 lacs)]			
Interest accrued but not due on borrowings		**6.72**	37.28
Interest accrued and due on borrowings		**4.01**	2.89
Investor education and protection fund will be credited by following amounts (as and when due:)			
Unclaimed dividend		**44.68**	37.28
Unclaimed matured deposits		**15.19**	22.22
Advances from customers		**58.06**	31.32
Creditors for capital goods		**3,69.63**	1,98.69
Statutory liabilities		**2,27.44**	2,87.09
Sundry deposits		**14.35**	14.72
Others		**89.07**	1,20.41
	(B)	**16,71.95**	18,97.89
	Total (A+B)	**80,22.03**	90,28.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

10. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Land free hold	Land lease hold	Leasehold improve-ments	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
Cost or Valuation												
At April 1, 2015	1,71.85	2,84.71	23.43	37,24.20	195,78.77	6,71.14	5,82.54	1,74.55	6,09.04	2,88.61	9.15	261,17.99
Additions	—	—	—	4,34.20	16,93.89	64.36	1,30.90	1,03.46	1,15.89	51.76	1.20	25,95.66
Disposals/adjustment	—	2.00 **	—	22.42	12,82.91	35.90	(16.13)	(0.46)	21.34	99.09	0.58	14,47.65
At March 31, 2016	**1,71.85**	**2,82.71**	**23.43**	**41,35.98**	**199,89.75**	**6,99.60**	**7,29.57**	**2,78.47**	**7,03.59**	**2,41.28**	**9.77**	**272,66.00**
Additions	3,50.00	—	—	6,65.39	20,33.26	44.69	2,27.89	10.26	1,17.43	1,07.63	0.13	35,56.68
Disposals/adjustments	—		—	23.25	6,56.48	41.55	49.13	52.46	21.44	11.67	0.53	8,56.51
At March 31, 2017	**5,21.85**	**2,82.71**	**23.43**	**47,78.12**	**213,66.53**	**7,02.74**	**9,08.33**	**2,36.27**	**7,99.58**	**3,37.24**	**9.37**	**299,66.17**
Depreciation												
At April 1, 2015	—	62.55	23.43	9,81.99	77,89.97	5,77.94	3,33.38	92.87	5,00.79	1,67.68	8.69	105,39.29
Charge for the year	—	3.69 *	—	97.25	11,72.23	34.48	44.82	19.40	49.55	28.93	0.47	14,50.83
Adj. Against Reserves								—				—
Disposals/adjustments	—	—	—	20.52	8,41.87	33.94	(14.64)	(0.31)	19.96	76.41	0.62	9,78.37
At March 31, 2016	—	**66.24**	**23.43**	**10,58.72**	**81,20.33**	**5,78.48**	**3,92.84**	**1,12.58**	**5,30.38**	**1,20.20**	**8.54**	**110,11.74**
Charge for the year	—	3.69 *	—	1,14.38	10,57.13	39.85	50.27	21.44	52.20	24.17	0.32	13,63.45
Adj. Against Reserves				—	—	—	—	—	—	—	—	—
Disposals/adjustments	—	—	—	11.93	5,31.09	38.53	46.67	30.14	20.99	2.78	0.51	6,82.64
At March 31, 2017	**—**	**69.93**	**23.43**	**11,61.17**	**86,46.37**	**5,79.80**	**3,96.44**	**1,03.88**	**5,61.59**	**1,41.59**	**8.35**	**116,92.55**
Net Block												
At March 31, 2016	**1,71.85**	**2,16.47**	**—**	**30,77.26**	**118,69.42**	**1,21.12**	**3,36.73**	**1,65.89**	**1,73.21**	**1,21.08**	**1.23**	**162,54.26**
At March 31, 2017	**5,21.85**	**2,12.78**	**—**	**36,16.95**	**127,20.16**	**1,22.94**	**5,11.89**	**1,32.39**	**2,37.99**	**1,95.65**	**1.02**	**182,73.62**

Notes: a.* Amount amortized in respect of leasehold land.

b. Buildings include cost of shares in co-operative housing societies **₹ 0.01 lac** (Previous Year: ₹ 0.01 lac).

c. Buildings include buildings given on operating lease:
Gross book value **₹ 1,99.70 lacs** (Previous Year: ₹ 1,99.70 lacs)
Depreciation for the year **₹ 3.25 lacs** (Previous Year: ₹ 3.25 lacs)
Accumulated depreciation **₹ 94.91 lacs** (Previous Year: ₹ 91.66 lacs)
Net block **₹ 1,01.54 lacs** (Previous Year: ₹ 1,04.79 lacs)

d. Plant and Machinery includes plant taken on finance lease:
Gross block **₹ 17,48.98 lacs** (Previous Year: ₹ 13,38.47 lacs)
Depreciation charge for the year **₹ 1,10.98 lacs** (Previous Year: ₹ 98.03 lacs)
Accumulated depreciation **₹ 1,34.29 lacs** (Previous Year: ₹ 36.26 lacs)
Net book value **₹ 15,03.71 lacs** (Previous Year: ₹ 12,04.18 lacs)

e. ** Adjusted on account of dissolution of partnership firm M/s. Multichem Industries on 31.03.2016

11. INTANGIBLE ASSETS (ACQUIRED)

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Goodwill	Total
Cost (Gross block)					
At April 1, 2015	7.00	3,26.61	67.70	0.75*	4,02.06
Additions/purchase	—	17.84	—	—	17.84
Disposals	—			—	—
At March 31, 2016	**7.00**	**3,44.45**	**67.70**	**0.75**	**4,19.90**
Additions/purchase	—	16.27		—	16.27
Disposals	—	—	9.43	—	9.43
At March 31, 2017	**7.00**	**3,60.72**	**77.13**	**0.75**	**4,45.60**
Amortisation					
At April 1, 2015	7.00	1,58.79	62.89	—	2,28.68
Charge for the year	—	83.85	4.81	—	88.66
Disposals	—			—	—
At March 31, 2016	**7.00**	**2,42.64**	**67.70**	**—**	**3,17.34**
Charge for the year	—	67.57	—	—	67.57
Disposals	—	—	9.43	—	9.43
At March 31, 2017	**7.00**	**3,10.21**	**77.13**	**—**	**3,94.34**
Net Block					
At March 31, 2016	—	**1,01.81**	**—**	**0.75**	**1,02.56**
At March 31, 2017	—	**50.51**	**—**	**0.75**	**51.26**

Note: * Goodwill on account of investment in an associate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12.1 NON-CURRENT INVESTMENTS
(Long Term Investments)

	As at March 31, 2017			As at March 31, 2016		
	Cost	**Diminution**	**Carrying Amount**	Cost	Diminution	Carrying Amount
	₹ in Lacs	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs	₹ in Lacs
Trade Investments (valued at cost unless otherwise stated)						
Quoted equity instruments						
NIL (Previous Year: 4,64,270) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	**—**	**—**	**—**	8,27.15	—	8,27.15
7,02,703 (Previous Year: 7,02,703) Equity Shares of ₹ 10/- each fully paid-up in Transpek Industry Limited	**8,57.90**	**—**	**8,57.90**	8,56.40	—	8,56.40
5,84,977 (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	**3,09.00**	**—**	**3,09.00**	3,09.00	—	3,09.00
A	**11,66.90**	**—**	**11,66.90**	19,92.55	—	19,92.55
Unquoted equity instruments						
Investment in joint venture						
4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong $ 1 each fully paid-up in Wexsam Limited, Hong Kong (Refer Note 38)	**27.26**	**27.26**	**—**	27.26	27.26	—
B	**27.26**	**27.26**	**—**	27.26	27.26	—
Investment in Associate						
3,998 (Previous Year: 3,998) Equity Shares of ₹ 10/- each fully paid-up in Mobitrash Recycle Ventures Private Limited (Refer Note 2 below)	**0.40**	**—**	**0.40**	0.40	—	0.40
Less: Share of loss in Associate	**0.40**	**—**	**0.40**	0.40	—	0.40
C	**—**	**—**	**—**	—	—	—
Others (unquoted)						
9,20,500 (Previous Year: 9,20,500) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	**1,87.50**	**—**	**1,87.50**	1,87.50	—	1,87.50
10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Private Limited	**2,86.08**	**—**	**2,86.08**	2,86.08	—	2,86.08
D	**4,73.58**	**—**	**4,73.58**	4,73.58	—	4,73.58
Total Trade Investment (E = A+B+C+D)	**16,67.74**	**27.26**	**16,40.48**	24,93.39	27.26	24,66.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12.1 NON-CURRENT INVESTMENTS *(Contd.)*
(Long Term Investments)

	As at March 31, 2017			As at March 31, 2016		
	Cost	**Diminution**	**Carrying Amount**	Cost	Diminution	Carrying Amount
	₹ in Lacs	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs	₹ in Lacs
Non-Trade Investments (valued at cost unless otherwise stated)						
Investments in equity instruments (quoted)						
4,285 (Previous Year: 4285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	**1.54**	—	**1.54**	1.54	—	1.54
13,400 (Previous Year: 13,400) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	**6.03**	—	**6.03**	6.03	—	6.03
6,198 (Previous Year: 6198) Equity Shares of ₹ 10/- each fully paid-up in Aimco Pesticides Limited	**0.63**	—	**0.63**	0.63	—	0.63
8 (Previous Year: 8) Equity Shares of ₹ 10/- each fully paid-up in Bayer Cropscience Limited	**0.01**	—	**0.01**	0.01	—	0.01
3,500 (Previous Year: 3,500) Equity Shares of Rupee 1/- each fully paid-up in Elgi Rubber International Limited	**1.96**	**0.06**	**1.90**	1.96	1.07	0.89
4,700 (Previous Year: 4,700) Equity Shares of ₹ 10/- each fully paid-up in Gujarat State Financial Corporation	**0.94**	**0.79**	**0.15**	0.94	0.80	0.14
1,000 (Previous Year: 1,000) Equity Shares of Re 1/- each fully paid-up in Hindalco Industries Limited	**1.84**	—	**1.84**	1.84	0.96	0.88
100 (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Indokem Limited	**0.02**	—	**0.02**	0.02	0.02	—
10 (Previous Year: 10) Equity Shares of ₹ 10/- each fully paid-up in Monsanto India Limited	**0.03**	—	**0.03**	0.03	—	0.03
21,000 (Previous Year: 21,000) Equity Shares of ₹ 10/- each fully paid-up in Navin Fluorine International Limited	**1,26.68**	—	**1,26.68**	1,26.68	—	1,26.68
576,941 (Previous Year: 309,826) Equity Shares of ₹ 10/- each fully paid-up in Tanfac Industries Ltd.	**2,24.74**	—	**2,24.74**	90.07	—	90.07
50,000 (Previous Year: NIL) Equity Shares of ₹ 10/- each fully paid-up in GTL Infra Limited	**2.00**	—	**2.00**	—	—	—
250 (Previous Year: NIL) Equity Shares of ₹ 10/- each fully paid-up in Hester BioSciences Limited	**1.92**	—	**1.92**	—	—	—
100 (Previous Year: 100) Equity Shares of ₹ 2/- each fully paid-up in Uniphos Enterprises Limited	**0.01**	—	**0.01**	0.01	—	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12.1 NON-CURRENT INVESTMENTS *(Contd.)*
(Long Term Investments)

	As at March 31, 2017			As at March 31, 2016		
	Cost	**Diminution**	**Carrying Amount**	Cost	Diminution	Carrying Amount
	₹ in Lacs	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs	₹ in Lacs
100 (Previous Year: NIL) Equity Shares of ₹ 10/- each fully paid-up in Ajanta Pharma Ltd	**9.90**	**1.10**	**8.80**	—	—	—
40 (Previous Year: 40) Equity Shares of ₹ 1/- each fully paid-up in Birla Precision Technologies Ltd	**—**	**—**	**—**	—	—	—
100 (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Vinati Organics Limited	**0.67**	**—**	**0.67**	0.67	0.28	0.39
F	**378.92**	**1.95**	**376.97**	230.43	3.13	227.30
Non-trade Investment (valued at cost unless stated otherwise) Investments in equity instruments (unquoted)						
2,500 (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	**0.25**	**—**	**0.25**	0.25	—	0.25
50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	**5.00**	**—**	**5.00**	5.00	—	5.00
1,000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Alpic Finance Limited	**1.00**	**1.00**	**—**	1.00	1.00	—
4,900 (Previous Year: 4,900) Equity Shares of ₹ 10/- each fully paid-up in Ashok Organic Industries Limited	**7.84**	**7.84**	**—**	7.84	7.84	—
420 (Previous Year: 420) Equity Shares of ₹ 10/- each fully paid-up in Lloyds Finance Limited	**0.17**	**0.17**	**—**	0.17	0.17	—
5 (Previous Year: 5) Equity Shares of ₹ 5/- each fully paid-up in Syngenta India Limited	**0.01**	**0.01**	**—**	0.01	0.01	—
G	**14.27**	**9.02**	**5.25**	14.27	9.02	5.25
Total Non-Trade Investment (H = F+G)	**393.19**	**10.97**	**382.22**	244.70	12.15	232.55
Less: Provision for diminution in value of long-term investments	**—**	**—**	**—**	—	—	—
Total Non-Current Investments (E+H)	**2,060.93**	**38.23**	**2,022.70**	2,738.09	39.41	2,698.68

			As at March 31, 2017 ₹ in Lacs		As at March 31, 2016 ₹ in Lacs
Notes:					
1.	(a)	Aggregate of Quoted Investments:			
		Long Term Investments:			
		Cost *(Net of provision for diminution)*	**15,43.88**		22,19.85
		Market Value	**68,41.88**		95,74.27
	(b)	Aggregate of Unquoted Investments:			
		Cost *(Net of provision for diminution)*	**4,78.83**		4,78.83
	(c)	Aggregate provision for diminution in value of investments	**38.23**		39.41
2.	Share of losses has been restricted to the extent of carrying value of investment.				

12.2 CURRENT INVESTMENTS

	As at March 31, 2017			As at March 31, 2016		
	Cost	**Diminution**	**Carrying Amount**	Cost	Diminution	Carrying Amount
	₹ in Lacs	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs	₹ in Lacs
Investment In Debentures (unquoted)						
NIL (Previous Year : 5) Debentures of ₹ 1,00,000/- each fully paid-up in Anand Rathi Global Finance Ltd.	—	—	—	5.00	—	5.00
A	—	—	—	5.00	—	5.00
Investment in Mutual Fund (Cost or Fair Value, whichever is lower)						
(a) Quoted Mutual Funds						
(i) Reliance ETF Liquid Bees						
158.721 units (Previous Year: 152.983 units)	**1.59**	—	**1.59**	1.53	—	1.53
B	**1.59**	—	**1.59**	1.53	—	1.53
(b) Unquoted Mutual Funds						
(i) Investment in Mutual Funds through Anand Rathi						
Reliance Mutual Fund **0.839** units (Previous Year: 0.809 units)	**0.01**	—	**0.01**	0.01	—	0.01
(ii) Investment in Mutual Funds through KR Choksey						
Reliance Mutual Fund **2.021** units (Previous Year: 1.946 units)	**0.02**	—	**0.02**	0.02	—	0.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12.2 CURRENT INVESTMENTS

		As at March 31, 2017			As at March 31, 2016		
		Cost	**Diminution**	**Carrying Amount**	Cost	Diminution	Carrying Amount
		₹ in Lacs	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs	₹ in Lacs
(iii)	**Investment in Birla Sun Life Cash Plus - Growth - Regular Plan** **76,068.083** units (Previous Year: NIL)	**1,98.17**	**—**	**1,98.17**	—	—	—
(iv)	**Investment in HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Normal Dividend"** **35,59,767.581** units (Previous Year: NIL)	**3,74.31**	**—**	**3,74.31**	—	—	—
(v)	**Investment in ICICI Prudential Flexible Income - Growth** **65,541.795** units (Previous Year: NIL)	**2,04.06**	**—**	**2,04.06**	—	—	—
(vi)	**Investment in IDFC Arbitrage Fund - Monthly Dividend (Regular Plan)** **29,66,801.943** units (Previous Year: NIL)	**3,75.33**	**—**	**3,75.33**	—	—	—
	C	**11,51.90**	**—**	**11,51.90**	0.03	—	0.03
Total Current Investments (A+B+C)		**11,53.48**	**—**	**11,53.48**	6.56	**—**	6.56

			As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Notes:				
Current Investments				
1.	(a)	Aggregate of Quoted Investments:		
		Cost *(Net of provision for diminution)*	**1.59**	1.53
		Market Value	**1.59**	1.53
	(b)	Aggregate of Unquoted Investments:		
		Cost *(Net of provision for diminution)*	**11,51.90**	0.03
	(c)	Aggregate provision for diminution in value of investments	**—**	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

13. LOANS AND ADVANCES

		Non-current		Current	
		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Capital advances					
Unsecured, considered good	**(A)**	**12.24**	2,29.03	**—**	—
Unsecured, considered doubtful		**41.62**	—	**—**	—
		53.86	2,29.03	**—**	—
Provision for doubtful Capital advance		**(41.62)**		**—**	—
		12.24	2,29.03	**—**	—
Security deposits					
Unsecured, considered good	**(B)**	**4,06.31**	4,27.39	**—**	—
Loan to a related party (Refer Notes 29, 35 & 40)					
Unsecured, considered good	**(C)**	**—**	—	**1,00.00**	1,00.00
Advances recoverable in cash or kind					
Unsecured, considered good		**—**	—	**6,27.90**	6,42.79
Unsecured, considered doubtful		**—**	—	**35.00**	35.00
		—	—	**6,62.90**	6,77.79
Provision for doubtful advances		**—**	—	**(35.00)**	(35.00)
	(D)	**—**	—	**6,27.90**	6,42.79
Other loans and advances, Unsecured, considered good					
Advance income-tax [net of provision for taxation]		**13,90.36**	10,65.24	**—**	—
MAT Credit Entitlement		**4,93.87**	—	**5.19**	5.51
Prepaid expenses		**21.10**	26.42	**1,67.21**	2,19.87
Inter-corporate Deposits		**—**	—	**—**	—
Loans to employees		**13.77**	21.32	**21.73**	25.85
Balances with statutory/government authorities		**—**	—	**3,76.02**	3,52.42
	(E)	**19,19.10**	11,12.98	**5,70.15**	6,03.65
Total	**(A+B+C+D+E)**	**23,37.65**	17,69.40	**12,98.05**	13,46.44

14. TRADE RECEIVABLES AND OTHER ASSETS

14.1 Trade receivables

	Current	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**1,39.32**	4,65.56
Doubtful	**1,41.09**	58.71
	2,80.41	5,24.27
Less: Provision for doubtful receivables	**(1,41.09)**	(58.71)
	1,39.32	4,65.56
Other receivables		
Unsecured, considered good	**118,92.25**	122,23.72
Total	**120,31.57**	126,89.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

14.2 Other assets

		Non-current		Current	
		As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Unsecured, considered good unless stated otherwise					
Non-current bank balance (Refer Note 16)	**(A)**	**1,68.00**	73.00	**—**	—
Others					
Interest receivable		**—**	—	**17.47**	22.45
Export benefit receivable		**—**	—	**2,71.74**	14.19
Income tax refund receivable		**3.94**	4.56	**6.47**	—
Fixed asset held for Sale (valued at lower of cost and net realisable value)		**—**	—	**—**	24.51
Miscellaneous receivables		**—**	—	**12.27**	39.32
	(B)	**3.94**	4.56	**3,07.95**	100.47
Total	**(A+B)**	**1,71.94**	77.56	**3,07.95**	100.47

15. INVENTORIES (Valued at lower of cost or net realisable value)

	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Raw materials [including stock-in-transit ₹ **5,20.22 lacs** (Previous Year: ₹ 5,32.68 lacs)] (Refer Note 19)	**22,39.12**	21,18.46
Packing materials (Refer Note 19)	**1,21.22**	1,07.76
Finished goods [including stock-in-transit ₹ **1,67.26 lacs** (Previous Year: ₹ 80.29 lacs)] (Refer Note 20)	**10,61.71**	19,06.38
Work-in-progress (Refer Note 20)	**13,12.43**	14,78.72
Traded goods (Refer Note 20)	**2,43.64**	1,91.12
Stores and spares [including stock-in-transit ₹ **1,66.07 lacs** (Previous Year: ₹ 1,45.87 lacs)] [including fuel and coal]	**5,32.98**	4,86.96
Total	**55,11.10**	62,89.40

16. CASH AND BANK BALANCES

	Non-current		Current	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs	**As at March 31, 2017 ₹ in Lacs**	As at March 31, 2016 ₹ in Lacs
Cash and cash equivalents				
Balances with banks				
On current accounts	**—**	—	**2,59.18**	3,09.07
On unclaimed dividend accounts	**—**	—	**44.68**	37.28
	—	—	**3,03.86**	3,46.35
Other bank balances				
Deposits with remaining maturity for more than 12 months	**1,68.00**	73.00	**—**	—
Deposits with remaining maturity for more than 3 months but less than 12 months	**—**	—	**1,22.77**	1,16.18
Margin money deposits	**—**	—	**6.63**	6.79
	1,68.00	73.00	**1,29.40**	1,22.97
Amount disclosed under non-current assets (Refer Note 14.2)	**(1,68.00)**	(73.00)	**—**	—
Total	**—**	—	**4,33.26**	4,69.32

Margin money deposits given as security
Margin money deposits with a carrying amount of ₹ **6.63 lacs** (Previous Year: ₹ 6.79 lacs) have been given against opening of Letter of Credit Account and Bank guarantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

17. REVENUE FROM OPERATIONS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from operations		
Sale of products		
Finished goods	**482,54.01**	470,17.73
Traded goods	**13,41.52**	15,03.15
Sale of services		
Processing charges	**2,62.33**	2,21.45
Erection/Technical fees/Commissioning & Installation Charges	**31.88**	20.47
Other operating revenue		
Export incentives	**3,70.25**	1,02.27
Scrap sales	**1,36.94**	1,82.94
Revenue from operations (gross)	**503,96.93**	490,48.01
Less: Excise duty	**42,52.83**	42,11.83
Revenue from operations (net)	**461,44.10**	448,36.18

Note: Export incentives includes amount claimed and recognised as income in respect of export of earlier years ₹ **276.29 lacs** (Previous Year: ₹ Nil)

DETAIL OF PRODUCTS SOLD

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Finished goods sold		
Phosphorous and its compounds	**335,40.85**	322,67.20
Chemicals	**139,44.77**	125,51.28
Organic manure/culture	**6,48.25**	3,78.49
Others	**1,20.14**	18,20.76
	482,54.01	470,17.73
Traded goods sold		
Chemicals	**3,82.58**	5,53.15
Others	**9,58.94**	9,50.00
	13,41.52	15,03.15
	495,95.53	485,20.88

18. OTHER INCOME

		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest income on			
Bank deposits		**30.90**	36.21
Income tax refund		**39.59**	3.28
Unsecured loan		**20.03**	—
Others		**31.31**	21.16
	A	**121.83**	60.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

18. OTHER INCOME *(Contd.)*

		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Dividend income			
From current Investments		**13.74**	0.49
From long term Investments		**7,46.88**	93.43
	B	**7,60.62**	93.92
Profit on securities (net)			
Sale of Long Term Investments		**—**	2.24
Sale of Current Investments		**3.07**	—
	C	**3.07**	2.24
Others			
Rent		**24.31**	29.14
Exchange gain (net)		**—**	90.39
Others		**67.75**	77.50
	D	**92.06**	197.03
Total	**(A+B+C+D)**	**9,77.58**	3,53.84

19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Raw materials			
Inventory at the beginning of the year		**21,18.46**	19,14.36
Add: Purchases		**216,47.31**	208,61.59
		237,65.77	227,75.95
Less: Inventory at the end of the year		**22,39.12**	21,18.46
	(A)	**215,26.65**	206,57.49
(b) Packing materials			
Inventory at the beginning of the year		**1,07.76**	1,41.33
Add: Purchases		**10,95.31**	11,02.88
		12,03.07	12,44.21
Less: Inventory at the end of the year		**1,21.22**	1,07.76
	(B)	**10,81.85**	11,36.45
Total	**(A+B)**	**226,08.50**	217,93.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

20. (INCREASE)/DECREASE IN INVENTORIES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	(Increase)/Decrease ₹ in Lacs
Inventories at the end of the year			**March 31, 2017**
Finished goods	**10,61.71**	19,06.38	**(8,44.67)**
Work-in-progress	**13,12.43**	14,78.72	**(1,66.29)**
Traded goods	**2,43.64**	1,91.12	**52.52**
	26,17.78	35,76.22	**(9,58.44)**
Inventories at the beginning of the year			**March 31, 2016**
Finished goods	**19,06.38**	21,10.38	(2,04.00)
Work-in-progress	**14,78.72**	17,05.81	(2,27.09)
Traded goods	**1,91.12**	2,26.58	(35.46)
	35,76.22	40,42.77	(4,66.55)
	(9,58.44)	(4,66.55)	

Details of Purchase of traded goods

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Chemicals	**2,99.14**	3,75.17
Others	**5,92.28**	5,39.37
	8,91.42	9,14.54

Details of inventory

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Finished goods		
Phosphorous and its compounds	**3,19.47**	7,30.58
Chemicals	**6,77.72**	10,54.70
Organic manure	**16.01**	72.70
Others	**48.51**	48.40
	10,61.71	19,06.38
Work-in-progress		
Phosphorous and its compounds	**7,09.07**	8,15.42
Chemicals	**5,70.25**	6,20.42
Others	**33.11**	42.88
	13,12.43	14,78.72
Traded goods		
Chemicals	**17.76**	10.70
Others	**2,25.88**	1,80.42
	2,43.64	1,91.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

21. EMPLOYEE BENEFITS EXPENSE

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	**50,91.51**	47,53.94
Contribution to provident and other funds	**4,38.60**	4,11.75
Provision/payment of gratuity (Refer Note 27)	**2,83.59**	1,13.23
Provision for other retirement benefits	**4,17.13**	1,79.13
Workmen and staff welfare expenses	**4,26.05**	4,01.13
	66,56.88	58,59.18

22. OTHER EXPENSES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares	**45.76**	43.68
Processing charges	**80.51**	72.95
(Increase)/decrease of excise duty on inventory	**(1,10.34)**	(19.87)
Power and fuel	**30,03.85**	28,03.25
Effluent expenses	**5,83.22**	5,26.68
Rent (Refer Note 30)	**48.45**	49.57
Rates and taxes	**1,04.91**	1,20.48
Insurance	**71.94**	70.27
Repairs and maintenance		
— Plant and machinery	**18,03.16**	15,72.50
— Buildings	**1,48.83**	1,70.89
— Others	**1,98.87**	1,51.14
CSR expenditure (Refer Note 42)	**75.84**	69.83
Sales commission and discounts	**1,94.30**	2,05.38
Travelling and conveyance	**2,31.62**	2,59.59
Legal and professional fees	**4,97.35**	3,54.90
Directors' sitting fees	**17.60**	19.10
Payment to auditor	**44.71**	45.72
Exchange differences (net)	**1,17.07**	—
Bad debts/sundry debit balances written off	**—**	8.70
Share of loss in partnership firm	**—**	2.05
Freight outward and forwarding expenses	**14,61.62**	12,20.60
Charity and donations (refer Note 41)	**67.63**	64.65
Provision for doubtful receivables/advances (net)	**1,24.00**	10.99
Property, Plant and Equipment written off	**62.05**	1,66.08
Loss on Sale of Short Term Investments * ₹ 15	**—**	—
Loss on sale of Property, Plant and Equipment (net)	**26.94**	1,03.57
Miscellaneous expenses	**20,10.52**	15,19.95
Total	**109,10.41**	96,12.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

23. DEPRECIATION AND AMORTISATION EXPENSES

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Depreciation on tangible assets	**13,63.45**	14,50.83
Amortisation of intangible assets	**67.57**	88.66
	14,31.02	15,39.49

24. FINANCE COSTS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest	**8,61.04**	10,70.85
Bank and financial charges	**2,03.59**	1,55.39
Exchange difference on borrowings	**83.10**	28.21
Total	**11,47.73**	12,54.45

25. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations :

Total operations for the year

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Profit after tax as per statement of profit and loss	**63,33.15**	26,04.42
Net profit for calculation of basic/diluted EPS	**63,33.15**	26,04.42
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	**12,905,630**	12,564,510
Buy back of Shares	**(288,798)**	—
Net weighted average number of equity shares in calculating basic EPS	**12,616,832**	12,564,510
Basic and Diluted EPS (in ₹)	**50.20**	20.73

26. EXCEPTIONAL ITEM

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Gain on sale of long term investments	**49,06.40**	—
	49,06.40	—

During the year, the Group has sold 464270 Equity Shares of Excel Crop Care Limited to Sumitomo Chemical Company, Limited, Japan at a price of ₹ 1259.36 per Equity Share in accordance with Share Purchase Agreement executed on 5th June 2016. The profit earned (net of related expenses) on the said transaction has been disclosed as an exceptional item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

27. DETAILS OF EMPLOYEE BENEFITS – HOLDING COMPANY

(I) Defined Benefit Plan Gratuity

The Holding Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service as of 31st March 2017 except staff and workers, then instead of 15 days, he/she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with insurance Companies in the form of qualifying insurance policies.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of profit and loss are as follows:

Defined Benefit Plan	**Current Year Gratuity (₹ in Lacs)**	Previous Year Gratuity (₹ in Lacs)
Current service cost	**213.32**	201.94
Interest cost on benefit obligation	**308.04**	296.11
Expected return on plan assets	**(274.04)**	(256.57)
Net actuarial (gain)/loss recognised in the year	**178.08**	(128.25)
Curtailment Cost	**(141.81)**	—
Amount included under the head employee benefit expenses (Refer Note 21)	**283.59**	113.23

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

	As at March 31, 2017 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at March 31, 2016 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	**4,319.46**	3,974.76
Less: Fair value of plan assets	**3,888.35**	3,425.50
Net Liability included under the head Provisions in Note no '7'	**431.11**	549.26

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

	As at March 31, 2017 Gratuity (₹ in Lacs)	As at March 31, 2016 Gratuity (₹ in Lacs)
Opening defined benefit obligation	**3,974.76**	3,785.56
Interest cost	**308.04**	296.11
Current service cost	**213.32**	201.94
Curtailment cost	**(141.81)**	—
Benefits paid	**(217.53)**	(174.41)
Actuarial (gains)/losses on obligation	**182.68**	(134.44)
Closing defined benefit obligation	**4,319.46**	3,974.76

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

	As at March 31, 2017 Gratuity (₹ in Lacs)	As at March 31, 2016 Gratuity (₹ in Lacs)
Opening fair value of plan assets	**3,425.50**	2,923.83
Expected return	**274.04**	256.57
Contributions by employer	**401.73**	425.70
Benefits paid	**(217.53)**	(174.41)
Actuarial gains/(losses)	**4.61**	(6.19)
Closing fair value of plan assets	**3,888.35**	3,425.50

27. DETAILS OF EMPLOYEE BENEFITS – HOLDING COMPANY (*Contd.*)

		As at March 31, 2017 Gratuity (₹ in Lacs)	As at March 31, 2016 Gratuity (₹ in Lacs)
(e)	Expected contribution to defined benefit plan for the next year.	**431.11**	**500.00**

		Current Year	Previous Year
(f)	The major categories of plan assets as a percentage of fair value of total plan assets are as follows:		
	Insurer Managed Funds	**100%**	100%
		100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario

		Gratuity Current Year	Gratuity Previous Year
(g)	The principal actuarial assumptions at the Balance Sheet date:		
	Discount rate	**7.40%**	7.75%
	Expected rate of return on assets	**8.00%**	8.00%
	Expected rate of salary increase	**8.50%**	8.50%
	Mortality table	**IALM(2006-08)Ult.**	IALM(2006-08)Ult.
		Ultimate	Ultimate
	Proportion of employees opting for early retirement	**5% to 1%**	5% to 1%

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
2. Amounts for the current and previous four years are as follows: [AS15 Para 120(n)] [1]

(₹ in Lacs)

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	**4,319.46**	3,974.76	3,785.56	3,224.42	2,583.68
Plan assets	**3,888.35**	3,425.50	2,923.83	2,491.40	2,141.39
Surplus/(deficit)	**(431.11)**	(549.26)	(861.73)	(733.02)	(442.29)
Experience adjustments on plan liabilities	**70.87**	(150.09)	66.98	93.12	88.21
Experience adjustments on plan assets	**4.61**	(6.19)	0.12	9.88	(2.93)

(II) Defined Contribution Plans:

(i) Provident Fund is a defined contribution scheme established under a State Plan.

(ii) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

(iii) Defined Contribution Plan.	**Current Year (₹ in Lacs)**	Previous Year (₹ in Lacs)
Current service cost included under the head Contribution to provident and other funds in employee benefits expense (Refer Note 21)		
Provident Fund	**189.28**	173.59
Family Pension Fund	**130.62**	131.11
Superannuation Fund	**108.87**	96.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28. SEGMENT INFORMATION

1. Information About Primary Business Segments:

	Current Year (₹ in Lacs)			Previous Year (₹ in Lacs)		
Particulars	**Chemicals**	**Environment**	**Total**	Chemicals	Environment	Total
REVENUE:						
External Revenue:	**44,547.97**	**1,668.51**	**46,216.48**	43,679.35	1,356.20	45,035.55
Un-allocated Revenue:			**905.20**			154.47
Inter-segment Revenue (At selling price):			**—**			—
Total Revenue:			**47,121.68**			45,190.02
RESULT:						
Segment result:	**5,261.72**	**(51.52)**	**5,210.20**	6,974.74	(37.93)	6,936.81
Un-allocated expenditure net of un-allocated income:			**(3,361.21)**			1,933.14
Finance Cost			**1,147.73**			1,254.45
Profit before taxation but after prior period adjustments:			**7,423.68**			3,749.22
Current:						
Provision for Taxation:						
Current:			**1,465.42**			907.09
Minimum Alternative Tax (Entitlement)			**(493.87)**			—
In respect of earlier years : (net)			**(102.92)**			1.59
Deferred tax:			**221.90**			235.72
Profit/(Loss) after tax but before loss from associate :			**6,333.15**			2,604.82
Share of Loss in an Associate						0.40
Profit for the year attributable to Equity Shareholders for the Holding Company			**6,333.15**			2,604.42
OTHER INFORMATION:						
Segment Assets:	**35,097.11**	**1,150.84**	**36,247.95**	34,940.57	1,028.73	35,969.30
Un-allocated Assets:			**8,192.89**			6,153.88
Total Assets:			**44,440.84**			42,123.18
Segment Liabilities:	**(6,411.87)**	**(216.86)**	**(6,628.73)**	(6,979.64)	(209.04)	(7,188.69)
Un-allocated Liabilities:			**(11,362.41)**			(13,874.42)
Total Liabilities:			**(17,991.14)**			(21,063.11)
Segment Capital expenditure:						
Property, Plant and Equipment	**2,526.85**	**28.13**	**2,554.98**	2,428.51	133.19	2,561.70
Intangibles	**—**	**—**	**—**	4.09		4.09
Un-allocated Capital expenditure:						
Property, Plant and Equipment			**1,001.70**			33.96
Intangibles			**16.27**			13.75
Segment Depreciation and Amortisation:	**1,289.87**	**39.23**	**1,329.10**	1,378.31	51.97	1,430.28
Un-allocated Depreciation and Amortisation:			**101.92**			109.20
Segment Non-cash expenses other than Depreciation and Amortisation:	**701.65**	**69.08**	**770.73**	471.17	29.18	500.35
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			**142.97**			58.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2. Information About Secondary Business Segments:

	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Revenue:	**37,505.43**	**9,616.25**	**47,121.68**	35,877.01	9,313.01	45,190.02
Carrying amount of Assets:	**41,210.65**	**3,230.19**	**44,440.84**	39,378.39	2,744.79	42,123.18
Capital Expenditure:						
Property, Plan and Equipment	**3,556.68**	**—**	**3,556.68**	2,595.66	—	2,595.66
Intangibles	**16.27**	**—**	**16.27**	17.84	—	17.84

3. Notes:

1. The Company is organised into two business segments namely :
   (a) Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides Intermediates polymer inputs and pharma intermediates.
   (b) Environment – Comprising of Soil enricher, Bio - pesticides and other Bio products.
2. Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations
3. 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.
4. Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.
5. During the year, the Holding Company has executed a Business Transfer Agreement on 31 March 2017 for transfer of its Environment and Biotech Division (E & BT) which is identified as a business segment; to its wholly owned subsidiary company Excel Bio Resources Limited as a going concern by way of slump sale. Since the proposed transfer of Environment and Biotech Division (E & BT) is to a wholly owned subsidiary company from the group perspective, the same is considered as an identifiable segment

29. RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS)-18 "RELATED PARTY DISCLOSURES".

Related parties with whom transactions have taken place during the year:

Enterprises owned or significantly influenced by key management personnel or their relatives or through companies/entities which are controlled/significantly influenced by the KMP and their relatives

Utkarsh Global Holdings Private Limited
Agrocel Industries Private Limited
Anshul Specialty Molecules Private Limited
Divakar Techno Specialities & Chemicals Ltd.
Excel Crop Care Limited (up to 07.10.2016)
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

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)
Smt. Usha A. Shroff (Executive Vice Chairperson)
Shri Ravi Ashwin Shroff (Executive Director)

Relatives of KMP

Shri. Hrishit Ashwin Shroff (Son of Shri. Ashwin C Shroff and Smt. Usha A Shroff)
Smt. Anshul A Bhatia (Daughter of Shri. Ashwin C Shroff and Smt. Usha A Shroff)
Smt. Kanaklata A Saraiya (Sister of Smt. Usha A. Shroff)
Smt. Uma Shailesh Kapadia (Sister of Smt. Usha A. Shroff)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/ purchase of goods & services and other transactions

(₹ in Lacs)

	Year ended	Sale of goods	Sale of services	Purchase of fixed assets	Sale of fixed assets	Interest Received	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Proceeds from conversion of warrants to equity shares	Reimburse-ment of Expenses to Party (Expenses)	Salary, Bonus & contribution to PF	CSR Expenditure	Charity and donations	Amount owed by related parties	Amount owed to related parties	loan owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives																		
Excel Crop Care Limited	**31-Mar-17**	**2,132.38**	**8.42**	**74.01**	—	—	**58.98**	—	**17.55**	—	—	—	—	—	—	**827.50**	**20.39**	—
	31-Mar-16	4,402.89	20.46	—	3.60	—	30.72	—	31.01	5.83	—	—	—	—	—	936.15	8.30	—
Agrocel Industries Private Limited	**31-Mar-17**	—	—	—	—	—	—	**4.74**	—	—	—	—	—	—	—	**10.00**	—	—
	31-Mar-16	—	—	—	—	—	—	17.95	—	—	—	—	—	—	—	10.00	3.46	—
Anshul Specialty Molecules Private Limited	**31-Mar-17**	**19.78**	—	—	—	—	—	—	—	**1.24**	—	—	—	—	—	**0.18**	**3.20**	—
	31-Mar-16	1.58	—	—	—	—	—	—	—	1.10	—	—	—	—	—	—	—	—
Transpek Industry Limited	**31-Mar-17**	—	—	—	—	—	—	—	—	**7.05**	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	0.53	—	6.27	—	—	—	—	—	1.28	—	—
Divakar Techno Specialities & Chemicals Ltd.	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	**29.75**	—	—	—	—	**19.88**	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	72.39	—	—	—	—	30.83	—
C C Shroff Research Institute	**31-Mar-17**	—	**1.10**	—	—	—	—	—	—	—	—	—	—	—	—	**1.28**	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transpek Industry (Europe) Limited	**31-Mar-17**	—	—	—	—	—	—	—	**20.68**	—	—	—	—	—	—	**1.31**	—	—
	31-Mar-16	—	—	—	—	5.84	—	—	22.16	—	—	—	—	—	—	—	14.16	—
Utkarsh Global Holdings Private Limited	**31-Mar-17**	—	—	—	—	—	—	—	—	**239.90**	—	**59.97**	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	173.25	517.50	—	—	—	—	—	—	—
Mobitrash Recycle Ventures Private Limited	**31-Mar-17**	**22.72**	—	—	—	—	—	—	—	—	—	**0.14**	—	—	—	**48.54**	—	—
	31-Mar-16	—	1.75	—	22.54	—	—	—	—	—	—	—	—	—	—	24.54	—	—
TML Industries Limited	**31-Mar-17**	—	—	—	—	**12.30**	—	—	—	—	—	—	—	—	—	—	—	**100.00**
	31-Mar-16	—	—	—	—	12.34	—	—	—	—	—	0.17	—	—	—	—	—	100.00
Shree Vivekanand Research and Training Institute	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	**65.84**	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	43.49	20.00	—	—	—
Samarth Gram Vikas Trust	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	2.15	—	—	—	—
Rashtriya Seva Trust	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	—	—	—	—	—	3.00	—	—	—
C C Shroff Self Help Centre	**31-Mar-17**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	0.02	—	—	—	—	—	3.00	—	—	—
Mrs. Usha A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**0.29**	—	—	**81.03**	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	0.26	—	—	96.96	—	—	—	2.06	—
Mr. R. A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**2.15**	—	—	**60.75**	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	1.91	—	—	65.85	—	—	—	3.25	—
Mr. A.C. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**3.74**	—	—	**103.15**	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	3.32	—	—	114.62	—	—	—	1.44	—
Mr. H. A. Shroff	**31-Mar-17**	—	—	—	—	—	—	—	—	**2.15**	—	—	**9.52**	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	1.91	—	—	—	—	—	—	—	—
Others	**31-Mar-17**	—	—	—	—	—	—	—	—	**0.99**	—	—	—	—	—	—	—	—
	31-Mar-16	—	—	—	—	—	—	—	—	0.99	—	—	—	—	—	—	—	—

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

b. Loans given and repayment thereof

(₹ in Lacs)

	Year ended	Loans given	Repayment	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Transpek Industry Limited	**31-Mar-17**	—	—	—
	31-Mar-16	—	50.00	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

30. OPERATING LEASES

Office premises and godowns of the Holding Company are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable. In respect of Office premises, the operating lease are renewable for further period of five years, with an escalation clause of 5% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements.

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Lease payments for the year	**44.11**	43.54
Sub-lease payments received during the year	**Nil**	Nil
Minimum lease payments under non cancellable operating lease as at 31st March		
(a) Not later than one year	**39.58**	38.74
(b) Later than one year but not later than five years	**29.67**	63.86
(c) Later than five years	**Nil**	Nil

The company has leased out its office premises on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

Future Minimum Lease rentals receivable are as follows:

(a) Not later than one year	**7.99**	16.80
(b) Later than one year but not later than five years	**1.44**	6.76
(c) Later than five years	**Nil**	Nil

31. RESEARCH AND DEVELOPMENT COSTS

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Research and Development costs, as certified by the Management, debited to the statement of profit and Loss are as under:		
* Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	**641.35**	488.48
Depreciation on Research and Development Equipment	**76.30**	72.19
	717.65	560.67

*includes ₹ **142.05 lacs,** ₹ **125.55 lacs** and ₹ **257.11 lacs** (Previous Year: ₹ 123.84 lacs, ₹ 91.29 lacs and ₹ 181.09 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ **44.88 lacs**, ₹ **23.92 lacs** and ₹ **89.55 lacs** (Previous Year: ₹ 4.86 lacs, ₹ 37.56 lacs and ₹ 49.99 lacs in respect of Research and Development Units at Roha, Lote and Mumbai respectively which is approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology)].	**170.95**	196.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

32. CONTINGENT LIABILITIES NOT PROVIDED FOR (AS PER REVISED AS 29- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS)

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Bills discounted	**90.83**	458.00
Disputed income-tax liability	**755.50**	720.61
Disputed excise duty liability	**418.18**	384.64
Disputed sales tax liability	**17.89**	17.89
Disputed custom duty liability	**144.88**	144.88
Disputed service tax liability	**—**	2.26
Claims against the Holding Company not acknowledged as debts	**28.89**	27.37
Liability in respect of claims made by workers and contract labourers	**Amount not ascertainable**	Amount not ascertainable

33. CAPITAL AND OTHER COMMITMENTS

	For the year ended March 31, 2017 ₹ in Lacs	For the year ended March 31, 2016 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**930.70**	315.47
For commitments relating to lease arrangements, please refer notes 30 and 39		

34. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE

	Currency	**For the year ended March 31, 2017**	**For the year ended March 31, 2017**	For the year ended March 31, 2016	For the year ended March 31, 2016
			Foreign Currency Value		Foreign Currency Value
		₹ in Lacs	**in Lacs**	₹ in Lacs	in Lacs
(a) Derivates Outstanding as at the reporting date					
(i) Hedge of highly probable foreign currency sales	USD	**—**	**—**	826.06	12.00
(b) Forward contract – Buy for Hedging Purpose					
(i) Loans/Interest thereon	USD	**518.75**	**8.00**	1,363.43	20.61
(c) Un-hedged Foreign Currency Exposure on					
(i) Import Payables	USD	**1,058.64**	**16.32**	2,232.72	33.70
(ii) Export Receivables	USD	**3,215.58**	**49.58**	2,520.14	37.95
	EURO	**14.61**	**0.21**	224.65	2.98
(iii) Bank Balances	USD	**22.42**	**0.35**	4.75	0.07

35. ADDITIONAL INFORMATION AS REQUIRED AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.

	Name of the entity	Net Assets		Share in Profit/(Loss)	
		As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
	Parent				
A	Excel Industries limited (Standalone)	91.59	24,224.29	70.45	4,461.49
	Indian Subsidiaries				
B	Kamaljyot Investments Limited	9.14	2417.33	29.67	1,879.28
C	Excel Bio Resources Limited (Including its Joint Venture Multichem Industries (as per proportionate consolidation method)).	0.22	58.82	(0.12)	(7.62)
D	**Total=(A+B+C)**	**100.95**	**26,700.44**	**100.00**	**6,333.15**
E	Intercompany Eliminations	(0.95)	(250.76)		—
F	**Total=(D-E)**	**100.00**	**26,449.68**	**100.00**	**6,333.15**

36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Holding Company has overdue amounts to suppliers under MSMED as at March 31, 2017. The disclosure pursuant to the said Act is as under:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**272.65**	204.74
Interest due on above	**0.45**	0.01
	273.10	204.75
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**—**	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	**15.32**	2.16
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**15.32**	2.16
Year ended 31 March 2014 ₹ 27.46 lacs		
Year ended 31 March 2015 ₹ 18.25 lacs		
Year ended 31 March 2016 ₹ 2.16 lacs		
Year ended 31 March 2017 ₹ 15.32 lacs		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	**63.19**	47.87

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

37. PARTNERSHIP FIRM

The group had 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest of the group in the said entity as per latest available audited Balance Sheet as at March 31, 2016, is as under:

	Excel Bio Resources Limited	
	As at March 31, 2017 ₹ in Lacs	As at March 31, 2016 ₹ in Lacs
Assets	**—**	—
Liabilities	**—**	—
Income	**—**	—
Share of loss in partnership firm	**—**	2.05

M/s Multichem Industries, jointly controlled Partnership firm was dissolved with effect from 31-March-2016. As per the terms of dissolution any liability or demand raised in respect of the said firm shall be borne and paid by the other partner i.e. Excel Crop Care Limited ("ECCL").

38. JOINT VENTURE COMPANY

The group has 33.33% interest in jointly controlled entity Wexsam Limited-Hong Kong. Since there were no activities in the said jointly controlled entity for the past nine years, the financials are not available. Accordingly, the proportionate interest of the group in the said jointly controlled entity has not been considered in the Consolidated Financial Statements. Further, the group does not have any liability or contingent liability, which needs to be accounted with respect to the said jointly controlled entity.

39. FINANCE LEASE: COMPANY AS LESSEE

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

	March 31, 2017		March 31, 2016	
	Minimum Payments ₹ in Lacs	**Present Value of MLP ₹ in Lacs**	Minimum Payments ₹ in Lacs	Present Value of MLP ₹ in Lacs
Within one year	**368.23**	**335.52**	514.31	468.62
After one year but not more than five years	**360.19**	**299.04**	375.88	312.06
More than five years	**—**	**—**	—	—
Total minimum lease payments	**728.42**	**634.56**	890.19	780.68
Less : Amounts representing Finance charges	**(93.86)**	**—**	(109.51)	—
Present value of Minimum Lease Payments	**634.56**	**634.56**	780.68	780.68

40. DISCLOSURE REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act, 2013 (Refer Notes 13, 29 & 35).

₹ in Lacs

Name of the loanee	**Opening Balance**	**Further loan given during the year**	**Repaid during the year**	**Closing Balance**	**Purpose of Loan given**
TML Industries Limited	1,00.00	—	—	1,00.00	For Business purpose

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

41. DETAILS OF DONATION TO A POLITICAL PARTY

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Bharatiya Janata Party	**5.00**	—
	5.00	—

42. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR):

As a responsible corporate citizen, our CSR strategy complements our business philosophy and objectives. During the year, the Holding company had as its social responsibility, partnered with its group NGOs like Shree VRTI, Samarth Gram Vikas Trust etc and other reputed organisations for undertaking various social activities in the field of education, employment through vocational training activities, agricultural development, environment and nature conservation.

During the year the company has incurred an amount of ₹ 75.84 lacs (Previous Year: ₹ 69.83 lacs) towards the above mentioned activities.

A. Gross amount required to be spent by the Company during the Year: 71.41 lacs (Previous Year: ₹ 59.02 lacs).

B. Amount spend during the year:

Sr. No.	**Project**	**₹ in Lacs**	**Current Year ₹ in Lacs**	₹ in Lacs	Previous year ₹ in Lacs
1.	**Natural Resources Management**				
	Directly Expended	**—**		1.24	
	Indirectly Expended through other organisations	**20.34**	**20.34**	4.61	5.85
2.	**Rural Development**				
	Directly Expended	**—**		3.01	
	Indirectly Expended through other organisations	**20.90**	**20.90**	14.73	17.74
3.	**Environment**				
	Directly Expended	**0.00**		1.75	
	Indirectly Expended through other organisations	**2.64**	**2.64**	1.19	2.94
4.	**Promotion of Education**				
	Directly Expended	**—**		5.10	
	Indirectly Expended through other organisations	**21.03**	**21.03**	25.53	30.63
5.	**Entrepreneurship Development**				
	Directly Expended	**—**		0.23	
	Indirectly Expended through other organisations	**1.06**	**1.06**	0.69	0.92
6.	**Preventive Health Care**				
	Directly Expended	**—**		0.70	
	Indirectly Expended through other organisations	**6.51**	**6.51**	4.07	4.77
7.	**Animal Welfare**				
	Directly Expended	**—**		0.41	
	Indirectly Expended through other organisations	**1.56**	**1.56**	2.13	2.54
8.	**Seminars/Meetings/Infrastructure**				
	Directly Expended	**—**		2.89	
	Indirectly Expended through other organisations	**1.80**	**1.80**	1.55	4.44
	Total		**75.84**		69.83

C. Related Party Organisation

Following are the related party transactions during the year.

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Samarth Gram Vikas Trust	**—**	2.15
Shree Vivekanand Research and Training Institute	**65.84**	43.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

43. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED BY THE HOLDING COMPANY DURING THE PERIOD 8 NOVEMBER 2016 TO 30 DECEMBER 2016: DISCLOSURE AS STATED IN NOTIFICATION G.S.R. 308€ DATED 30 MARCH 2017.

₹ in Lacs

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	7.48	3.21	10.69
(+) Permitted receipts	—	19.02	19.02
(-) Permitted payments	—	17.08	17.08
(-) Amount deposited in Banks	7.48	—	7.48
Closing cash in hand as on 30 December 2016	—	5.15	5.15

The Subsidiary Companies did not have any cash transactions during the year. Therefore the details of SBN held and transacted during the period from 8 November 2016 to 30 December 2016 are not specified.

44. PREVIOUS YEAR FIGURES

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

As per our report of even date

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

per Jayesh M. Gandhi
Partner
Membership No. 37924

Place : Mumbai
Date: May 26, 2017

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

ASHWIN C. SHROFF
Chairman and Managing Director
DIN: 00019952

USHA A. SHROFF
Executive Vice Chairperson
DIN: 00020519

RAVI A. SHROFF
Executive Director
DIN: 00033505

KAILAS D. DABHOLKAR
Chief Financial Office

SURENDRA K. SINGHVI
Company Secretary

Place : Mumbai
Date: May 26, 2017

NOTES

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

Registered Office: 184 – 87, S. V. Road, Jogeshwari (West), Mumbai - 400 102
Phone: 022-66464200 Fax: +91-22-2678 3657 Email: excel.mumbai@excelind.com Website: www.excelind.co.in

PROXY FORM

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

I/We, being the member(s) of Excel Industries Limited, holding _____ shares of the Company, hereby appoint:

1. Name:

   Address:

   E-mail Id:

   Signature:..... or failing him/her

2. Name:

   Address:

   E-mail Id:

   Signature:..... or failing him/her

3. Name:

   Address:

   E-mail ID:

   Signature:.....

as my/our proxy to attend and vote (on a poll) on my/our behalf at the **56th Annual General Meeting** of the Company, to be held on **Thursday, the 03rd August, 2017 at 3.00 p.m.** at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020 and at any adjournment thereof in respect of following resolutions :

EXCEL INDUSTRIES LIMITED

CIN: L24200MH1960PLC011807

Registered Office: 184 – 87, S. V. Road, Jogeshwari (West), Mumbai - 400 102
Phone: 022-66464200 Fax: +91-22-2678 3657 Email: excel.mumbai@excelind.com Website: www.excelind.co.in

Resolution No.	Description	VOTE (Optional-See Note 2 and 3)	
		For	Against
	Ordinary Business:		
1	To consider and adopt the **audited** standalone and consolidated **financial statements** of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors and Auditors thereon.		
2	To declare a **Dividend** for the financial year ended 31st March, 2017, on Equity Shares of the Company		
3	To appoint a Director in place of **Mr. Dipesh K Shroff** (DIN 00030792), who retires by rotation and being eligible, offers himself for re-appointment		
4	To **Appoint Auditors** of the Company		
	Special Business:		
5	To **re-appoint** Mrs Usha A Shroff as Executive Vice-Chairperson of the Company		
6	To approve **revision in salary** of Mr. Ravi A Shroff, Executive Director of the Company		
7	To ratify the remuneration of the **Cost Auditors**		

Signed this ..... day of ....., 2017.

…….....
Signature of the Member

…….
Signature of Proxy holder(s)

Affix Re. 1/- Revenue Stamp

Notes:

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

A REQUEST

We are sure that you have read with interest the Annual Report for the year 2016-17. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.

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Excel Industries Limited
CIN: L24200MH1960PLC011807

Registered Office :
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