

**ANNUAL
REPORT** **2012-13**



EXCEL INDUSTRIES LIMITED

EXCEL INDUSTRIES LIMITED

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52nd Annual General Meeting

on Friday 26-07-2013 at 3.00 p.m.

at Rama Watumull Auditorium,

Kishinchand Chellaram College,

Dinshaw Wacha Road,

Churchgate, Mumbai-400 020.

A REQUEST

We are sure you will read with interest the Annual Report for the year 2012-13. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.

EXCEL INDUSTRIES LIMITED

CHAIRMAN EMERITUS

K. C. SHROFF

G. NARAYANA

BOARD OF DIRECTORS

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

U. A. SHROFF, *Executive Vice Chairperson*

S. R. POTDAR, *Executive Director*

A. G. SHROFF

R. N. BHOGALE

H. N. MOTIWALLA

P. S. JHAVERI

D. K. SHROFF

M. B. PAREKH

N. B. SATHE

COMPANY SECRETARY

S. K. SINGHVI

AUDITORS

S. R. BATLIBOI & CO. LLP

Chartered Accountants

BANKERS

Bank of India

State Bank of India

Axis Bank Limited

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited,

C-13, Pannalal Silk Mills Compound,

Bhandup (W), Mumbai 400 078.

Tel : 2596 3838, Fax : 2594 6969

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

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

REGISTERED OFFICE

184-87, Swami Vivekanand Road,

Jogeshwari (West), Mumbai 400 102.

Tel : 6646 4200

E-mail : excel.mumbai@excelind.com

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

FACTORIES

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

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

Baherampura, Ahmedabad, Gujarat.

EXCEL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 52nd ANNUAL GENERAL MEETING of the Members of EXCEL INDUSTRIES LIMITED will be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Friday, the 26th July, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss of the Company for the financial year ended 31st March, 2013, the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. N. B. Sathe who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. H. N. Motiwalla who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolutions passed by the Remuneration Committee of Directors of the Company and by the Board of Directors at their meetings held on 21st January, 2013 consent and approval of the Members of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mrs. Usha A. Shroff as Executive Vice Chairperson of the Company for a period of five years with effect from 22nd January, 2013 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mrs. Usha A. Shroff, placed before this meeting and duly initialled by the Chairman & Managing Director of the Company for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall include the Remuneration Committee constituted by the Board) be and are authorised to alter and vary the terms and conditions of appointment in such manner as may be agreed to between the Board and Mrs. Usha A. Shroff, but so as not to exceed the remuneration set out in the draft Agreement and also the limits specified in Schedule XIII to the Act or any modification(s) thereto or re-enactment thereof.”

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 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.
2. An Explanatory Statement relating to the Special Business under Item No. 6 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors appointed/re-appointed is appearing in the Corporate Governance Report forming part of this Annual Report.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 20th July, 2013, to Friday, the 26th July, 2013 (both days inclusive).
5. Members are requested to notify immediately any change in their addresses to their Depository Participants (DPs) in respect of their Demat share accounts quoting Client ID No. and to the Company in respect of their holding in physical shares, quoting Folio No.

6. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 30th July, 2013 to the Members whose names stand on the Company's Register of Members on Friday, the 26th July, 2013 and to the Beneficiary Holders under Demat Category as per the Beneficiary List on the close of business hours on Friday, the 19th July, 2013 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.
7. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centres by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under the RBI Centres who have not furnished requisite information and who wish to avail of NECS facility to receive dividend from the Company may furnish the information to Link Intime India Private Limited, the Registrars and Transfer Agents. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS mechanism.
8. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund.

The details of dividend declared/paid for the financial year 2006-07 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 |
|---------------------|-----------------------|----------------------|---|
| 26.07.2007 | 2006-07 | 0.50 | 31.08.2014 |
| 04.09.2008 | 2007-08 | 1.00 | 10.10.2015 |
| 24.08.2009 | 2008-09 | 0.50 | 29.09.2016 |
| 19.07.2010 | 2009-10 | 2.00 | 24.08.2017 |
| 22.07.2011 | 2010-11 | 3.75 | 27.08.2018 |
| 20.07.2012 | 2011-12 | 2.00 | 25.08.2019 |

Members who have not encashed the dividend warrants for the year 2006-2007 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.

9. To support green initiative of the Government, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Registrar of the Company i.e. M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078.

REQUEST TO THE MEMBERS

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

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Registered Office:

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

Mumbai, 24th May, 2013

EXCEL INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6.

Mrs. Usha A. Shroff was re-appointed as Executive Vice Chairperson of the Company for a period of five years with effect from 22nd January, 2008. The term of her office expired on 21st January, 2013. The Board of Directors in its meeting held on 21st January, 2013, on the recommendation of the Remuneration Committee, has reappointed her as the Executive Vice Chairperson of the Company for a further period of five years with effect from 22nd January, 2013 on the terms and conditions including remuneration as set out in the draft Agreement to be executed subject to approval of the members.

An abstract of the terms and conditions of the re-appointment of Mrs. Usha A. Shroff, as the Executive Vice Chairperson of the Company and the Memorandum of Interest of the Directors in the said resolution was circulated to the members within the prescribed time as required under Section 302 of the Companies Act, 1956.

The draft Agreement between the Company and Mrs. Usha A. Shroff contains, *inter alia*, the following terms and conditions:

I. SALARY

₹ 2,15,000/- per month in the scale of ₹ 2,15,000 – 20,000 – 2,95,000.

The annual increments will be effective from 22nd January each year (commencing from the year 2014) and will be decided by the Board as it may deem appropriate.

II. PERQUISITES

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

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

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

The Company's contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity and Leave Encashment at the end of her tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

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, but not exceeding 24 months of her salary, within the overall ceilings stipulated as per the provisions of the Companies Act, 1956.

MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, then in such an event, subject to the approval of 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.

EXCEL INDUSTRIES LIMITED

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 service.
- (b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by her in performance of duties.
- (c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (d) In the event of any dispute or difference arising at any time between Mrs. Usha A. Shroff and the Company in respect of the terms of her appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The draft Agreement referred to in the resolution under Item No. 6 of the Notice will remain open for inspection by the Members at the Registered Office of the Company on any working day between 2.00 p.m. and 4.00 p.m. up to the date of Annual General Meeting.

The Board recommends the resolution for approval by the members.

Mrs. Usha A. Shroff and Mr. A. C. Shroff are interested in this resolution. None of the other Directors of the Company is, in any way, concerned or interested in this resolution.

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Registered Office:

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

Mumbai, 24th May, 2013

EXCEL INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 52nd Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

| | 2012-13 | | (₹ in Lacs) |
|--|-----------------|----------|-------------|
| | | 2011-12 | |
| Gross Profit for the year was | 3181.30 | 2146.30 | |
| Less: Depreciation/Amortisation | 1013.21 | 969.55 | |
| Leaving a net profit before exceptional item and Tax | 2168.09 | 1176.75 | |
| Exceptional item | — | 724.01 | |
| Leaving a net profit before Tax | 2168.09 | 1900.76 | |
| Provision for Taxation: | | | |
| Current Tax | (703.00) | (364.00) | |
| Adjustment of tax related to earlier year | 80.48 | 2.20 | |
| Minimum Alternate Tax (Entitlement) | — | 12.00 | |
| Deferred Tax | (66.26) | (36.63) | (386.43) |
| | 1479.31 | | 1514.33 |
| Add thereto/(reduce therefrom): | | | |
| Prior period adjustments | 2.25 | | (46.50) |
| Profit After Tax | 1481.56 | | 1467.83 |
| Add thereto | | | |
| Balance brought forward from the previous year | 1145.81 | | 1131.47 |
| Leaving a balance available for Appropriation | 2627.37 | | 2599.30 |
| Appropriations: | | | |
| Proposed Dividend | 327.17 | | 218.11 |
| Tax on Dividend | 55.60 | | 35.38 |
| Transfer to General Reserve | 1000.00 | | 1200.00 |
| | 1382.77 | | 1453.49 |
| Carried forward to next year | 1244.60 | | 1145.81 |

2. DIVIDEND

Your Directors have recommended a Dividend of 60% amounting to 3/- per equity share of ₹ 5/- each compared to a dividend of 40% (₹ 2/- per share) in the previous year.

3. OPERATIONS

During the year under review, the net sales increased from ₹ 301.38 crores to ₹ 378.96 crores, registering a growth of 26% and exports increased from ₹ 63.05 crores to ₹ 75.01 crores registering an increase of 19%. During the year under review, the Company made a profit of ₹ 21.68 crores before taxation compared to ₹ 11.77 crores in the previous year. Net profit after tax amounted to ₹ 14.82 crores as compared to ₹ 14.68 crores in the previous year which included exceptional item of ₹ 7.24 crores being the profit arising out of transfer of 59% of its rights in the land at Jogeshwari.

4. NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The Company has set up a new plant at its Lote Parshuram site for manufacturing Pharmaceutical Intermediates. The Company is developing the market for certain identified intermediates and has developed manufacturing processes through its Research and Development. Certain veterinary products are also being introduced. New products are under customer evaluation and will be commercialized in the Polymer Inputs Segment. Major repairs and renovation work is underway for the DETC plant at Roha site.

The Company is working on newer designs for the OWC machine and also trying out machinery and processes for faster completion of the kitchen waste treatment. Segregation of waste plastics and recovery of all saleable components are the improvement projects at the Ahmedabad Celrich plant.

5. OUTLOOK

The demand for the agri intermediates continues to be strong in the current year as well. The volumes projected for the Water treatment chemicals business show increase owing to the shift in the pricing strategy. The evaluation of samples by the potential customers underway presently will lead to commercial sales during the current year. The design and construction of the facility to manufacture Pharmaceutical intermediates has also been completed and trial productions are underway. Here too, the evaluation and validation of the samples by the customers is almost complete and several new products will be launched during the year. The Company is also entering the field of Veterinary Medicines and trial productions are being made. With the introduction of several new business areas, a healthy growth is being projected. However, the increasing prices of Phosphorous and Ethanol could place the margins under pressure.

The outlook for Organic Waste Converter (OWC) business is encouraging. With induction of new team members in the management, sales and engineering teams, there is a renewed focus on product innovation, branding, new business associations and performance driven culture. In the field of Centralized Plants, there is a focus to provide Waste-To-Energy solutions at a centralized level to Urban Local Bodies.

6. ENVIRONMENT, HEALTH AND SAFETY (EHS)

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

The Chemical Industry demonstrates its commitment to safe and sustainable operations through the "Responsible Care" initiative administered globally by the International Council of Chemical Associations. It is steered in India by the Indian Chemical Council which grants the use of "Responsible Care" Logo after a rigorous audit. The Company presented itself to an audit by the ICC Audit team and the Company was successful in securing the prestigious logo for a period of three years from June 2013.

7. QUALITY

The products of the Company are quality driven. The Company continues to maintain industry-best standards in managing the quality of its products and services and has received appreciation and awards from its customers.

8. INSURANCE

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

9. SUBSIDIARY COMPANIES

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

10. FIXED DEPOSITS

The amount of fixed deposits from the public and loans from the shareholders at the end of the year under review, aggregated to ₹ 13,54.01 lacs. 62 Depositors did not claim their deposits after the date on which the deposits became due for payment. The amount due on such deposits and remaining unclaimed as on 31st March, 2013, was ₹ 30.57 lacs. It has come down to ₹ 14.62 lacs as on the date of this Report.

11. DIRECTORS

Mr. N. B. Sathe and Mr. H. N. Motiwala, Directors, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment. The particulars of the Directors seeking reappointment at the forthcoming Annual General Meeting are furnished in the Corporate Governance Report.

12. CORPORATE SOCIAL RESPONSIBILITY

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

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

13. DIRECTORS' RESPONSIBILITY

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (d) they have prepared the annual accounts on a going concern basis.

14. CORPORATE GOVERNANCE

Your Company has continued to practice the principles of good Corporate Governance during the year and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report and the Auditors' Certificate regarding compliance of the same are part of this Annual Report.

15. HUMAN RESOURCES

Human Resource is considered as the most valuable asset of the Company. The Company has continued the emphasis on development of people with full commitment and has taken steps to provide them opportunities to learn relevant skills and acquire knowledge. The top management of the Company has taken keen interest in the training and development activities. Growth of the employees continues to be the prime importance of the Company.

Employee relations continue to be cordial and harmonious.

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

16. OTHER INFORMATION

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

17. AUDITORS

The Statutory Auditors have converted their Firm to Limited Liability Partnership and, thus, the Firm has become S. R. Batliboi & Co. LLP, with effect from 1st April, 2013.

S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai will retire at the conclusion of the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for reappointment as Auditors of the Company.

18. COST AUDITORS

The Company appointed Mr. Kishore Bhatia, Cost Auditor, to audit the cost accounts of the Company for the year 2012-13 in compliance with the provisions of Section 233B of the Companies Act, 1956, for its products falling under Insecticides, Industrial Alcohol, Bulk Drugs (including intermediates), Fertilizers, and Organic & Inorganic Chemicals.

19. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support of the Shareholders, Government Authorities, Bankers, Investors, Customers and Suppliers, and the faith reposed by them in the Company and its management.

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 24th May, 2013.

EXCEL INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

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

Disclosures

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures implemented in recent past:

- Achieved better Steam coal ratio in Coal fired boiler by using dry coal, flue gas monitoring and doing regular maintenance activities.
- Optimization of brine circulation by measuring and controlling brine flow through chlorination reactor jacket.
- Conducted Pump performance audit and implemented audit findings like replacement of Pumps with high efficiency pumps and performance optimization by doing modification in pumps.
- Temperature monitoring and steam control measure in sulphur melting and storage setup.
- Use of LED lights in Pharma Plant.

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

- Purchase of new higher capacity dual solid fuel fired boiler to avoid operating oil fired boiler for additional steam requirement (Lote Unit)
- Conversion of standby Oil fired boiler into coal fired boiler (Roha Unit)
- Replacement of existing old VAM unit with new efficient VAM unit (Lote Unit).
- Installation of reciprocating high vacuum pump for saving electricity and in recovery of solvent consumption.

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

- Steam generated per kilogram of coal is increased from 6.3 kgs. to 6.7 kgs.
- Steam consumption reduced by 20% in product Phosphorus Pentasulphide.
- Power consumption reduced by 10% in Polymer Input Plant.

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

| | Current Year (2012-13) | Previous Year (2011-12) |
|--|-----------------------------------|----------------------------|
| A. Power and Fuel Consumption | | |
| 1. Electricity | | |
| (a) Purchased | | |
| Unit ('000 KWH) | 21,650 | 19,374 |
| Total Amount (₹ in lacs) | 16,66.69 | 12,67.20 |
| Rate/Unit (₹) | 7.70 | 6.54 |
| (b) Own Generation | | |
| (i) Through Diesel | | |
| Generated Unit ('000 KWH) | 157 | 110 |
| Units per Ltr. of Diesel Oil | 3.54 | 3.18 |
| Cost/Unit (₹) | 13.55 | 13.74 |
| (ii) Through Steam Turbine/Generator Units | Nil | Nil |

| | Current Year (2012-13) | Previous Year (2011-12) |
|--------------------------|-----------------------------------|----------------------------|
| 2. Coal | | |
| Qty. (MT) | 14,043 | 13,702 |
| Total Amount (₹ in lacs) | 8,40.45 | 8,47.18 |
| Avg. Rate (₹/Kg.) | 5.98 | 6.18 |
| 3. Fuel | | |
| Qty. (MT) | 474 | 466 |
| Total Amount (₹ in lacs) | 1,99.01 | 1,67.10 |
| Avg. Rate (₹/Kg.) | 41.96 | 35.89 |

B. Consumption per ton of production

| | Current Year (2012-13) | | | | Previous Year (2011-12) | | | |
|--------------------------|-------------------------------|-------------|--------------------|-------------|-------------------------|------|-------------|------|
| | Fuel | | Electricity | | Fuel | | Electricity | |
| | Kg. | ₹ | kwh | ₹ | Kg. | ₹ | kwh | ₹ |
| 1. Phosphorous compounds | 273 | 2589 | 391 | 3027 | 163 | 3089 | 385 | 2558 |
| 2. Chemicals | 898 | 9518 | 730 | 5663 | 263 | 5208 | 740 | 4895 |
| 3. Organic Manure | Nil | Nil | 40 | 294 | Nil | Nil | 53 | 354 |

(B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

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

- As a move towards “Green Chemistry”, an innovative recovery and recycling process of Alkyl halide established and implemented.
- Process optimization and analytical method development successfully accomplished for two products in Polymer Inputs segment. Commercial production of one product started and other to be taken up in First quarter.
- High value Phosphorus based Veterinary drug developed and validation is in process. Commercial production is expected to be started in the Second quarter.
- Insitu generation and utilization of an acid catalyst successfully implemented in Polymer Input Plant, has resulted in capacity enhancement, reduction in environment pollution and energy conservation.
- Commercial production started of Pharma Intermediates for Anti Retroviral segment.

2. *Benefits derived as a result of above efforts:*

- Product quality improved and catalyst cost as well as Furnace oil consumption reduced.
- Capacity of production increased by maintaining pollution standards.

3. *Future plan of action:*

- Process development and validation for new generation API to be used in orthopedic segment.
- To develop viable processes of multifaceted molecules to cater the Veterinary Pharmaceutical segment.
- R&D is in advanced stage of finalization for a couple of Polymer Input Products.
- High quality Ultra pure polymer input product developed for a specific application.

4. Expenditure on R & D for the year 2012-2013:

| | (₹ in Lacs) |
|---|-------------|
| (a) Capital | 104.94 |
| (b) Recurring | 283.70 |
| (c) Total | 388.64 |
| (d) Total R & D expenditure as a percentage of total turnover | 1% |

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- The Company continues to see strong demand for the agro-chemical intermediates manufactured by it. The Company continues to invest in back end logistical infrastructure (purchase and lease of ISO tanks etc) in order to cater to this demand.
- The addition of new customers for the Polycarbonate additive manufactured by the Company has resulted in increased volumes of this product. Efforts are on to further expand the export customer base for this product.
- The Company has added certain new products (property modifiers and flame retardants) to its Polymer Inputs range. Export markets are being explored for these new products.
- The water treatment range of products continues to face severe price pressures due to the commoditised nature of these products. Hence for these products, the company has followed a strategy of catering to select segments / customers where the realisations are better.

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

| | (₹ in Crores) |
|--------|---------------|
| Used | 97.01 |
| Earned | 75.13 |

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 24th May, 2013.

EXCEL INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 2013.

| Name of the Employee | Designation/ Nature of duties | Remune- ration ₹ | Qualifications | Experience Years | Date of Commencement of Employment | Age Years | Particulars of last employment Employer, last post and period for which post held |
|----------------------|------------------------------------|------------------------|----------------------------|---------------------|--|--------------|---|
| A. C. Shroff | Chairman & Managing Director | 83,47,078 | B.Sc. | 47 | 01.09.1965 | 68 | — |
| Usha A. Shroff | Executive Vice Chairperson | 78,23,010 | M.Com | 45 | 01.11.1968 | 66 | — |
| S. R. Potdar | Executive Director | 73,77,972 | B.Tech (Chem), PG.D.I.E | 38 | 12.10.1974 | 60 | — |

- Notes: 1. Remuneration mentioned above includes salary, allowances, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund but does not include contribution/provision towards Gratuity Fund.
2. The employment of Mr. A. C. Shroff, Mrs. Usha A. Shroff and Mr. S. R. Potdar is contractual. The period of employment in respect of Mr. A. C. Shroff and Mrs. Usha A. Shroff is five years and is three years in respect of Mr. S. R. Potdar.
3. None of the employees is related to each other except Mr. A. C. Shroff and Mrs. Usha A. Shroff.

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 24th May, 2013.

EXCEL INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

1.1 Business Segment – Chemicals Business Division

(a) Industry structure and development:

The Company is engaged in the business of Specialty Chemicals and Intermediates. The various chemical intermediates produced by the Company are used in segments like Agricultural Chemicals, Lubricant Oil Additives, Mineral beneficiation formulations, Dyes and Intermediates, Polymer processing and Pharmaceuticals. The Company has also built a large business for performance chemicals delivering applications in Polymer manufacturing, Water Treatment, Soaps and detergents, Textile Auxiliaries, preservation of materials through biocidal activity, and imparting specific beneficial attributes to plastics during and post processing. Over the years, the portfolio of specialties has been growing with the introduction of new products.

The Indian Chemical Industry has firmly established itself as a reliable supplier of high quality specialty chemicals and this field is slated to grow faster than other areas of the Chemical Industry. The participants are typically medium sized and the markets served are both domestic and overseas. Technology and knowledge management are often the mainstay of the companies in this field and clearly the pioneering efforts of the Company have given it a special advantage of rapidly developing processes for complex and high quality materials to deliver performance demanded by the application. Large corporations worldwide continue developing end use products for which they need specialty intermediates and the process development and manufacturing of these specialties is increasingly taken up in India and China.

The production of Organophosphorous Insecticides continues to be strong in India for both domestic consumption and exports and the Company's intermediates continue to be in demand. Both water treatment and the detergent industries have become extremely price sensitive concerning the sourcing of inputs. Competition from China is acute both in the domestic market through imports from China at very low prices and in the export market where the Company has had to withdraw from several markets due to unremunerative prices. The other market segments including Pharmaceutical intermediates have shown satisfactory growth and the Company has retained its position of leadership.

On the input cost side, the prices of major raw materials saw a sharp increase. Phosphorous availability saw fluctuations in the flow from China and Vietnam and this also affected the prices. Reduction in the sugar production and political thrust to the petrol blending operations saw sharp increase in the price of Ethanol. Continued large scale import of Caustic Soda resulted in low prices for the product but pushed up the prices of Chlorine which has a larger impact on the Company. Other crude oil based downstream petrochemicals, except Acetic Acid, moved within a satisfactory range.

(b) Opportunities and threats:

The reduced availability of Chemical products from China which was a pattern in the previous year continued during most part of the year and began changing only towards the end of the year. Demand for Company's major product DETC was strong up to first three quarters and the competing prices from China were high. The Company could meet the demand with sustained high production levels and thus achieved a high growth in the Phosphorous products segment. A new segment was opened up for the biocide that the Company produces and a healthy growth was observed after stagnancy of several years. The market for Specialty Chemicals and Mining products was also growing satisfactorily through introduction of new customers for the former and through improved volumes in case of the latter and the appreciation in the value of US Dollar helped achieve improved margins.

The growing preference of outsourcing intermediates by the leading Pharmaceutical companies offers a vast opportunity which the Company has committed to exploit. The Polymer processing industry is looking for indigenous availability of specialty additives and the Company has also identified few export oriented products for development. The Company is exploring opportunities in the field of high value chemicals required in the Electronics Industry.

The changing scenario of availability of Yellow Phosphorous and DETC from China and the Chinese government support for export of the same will pose a threat or opportunity for the Company. The long term future of Chlorpyrifos is

not certain and the pace of changes will decide the future of DETC. The Chinese policies also influence prices of Phosphorous produced in and exported from Vietnam which is the main supplier to the Company presently. The severe drought conditions in Maharashtra in the year are bound to affect sugar season in the forthcoming year and the prices of Ethanol may further rise.

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

The volume and price realization of both the Phosphorous based Agri intermediates improved contributing to better financial results this year. Acetyl Chloride and Biocel also saw significantly increased volumes. The increase in exports was a combined effect of volume growth and depreciation of the Rupee. The demand for the agri intermediates continues to be strong in the current year as well. The volumes projected for the Water treatment chemicals business shows the strategic shift in the marketing to offer dollar based pricing to the domestic importers thus discouraging and substituting imports.

The Company has reconfigured the plant assets to undertake the manufacture of flame retardants and other polymer additives. The process of evaluation of the samples by the potential customers is nearing completion and commercial sales are expected to add to the sales turnover during the current year. The design and construction of the facility to manufacture Pharmaceutical intermediates has also been completed and trial productions are underway. Here too, the evaluation and validation of the samples by the customers is almost complete and several new products will be launched during the year. The Company is also entering the field of Veterinary Medicines and trial productions are being made and economic viability is being examined. With the introduction of several new business areas, a healthy growth is being projected.

(d) **Risks and Concerns:**

The prices of DETC from China have again begun to be of concern to the Company. Globally, the regulatory pressure on Chlorpyrifos is known to be on the rise and this may adversely affect the export from India. Severe drought in India in general and in sugar cane areas in Maharashtra in particular along with the government announced increases in the price for ethanol to be blended in petrol will adversely impact the production economy of DETC. The major raw material Phosphorous has seen significant price increase in 2012-13 and still continues to rise. Against this, the ability to pass on the same to the customer is reducing due to the low priced imports. This is likely to impact margins.

1.2 **Business Segment – Environment and Biotech Division**

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

The Municipal Solid Waste (MSW) Management industry is undergoing rapid transformation in India. The awareness of need to treat the waste before dumping is ever increasing. There is a sharp increase in the number of companies entering the field and several different technologies are being offered and deployed as options. Compost, Fuel briquettes, fuel oil itself, biogas and electrical energy are all considered commercially viable and private investments are being made in large scale plants. The industry is not yet working on the Public Private Partnership (PPP) pattern because the private sector appears to be willing to make the investments despite seeking a limited viability gap funding. The general technology preference on both private and Urban Local Body sides seems to be Waste to energy. The Government is proceeding to provide much needed statutory and fiscal support to the city waste compost and this will help realise improved prices.

Running alongside this, the Company is pioneering the treatment at the decentralized level through the Organic Waste Converter (OWC) technology. The other technologies at this level are the Vermicompost and the mini biogas plants. There is no real competition but the concept of “treat your waste yourself as Municipality will not cart it away” has yet to evolve in our society. The Company is doing the best possible to educate the bulk waste generators and to bring a statutory push with the help of regulatory bodies.

(b) **Opportunities and threats:**

Several Urban Local Bodies (ULB) are proposing to set up MSW treatment plants with a preference of Waste to energy and developers of specific technologies are showing interest in setting up these plants. Projects are convincing enough

to attract funding by financial Institutions along with, in certain cases, viability gap funding through subsidies. Many of these technologies, except in case of total combustion, will require segregation and composting of the biodegradable portion and there is role for the technology which the Company has perfected over two decades now. The Company is actively pursuing all such opportunities. The Company has applied to the Ahmedabad Municipal Corporation to grant a renewal of the lease period for its plant at Pirana, Ahmedabad and hopes to receive necessary approval soon. Extended technologies and improved economics will be proven in this plant and the Company hopes to be able to market this knowledge.

Complete combustion of the waste to generate steam and then electricity will not require any form of composting and if this is the popular choice of technology, the Company will lose the opportunity of selling technology of composting. The economic viability of any kind of plant is yet to be established and the delay is also a threat to the progress of composting technology.

The Company is devising innovative financing schemes for the OWC customers. This could induce a large number of new customers. The project completed by the Company for Uttarakhand Agricultural Produce Marketing Board showcases the OWC Technology and could open the doors in many states and many such bulk waste generators. Delay in regulations regarding segregation of Waste at source is also a threat to the spread of composting either in large or small scale. High cost and requirement of floor space is also impeding the spread of OWC technology. Long delays are a normal feature in many ULB projects.

(c) Segment wise performance and outlook:

Production and sale of the compost Celrich reached a new high during the year and so did the export of Biocullum. Extensive research and development activities were conducted at Ahmedabad and elsewhere for (i) pre-segregation of the waste (ii) conversion of waste plastic material into fuel oil (iii) conversion of waste plastic into substitute wood material for use in construction industry and (iv) conversion of celrich into granular form. The customer preference to the organic manure is being reinforced resulting in continuous offtake at improved prices. Designs are being completed to significantly upgrade the plant once the land lease agreement is formally renewed by AMC.

The OWC business has done well particularly with the completion of the multi unit installation at various sites for Agricultural Produce Marketing Board of Uttarakhand. The Company hopes to replicate this successful model for other states and other APM Boards. Serious efforts are being made to commence export of these units. Business is also getting better organized with induction of new talent and with procedures related to Annual Maintenance Contracts and warranty servicing. Research and Development work is going on (i) to develop a continuous process; (ii) a high performance microbial culture; (iii) a continuous waste feed arrangement; (iv) alternate material of construction; (v) handling alternate waste materials like garden wastes and (vi) on cost reduction initiatives.

Substantial growth is projected for both arms of the division in the coming year.

(d) Risks and concerns:

The Ahmedabad plant is located on a plot of land leased from the Ahmedabad Municipal Corporation and the lease agreement has come up for renewal. The Company has developed various schemes to improve the commercial viability and the waste intake capacity of the plant. Investments are also required to make the plant working round the year including in the monsoons. These schemes need investments which are proposed to be made once the renewal of lease is granted. The sooner these investments are completed, the viability of the plant itself will be improved and the Company will be able to market the technologies developed therein. The Company hopes to conclude all the issues in an expeditious manner. The challenge is to reduce the process residues from the current levels to under 20%.

In the OWC business, in cases like the APMB projects, the time interval from proposal to completion is running too long and hence become resource demanding. Newer territories are also being established and servicing the machines across the country calls for building a strong organization. The efforts to substantially reduce the cost of OWC continue this year too.

EXCEL INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in Clause No. 49 of the Listing Agreement of the Stock Exchanges.

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

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

2. Board of Directors

The Board of Directors comprises of three Whole-time Directors and seven Non-Executive Directors.

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

| NAME | CATEGORY | NO. OF BOARD MEETINGS ATTENDED DURING 2012-13 | ATTENDANCE AT LAST AGM | NO. OF DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES INCORPORATED IN INDIA | NO. OF OTHER BOARD COMMITTEES OF WHICH HE/SHE IS MEMBER/ CHAIRPERSON |
|---|-----------------------------|---|------------------------|--|--|
| Mr. A. C. Shroff Chairman & Managing Director | Promoter – Executive | 6 | YES | 6 | 2 |
| Mrs. Usha A. Shroff Executive Vice Chairperson | Promoter – Executive | 6 | YES | 7 | 3 |
| Mr. S. R. Potdar Executive Director | Executive | 5 | YES | 2 | Nil |
| Mr. Atul G. Shroff | Promoter – Non-Executive | 4 | YES | 4 | 5 |
| Mr. R. N. Bhogale | Independent – Non-Executive | 4 | YES | 1 | Nil |
| Mr. H.N. Motiwalla | Independent – Non-Executive | 6 | YES | 7 | 1 |
| Mr. P. S. Jhaveri | Independent – Non-Executive | 5 | YES | 4 | 4 |
| Mr. Dipesh K. Shroff | Promoter – Non-Executive | 5 | YES | 11 | 1 |
| Mr. M. B. Parekh | Independent – Non-Executive | 3 | YES | 4 | Nil |
| Mr. N.B. Sathe | Independent – Non-Executive | 2 | YES | 1 | Nil |

The Company held meetings of its Board of Directors during the year on the following dates.

25.05.2012
31.01.2013

20.07.2012
22.03.2013

30.10.2012

21.01.2013

3. **Particulars of the Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting**

| | |
|--|--|
| Name of the Director | MR. N. B. SATHE |
| Date of Birth | 05-01-1957 |
| Date of Appointment | 24-10-2008 |
| Expertise in specific functional areas | Vast experience in Banking, Insurance and Administration |
| Qualifications | M.Com from Nagpur University & CAIIB |
| Other Public Companies in which Directorship held | LIC Nomura Mutual Fund AMC Ltd. |
| Other Public Companies in which membership of Committees of Directors held | Nil |
| No. of Shares held on 31 st March, 2013 | Nil |

| | |
|--|--|
| Name of the Director | MR. H. N. MOTIWALLA |
| Date of Birth | 24-03-1945 |
| Date of Appointment | 24-05-2002 |
| Expertise in specific functional areas | Accounting, Audit, Finance, Taxation, Company Law |
| Qualifications | Chartered Accountant |
| Other Public Companies in which Directorship held | Hi-tech Plast Ltd. Bal Krishna Synthetics Ltd. Gujarat Organics Ltd. Ashapura Minechem Ltd. Multibase India Ltd. Siyaram Silk Mills Ltd. LIC Nomura Mutual Fund AMC Ltd. |
| Other Public Companies in which membership of Committees of Directors held | Audit Committee member of Multibase India Ltd. |
| No. of Shares held on 31 st March, 2013 | Nil |

4. **No. of Shares held by Non Executive Directors as on 31st March, 2013**

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

Other Non-Executive Directors do not hold any shares in the Company as on 31st March, 2013.

5. **Audit Committee**

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

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

The Company has complied with the requirements of Clause 49(II) (A) of the Listing Agreement as regards the composition of the Audit Committee.

The Audit Committee of the Board of Directors of the Company comprised of the following four Members as on 31st March, 2013:

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

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

The Audit Committee met on the following dates during the last financial year:

25th May, 2012; 20th July, 2012; 30th October, 2012; 31st January, 2013.

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 | 4 | 4 |
| Mrs. Usha A. Shroff | 4 | 4 |
| Mr. P. S. Jhaveri | 4 | 4 |
| Mr. R. N. Bhogale | 4 | 3 |

Audit Committee meetings are also attended by senior finance and accounts executives and Internal Auditors, as and when required. Statutory Auditors and Cost Auditors of the Company are also invited to the meetings.

6. Remuneration Committee

Terms of reference and composition:

The Broad terms of reference of the Company's Remuneration Committee are to determine and recommend to the Board and the members of the Company, the remuneration payable to Whole-time Directors, to determine and advise the Board for the payment of annual increments and commission to the Whole-time Directors and to determine and recommend policy for retirement benefits payable to its Whole-time Directors.

The Remuneration Committee comprised of the following three Members as on 31st March, 2013:

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

Meetings of the Remuneration Committee were held on 20th July, 2012 and 21st January, 2013. Attendance at the Remuneration Committee Meetings during the last financial year was as follows:

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

7. Remuneration of Directors:

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

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 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 Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

Given below are the details of remuneration paid to the Directors during the financial year 2012-13:

| DIRECTORS | SITTING FEES FOR BOARD/COMMITTEE MEETINGS (₹) | SALARIES AND OTHER PERQUISITES (₹) | COMMISSION (₹) | TOTAL (₹) |
|----------------------|--|---------------------------------------|-------------------|--------------|
| Mr. A. C. Shroff | N.A. | 59,47,078 | 24,00,000 | 83,47,078 |
| Mrs. Usha A. Shroff | N.A. | 54,23,010 | 24,00,000 | 78,23,010 |
| Mr. S. R. Potdar | N.A. | 49,77,972 | 24,00,000 | 73,77,972 |
| Mr. Atul G. Shroff | 20,000 | N.A. | 80,000 | 1,00,000 |
| Mr. R. N. Bhogale | 40,000 | N.A. | 1,80,000 | 2,20,000 |
| Mr. H. N. Motiwalla | 80,000 | N.A. | 2,00,000 | 2,80,000 |
| Mr. P. S. Jhaveri | 55,000 | N.A. | 2,00,000 | 2,55,000 |
| Mr. Dipesh K. Shroff | 45,000 | N.A. | 1,80,000 | 2,25,000 |
| Mr. M. B. Parekh | 15,000 | N.A. | 80,000 | 95,000 |
| Mr. N.B. Sathe | 10,000 | N.A. | 80,000 | 90,000 |

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

Severance compensation is payable to the Whole-time Directors, if their employment is terminated before the contractual period, subject to the provisions and limitations specified in Section 318 of the Companies Act, 1956. There are no stock options and performance linked incentive along with the performance criteria 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 2011-12 which has been paid in the year 2012-13.

8. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee looks into the Investors' complaints, if any, and to redress the same expeditiously.

The Shareholders'/Investors' Grievance Committee comprised of the following four Members as on 31st March, 2013:

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

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

The Shareholders'/Investors' Grievance Committee met on the following dates during the last financial year:

25th May, 2012, 20th July, 2012, 30th October, 2012 and 31st January, 2013.

Attendance at the Shareholders'/Investors' Grievance Committee Meeting during the last financial year was as follows:

| NAME OF DIRECTOR | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|----------------------|----------------------|--------------------------|
| Mr. Dipesh K. Shroff | 4 | 4 |
| Mrs. Usha A. Shroff | 4 | 4 |
| Mr. S. R. Potdar | 4 | 4 |
| Mr. H. N. Motiwalla | 4 | 4 |

During the year, 9 complaints were received from the investors all of which were replied/resolved. There are no shares pending for transfer as on 31st March, 2013.

9. General Meetings

Location and time of the last three Annual General Meetings

| YEAR | LOCATION | DAY/DATE | TIME | NO. OF SPECIAL RESOLUTIONS |
|---------|--|-------------------------------------|-----------|----------------------------|
| 2009-10 | Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 | Monday, 19 th July, 2010 | 3.00 p.m. | Nil |
| 2010-11 | -do- | Friday, 22 nd July, 2011 | 3.00 p.m. | 1 |
| 2011-12 | -do- | Friday, 20 th July, 2012 | 3.00 p.m. | 1 |

No special resolution was passed through Postal Ballot during 2012-13. None of the business proposed to be transacted at the ensuing 52nd Annual General Meeting require passing through Postal Ballot.

10. Disclosures

• Related Party Transactions:

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

Related party transactions include the contracts or arrangements made by the Company from time to time with companies in which the Directors are interested. All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the register is placed before the Board from time to time. There were no material transactions with related parties during the year 2012-13 that are prejudicial to the interest of the Company.

- **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.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements. The Company does not have Whistle Blower Policy. No employee of the Company has been denied access to the Audit Committee of the Company.

- **Particulars of Cost Auditor:**

| | |
|---|----------------------------------|
| Name of the Cost Auditor | M/s. Kishore Bhatia & Associates |
| Firm Registration No. | 00294 |
| Date of Appointment for the year 2012-13: | |
| Insecticides | 20.01.2012 |
| Bulk Drugs (Including Intermediates) | 20.01.2012 |
| Industrial Alcohol | 20.01.2012 |
| Fertilizers | 20.01.2012 |
| Organic & Inorganic Chemicals | 25.05.2012 |
| Filing of Cost Audit Report for FY 2011-12: | |
| Due Date | 28.02.2013 |
| Actual Date | 25.01.2013 |

11. **Means of Communication:**

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

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

13. **General Shareholder Information**

- **Annual General Meeting**

Date and Time : Friday, the 26th July, 2013 at 3.00 p.m.

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

- **Financial Year** : Year ending March 31

- **Dates of Book Closure** : Saturday, the 20th July, 2013 to Friday, the 26th July, 2013 (both days inclusive).

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

- **Listing Fees** : Listing fees for the year 2013-14 have been paid

- **Dividend payment date** : On or after 30th July, 2013

- Stock Codes (for shares):**

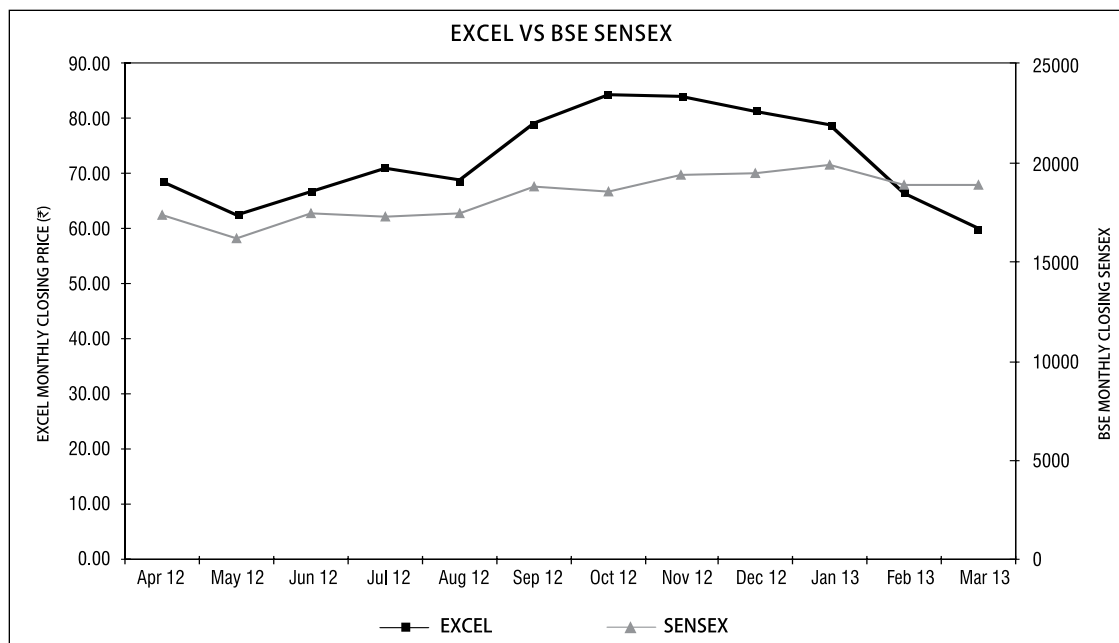
The Stock Exchange, Mumbai (Physical Segment) : 650
 The Stock Exchange, Mumbai (Demat Segment) : 500650
 National Stock Exchange of India Limited : EXCELINDUS
 Demat ISIN Number in NSDL and CDSL : INE 369A01029

- Market Price Data:**

| | BOMBAY STOCK EXCHANGE (IN ₹) | |
|------------|------------------------------|-------|
| | HIGH | LOW |
| April-2012 | 74.30 | 64.35 |
| May-2012 | 74.60 | 60.85 |
| June-2012 | 71.45 | 59.50 |
| July-2012 | 76.00 | 61.90 |
| Aug-2012 | 75.35 | 68.30 |
| Sept-2012 | 91.40 | 68.35 |
| Oct-2012 | 93.40 | 75.50 |
| Nov-2012 | 86.45 | 79.10 |
| Dec-2012 | 85.00 | 80.40 |
| Jan-2013 | 84.50 | 77.00 |
| Feb-2013 | 80.00 | 66.00 |
| Mar-2013 | 74.85 | 58.00 |

- Share Price Movements:**

Share Price Movement for the period from April, 2012 to March 2013 Excel Industries Limited vs BSE Sensex.



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

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

- **Distribution of Shareholdings as on 31st March, 2013**

| CATEGORY | NO. OF SHAREHOLDERS | PERCENTAGE | NO. OF SHARES | PERCENTAGE |
|--------------|---------------------|------------|---------------|------------|
| 1 - 500 | 11384 | 88.45 | 1583645 | 14.52 |
| 501 - 1000 | 778 | 6.05 | 568812 | 5.22 |
| 1001 - 2000 | 366 | 2.84 | 533013 | 4.89 |
| 2001 - 3000 | 112 | 0.87 | 278295 | 2.55 |
| 3001 - 4000 | 49 | 0.38 | 170546 | 1.56 |
| 4001 - 5000 | 37 | 0.29 | 172283 | 1.58 |
| 5001 - 10000 | 62 | 0.48 | 456417 | 4.19 |
| Above 10000 | 82 | 0.64 | 7142619 | 65.49 |
| Total | 12870 | 100.00 | 10905630 | 100.00 |

- **Categories of Shareholders as on 31st March, 2013**

| CATEGORY | NO. OF SHAREHOLDERS | NO. OF SHARES | VOTING STRENGTH % |
|---|---------------------|---------------|-------------------|
| Promoters | 39 | 4502822 | 41.29 |
| Life Insurance Corporation of India | 1 | 1012799 | 9.29 |
| Individuals | 12495 | 5010810 | 45.95 |
| Body Corporates | 197 | 321061 | 2.94 |
| Non-Resident Individuals | 115 | 53036 | 0.49 |
| Indian Banks and Mutual Funds | 13 | 3680 | 0.03 |
| Foreign Institutional Investors & Foreign Banks | 10 | 1422 | 0.01 |
| Total | 12870 | 10905630 | 100.00 |

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

| CATEGORY | NO. OF SHAREHOLDERS | SHARES |
|----------------|---------------------|--------|
| Body Corporate | 8 | 579 |
| Foreign Banks | 3 | 187 |
| Mutual Funds | 2 | 100 |
| Public | 257 | 37436 |
| Total | 270 | 38302 |

- **Dematerialisation of Shares and Liquidity :**

95.61% of the Company's share capital is held in dematerialised form as on 31st March, 2013. The Company's shares are regularly traded on The Bombay Stock Exchange Ltd., (BSE) and The National Stock Exchange of India Ltd., (NSE). The Stock Exchanges have introduced Periodic Call Auction for low volume scrips w.e.f. April 8, 2013 as per SEBI Circular no. CIR/MRD/DP/6/2013 dated February 14, 2013. Due to low trading volume, the scrip of the Company has been put under Periodic Call Auction mechanism.

- **Unclaimed Shares**

During the year, as per New Clause 5A of the Listing Agreement of the Stock Exchanges, the Company has after completing all the procedures transferred the unclaimed shares to "Excel Industries Unclaimed Share Suspense Account". Status of account is as under:

| Outstanding shares lying in the account at the beginning of the year | | Number of shareholders approached and to whom the Company transferred shares from the Unclaimed Share Suspense Account to shareholder account during the year | | Outstanding shares lying in the Unclaimed Share 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 |
| 277 | 39666 | 7 | 1364 | 270 | 38302 |

- **Factory Locations:**

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

- **Address for correspondence:**

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

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

LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai 400 078
Tel: 91 22 2596 3838/ 91 22 25946970

Help Desk contact

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

E-mail Address for Investor Grievances:

ranjan.desai@excelind.com

EXCEL INDUSTRIES LIMITED

12. Managing Directors Declaration on Code of Conduct and Ethics:

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

For and on behalf of the Board of Directors

A. C. SHROFF
Chairman & Managing Director

Mumbai, 24th May, 2013

AUDITORS' CERTIFICATE

To

The Members of Excel Industries Limited

We have examined the compliance of conditions of corporate governance by Excel Industries Limited, for the year ended on 31 March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm registration number: 301003E

per Vijay Maniar

Partner

Membership No.: 36738

Place: Mumbai

Date: 24 May 2013

EXCEL INDUSTRIES LIMITED

TEN-YEAR HIGHLIGHTS

| | | (₹ in lacs) | | | | | | | | | |
|---|---|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 |
| I. CAPITAL ACCOUNTS | | | | | | | | | | | |
| A. Share Capital | | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 |
| B. Reserves | | 12849.76 | 11750.98 | 10536.63 | 9670.21 | 9127.96 | 9147.61 | 9007.41 | 8936.96 | 8906.39 | 9049.67 |
| C. Shareholders' Funds (A+B) | | 13395.04 | 12296.26 | 11081.91 | 10215.49 | 9673.24 | 9692.89 | 9552.69 | 9482.24 | 9451.67 | 9594.95 |
| D. Borrowings | | 6887.10 | 6371.31 | 5181.78 | 6011.05 | 7523.50 | 7358.85 | 7280.99 | 10622.07 | 10035.26 | 10295.44 |
| E. Deferred Tax Liability (Net) | | 1472.50 | 1406.24 | 1369.61 | 1468.26 | 1019.22 | 993.70 | 919.55 | 886.31 | 1045.36 | 1836.60 |
| F. Capital Employed (C+D+E) | | 21754.64 | 20073.81 | 17633.30 | 17694.80 | 18215.96 | 18045.44 | 17753.23 | 20990.62 | 20532.29 | 21726.99 |
| G. Gross Block | | 24923.78 | 23246.53 | 21251.31 | 21507.89 | 21474.10 | 20721.74 | 19127.27 | 19014.61 | 17857.91 | 18192.06 |
| H. Net Block | | 12310.04 | 11256.31 | 10096.98 | 10440.01 | 10650.45 | 10975.93 | 10408.27 | 10459.51 | 10641.02 | 11109.25 |
| I. Debt-Equity Issue | | 0.51:1 | 0.52:1 | 0.47:1 | 0.59:1 | 0.78:1 | 0.76:1 | 0.76:1 | 1.12:1 | 1.06:1 | 1.07:1 |
| II. REVENUE ACCOUNTS | | | | | | | | | | | |
| A. Gross Revenue | | 42454.83 | 34376.84 | 29647.53 | 25497.38 | 26963.53 | 25412.91 | 22717.31 | 23543.59 | 25698.01 | 21102.42 |
| B. Profit/(Loss) before Taxes | | 2168.09 | 1176.75 | 2035.25 | 1139.61 | 137.08 | 593.50 | 198.04 | (280.13) | (487.44) | 64.62 |
| % of Gross Revenue | | 5.11% | 3.42% | 6.86% | 4.47% | 0.51% | 2.34% | 0.87% | -1.19% | -1.90% | 0.31% |
| C. Exceptional Item | | — | 724.01 | — | — | — | — | — | — | — | — |
| D. Profit/(Loss) after Taxes | | 1479.31 | 1514.33 | 1430.90 | 607.06 | 74.49 | 421.73 | 131.80 | (172.08) | (79.39) | 31.95 |
| % of Gross Revenue | | 3.48% | 4.41% | 4.83% | 2.38% | 0.28% | 1.66% | 0.58% | -0.73% | -0.31% | 0.15% |
| E. Return on Shareholders' Funds % | | 11.04% | 12.32% | 12.91% | 5.94% | 0.77% | 4.35% | 1.38% | -1.81% | -0.84% | 0.33% |
| III. EQUITY SHAREHOLDERS' EARNINGS | | | | | | | | | | | |
| A. Earning per Equity Share * | ₹ | 13.59 | 13.46 | 12.30 | 7.30 | 0.40 | 3.62 | 1.23 | (0.28) | (0.10) | 0.46 |
| B. Dividend per Equity Share * | ₹ | 3.00 | 2.00 | 3.75 | 2.00 | 0.50 | 1.00 | 0.50 | — | 0.50 | 1.00 |
| C. Equity Dividend | ₹ | 327.17 | 218.11 | 408.96 | 218.11 | 54.53 | 109.06 | 54.53 | — | 54.53 | 109.06 |
| D. Net Worth per Equity Share* | ₹ | 122.83 | 112.75 | 101.62 | 93.67 | 88.70 | 88.88 | 87.59 | 86.95 | 86.87 | 87.98 |
| E. Market Rate as on 31st March | ₹ | 60.00 | 68.70 | 74.15 | 58.25 | 26.45 | 53.15 | 41.17 | 58.90 | 60.05 | 74.10 |

* Face Value of Equity Share – ₹ 5/-.

EXCEL INDUSTRIES LIMITED

| SUMMARISED BALANCE SHEET | | | | |
|---|-----------|-----------------|-----------|-----------|
| As at 31st March | | | | |
| | 2013 | | 2012 | |
| | ₹ | ₹ | ₹ | ₹ |
| | (in lacs) | (in lacs) | (in lacs) | (in lacs) |
| WHAT THE COMPANY OWNED | | | | |
| 1. FIXED ASSETS | | | | |
| Gross Block | | 24923.78 | 23246.53 | |
| Less: Depreciation | | 12613.74 | 11990.22 | |
| | | 12310.04 | | 11256.31 |
| 2. INTANGIBLE ASSETS | | 253.18 | | 51.88 |
| 3. NON-CURRENT INVESTMENTS | | 1413.14 | | 1413.14 |
| 4. LONG TERM LOANS & ADVANCES | | | | |
| & OTHER NON-CURRENT ASSETS | | 605.76 | | 433.38 |
| 5. NET CURRENT ASSETS | | 7977.84 | | 7455.84 |
| | | 22559.96 | | 20610.55 |
| WHAT THE COMPANY OWED | | | | |
| 1. BORROWINGS (LONG TERM & SHORT TERM) | | 6887.10 | | 6371.31 |
| 2. LONG TERM PROVISIONS | | 805.32 | | 536.74 |
| 3. NET WORTH (Shareholders' Equity) | | | | |
| Represented by | | | | |
| (i) Share Capital | | 545.28 | 545.28 | |
| (ii) Reserves | | 12849.76 | 11750.98 | |
| | | 13395.04 | | 12296.26 |
| 4. DEFERRED TAX LIABILITIES (NET) | | 1472.50 | | 1406.24 |
| | | 22559.96 | | 20610.55 |
| SUMMARISED PROFIT AND LOSS ACCOUNT | | | | |
| For the year ended 31st March | | | | |
| | 2013 | | 2012 | |
| | ₹ | ₹ | ₹ | ₹ |
| | (in lacs) | (in lacs) | (in lacs) | (in lacs) |
| WHAT THE COMPANY EARNED | | | | |
| From Sales (including Excise Duty) | | 41534.70 | | 32499.76 |
| From Export Earnings | | 151.99 | 192.53 | |
| From Other Sources | | 768.14 | 1684.55 | |
| From Exceptional Income | | — | 724.01 | |
| | | 920.13 | | 2601.09 |
| | | 42454.83 | | 35100.85 |
| WHAT THE COMPANY SPENT | | | | |
| On Manufacturing Costs | | 33299.08 | | 27359.83 |
| On Employees | | 5079.99 | | 4151.17 |
| Interest on Loans | | 894.46 | | 719.54 |
| Depreciation | | 1013.21 | | 969.55 |
| | | 40286.74 | | 33200.09 |
| OPERATING PROFIT | | 2168.09 | | 1900.76 |

EXCEL INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCEL INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Excel Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm registration number: 301003E

per Vijay Maniar

Partner

Membership No.: 36738

Place : Mumbai

Date : 24 May 2013

EXCEL INDUSTRIES LIMITED

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

Re: Excel Industries Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed asset during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) to 4(iii)(g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods & services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act, and the rules framed 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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the manufacture of insecticides, industrial alcohol, fertilisers, bulk drugs and its intermediates and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in lacs) | Period to which amount pertains | Forum where dispute is pending |
|----------------------------|-----------------------|-------------------------------|--|--|
| Central Excise | Excise Duty Demand | 14.39 | 2002-05 | Additional Commissioner, Raigad |
| State Excise Act | Excise Duty Demand | 205.08 | 2002-12 | Commissioner of State Excise |
| Central Excise | Excise Duty Demand | 21.11 | 2007-08 | Additional Commissioner of Central Excise, Raigad |
| Central Excise | Excise Duty Demand | 208.54 | 2005-09 | Assistant Commissioner of Cental Excise, Raigad Division |
| Central Excise | Excise Duty Demand | 1.08 | 2011-12 | Deputy Commissioner of Cental Excise, Raigad |
| Service Tax | Service Tax Demand | 8.99 | 2005-09 | Additional Commissioner of Service Tax, Raigad |
| Service Tax | Service Tax Demand | 3.89 | 2009-10 | Additional Commissioner of Central Excise, Raigad |
| Service Tax | Service Tax Demand | 19.34 | 2004 -09 | Joint Commissioner of Central Excise , Raigad |
| Central Sales Tax | Sales Tax Demand | 19.96 | 2006-07 | Commissioner of Sales Tax (Appeals) |
| Customs | Custom Duty | 21.78 | 2011-12 | Additional Commissioner of Custom Duty, Mumbai |

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

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

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm registration number: 301003E

per Vijay Maniar

Partner

Membership No.: 36738

Place : Mumbai

Date : 24 May 2013

EXCEL INDUSTRIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

| | Notes | As at March 31, 2013 (₹ in Lacs) | As at March 31, 2012 (₹ In Lacs) |
|--|-------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 3 | 5,45.28 | 5,45.28 |
| Reserves and surplus | 4 | 128,49.76 | 117,50.97 |
| | | 133,95.04 | 122,96.25 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 5 | 10,50.07 | 5,45.15 |
| Deferred tax liabilities (net) | 6 | 14,72.50 | 14,06.24 |
| Long-term provisions | 7 | 8,05.32 | 5,36.74 |
| | | 33,27.89 | 24,88.13 |
| Current Liabilities | | | |
| Short-term borrowings | 8 | 58,37.03 | 58,26.16 |
| Trade payables | 9 | 50,39.70 | 45,14.16 |
| Other current liabilities | 9 | 13,45.06 | 24,66.09 |
| Short-term provisions | 7 | 11,30.43 | 8,40.58 |
| | | 133,52.22 | 136,46.99 |
| TOTAL | | 300,75.15 | 284,31.37 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 118,33.13 | 106,96.34 |
| Intangible assets | 11 | 2,53.18 | 51.88 |
| Capital work-in-progress | | 4,76.91 | 5,59.97 |
| Non-current investments | 12 | 14,13.14 | 14,13.14 |
| Loans and advances | 13 | 4,27.76 | 3,60.38 |
| Other non-current assets | 14.2 | 1,78.00 | 73.00 |
| | | 145,82.12 | 131,54.71 |
| Current Assets | | | |
| Inventories | 15 | 42,70.53 | 47,60.12 |
| Trade receivables | 14.1 | 88,86.19 | 83,92.48 |
| Cash and bank balances | 16 | 5,83.83 | 7,33.78 |
| Loans and advances | 13 | 15,88.09 | 11,65.20 |
| Other current assets | 14.2 | 1,64.39 | 2,25.08 |
| | | 154,93.03 | 152,76.66 |
| TOTAL | | 300,75.15 | 284,31.37 |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

| | Notes | Current Year (₹ in Lacs) | Previous Year (₹ In Lacs) |
|--|-------|-----------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations (gross) | 17 | 420,32.03 | 339,10.89 |
| Less: Excise duty | | 36,38.45 | 23,61.41 |
| Revenue from operations (net) | | 383,93.58 | 315,49.48 |
| Other income | 18.2 | 3,50.72 | 4,33.02 |
| Total revenue (I) | | 387,44.30 | 319,82.50 |
| EXPENSES | | | |
| Cost of raw materials and components consumed | 19 | 207,87.84 | 172,61.92 |
| Purchase of traded goods | 20 | 7,62.73 | 7,17.39 |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods | 20 | (4,84.30) | (3,70.53) |
| Employee benefits expense | 21 | 50,79.99 | 41,51.17 |
| Other expenses | 22 | 82,68.02 | 72,13.35 |
| Total expenses (II) | | 344,14.28 | 289,73.30 |
| Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II) | | 43,30.02 | 30,09.21 |
| Depreciation and amortisation expense | 23 | 10,13.21 | 9,69.55 |
| Interest income | 18.1 | (72.08) | (32.93) |
| Finance costs | 24 | 12,20.80 | 8,95.84 |
| Profit before exceptional item and tax, prior period adjustments | | 21,68.09 | 11,76.75 |
| Exceptional item | 25 | — | 7,24.01 |
| Profit before tax and prior period adjustments | | 21,68.09 | 19,00.76 |
| Tax expenses | | | |
| Current tax | | | |
| Pertaining to profit for the current year | | 7,03.00 | 3,64.00 |
| Adjustment of tax relating to earlier periods | | (80.48) | (2.20) |
| Minimum Alternative Tax (Entitlement) | | — | (12.00) |
| Deferred tax | | 66.26 | 36.63 |
| Total tax expense | | 6,88.78 | 3,86.43 |
| Profit after tax but before prior period adjustments | | 14,79.31 | 15,14.33 |
| Add/(Less): Prior period adjustments [Net of tax of ₹ 0.73 lac (Previous Year: ₹ 31.41 lacs)] | | 2.25 | (46.50) |
| Profit for the year | | 14,81.56 | 14,67.83 |
| Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)] | 26 | 13.59 | 13.46 |
| Basic and Diluted (in ₹) computed on the basis of profit for the year | | | |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson
KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

| | March 31, 2013 (₹ in Lacs) | March 31, 2013 (₹ in Lacs) | March 31, 2012 (₹ in Lacs) | March 31, 2012 (₹ in Lacs) |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit before Tax and Exceptional Item | | 21,68.09 | | 11,76.75 |
| Non cash adjustments to reconcile profit before tax to net cash flows: | | | | |
| Depreciation | 9,75.44 | | 9,19.28 | |
| Amortisation of Intangible Assets | 37.77 | | 50.27 | |
| Tangible Assets written off | 46.92 | | 92.84 | |
| Provision for Doubtful Receivables/Advances | 26.05 | | 7.52 | |
| Sundry Credit Balances written back | (32.53) | | (5.16) | |
| Bad Debts/Sundry Debit Balances Written Off (Net) | 17.41 | | 6.03 | |
| Loss/(Profit) on sale of Fixed Assets | 36.82 | | 38.24 | |
| Provision for Gratuity/Leave Encashment | 7,70.36 | | 2,83.42 | |
| Interest Income | (72.08) | | (32.93) | |
| Finance cost | 8,94.46 | | 7,19.54 | |
| Dividend Income | (2,31.77) | | (1,24.12) | |
| Unrealised exchange loss | 1,16.07 | | 38.12 | |
| Short/(Excess) Provision for other items (Net) | (17.72) | | (69.52) | |
| | | 25,67.20 | | 19,23.53 |
| Operating Profit before working capital changes | | 47,35.29 | | 31,00.28 |
| Adjustments for: | | | | |
| Decrease/(Increase) in Trade Receivables | (5,04.28) | | (23,54.98) | |
| Decrease/(Increase) in Inventories | 4,89.59 | | (9,06.05) | |
| Decrease/(Increase) in Other Current Assets | 24.77 | | 78.95 | |
| Decrease/(Increase) in Loans & Advances | (32.27) | | 2,31.69 | |
| Increase/(Decrease) in Current Liabilities & Provisions | (8,09.30) | | 17,72.26 | |
| | | (8,31.49) | | (11,78.13) |
| Cash generated from Operations | | 39,03.80 | | 19,22.15 |
| Direct taxes paid (net of refunds) | | 6,27.17 | | 3,59.54 |
| Cash flow before exceptional item | | 32,76.63 | | 15,62.61 |
| Prior Period Adjustments (Other than Taxation) | | 2.25 | | (46.50) |
| Net cash from/(used in) Operating Activities (A) | | 32,78.88 | | 15,16.11 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of tangible assets including CWIP and capital advances | | (22,01.45) | | (23,97.15) |
| Purchase of intangible assets | | (2,39.07) | | (23.12) |
| Proceeds of tangible assets | | 88.53 | | 7,58.38 |
| Purchase of Investments | | — | | (51.13) |
| Interest received | | 69.01 | | 29.49 |
| Dividend received | | 2,31.77 | | 1,24.12 |
| Sundry Loans returned | | — | | 25.00 |
| Sundry Loans given | | (4,70.00) | | — |
| Net Cash from/(used in) Investing Activities (B) | | (25,21.21) | | (15,34.41) |

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

| | March 31, 2013 (₹ in Lacs) | March 31, 2012 (₹ in Lacs) |
|--|-------------------------------|-------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings (Gross) | 41,14.17 | 35,85.88 |
| Repayment of borrowings (Gross) | (37,15.60) | (20,14.86) |
| Dividend paid | (2,15.70) | (4,04.98) |
| Interest paid | (9,50.11) | (6,89.57) |
| Tax on distributed Profits | (35.38) | (66.34) |
| Net cash from/(used in) Financing Activities (C) | (8,02.62) | 4,10.13 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (44.95) | 3,91.83 |
| Cash and cash equivalents at the beginning of the year | 8,06.78 | 4,14.95 |
| Cash and cash equivalents at the end of the year* | 7,61.83 | 8,06.78 |
| Balance with Banks: | | |
| (i) In Unclaimed Dividend Accounts | 15.26 | 12.85 |
| (ii) In Current Accounts | 5,30.49 | 4,55.39 |
| (iii) In Deposits | 1,78.00 | 73.00 |
| (iv) In Margin Money Accounts | 36.41 | 2,63.09 |
| (v) Unrealised Exchange loss/(gain) | 1.67 | 2.45 |
| | 7,61.83 | 8,06.78 |

Note: * Cash and cash equivalents include ₹ 15.26 lacs (Previous Year: ₹ 12.85 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.

As per our attached report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. CORPORATE INFORMATION

Excel Industries Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in manufacturing of Chemicals and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio - Pesticides and other Bio-products. The Company is also engaged in manufacturing activity on behalf of third parties. In the current year, the Company has also commenced production of pharma intermediates.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Tangible fixed assets

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

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

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

(c) Depreciation on tangible fixed assets

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(ii) Other Fixed Assets:

- (1) In the case of following assets (which have been revalued) at Rooha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

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

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

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

(d) Intangible assets and Amortisation

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

(e) Research and development costs

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(f) Leases

Where the company is lessee

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

Where the company is the lessor

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

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

(g) Borrowing costs

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

(h) Impairment of tangible and intangible assets

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

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

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

(i) Government grants and subsidies

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

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

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

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

(j) Investments

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

On initial recognition all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

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

(k) Inventories

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

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

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

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

Income from services

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

Interest

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

Export Benefits

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

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

Dividends

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

Royalties

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

Other Income

Certain items of income such as insurance claims, commission income, overdue interest from customers, etc. are considered to the extent the amount is ascertainable/accepted by the parties.

(m) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(iii) Exchange differences

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

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

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

(n) Retirement and other employee benefits

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

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

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

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(o) Income taxes

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

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

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

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

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

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

Minimum alternate 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.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

(u) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 3. SHARE CAPITAL | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|---|--------------------------------------|--------------------------------------|
| Authorised shares | | |
| 3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each | 19,00.00 | 19,00.00 |
| 8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each | 85.00 | 85.00 |
| 3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each | 15.00 | 15.00 |
| Issued, subscribed and fully paid-up shares | | |
| 1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each | 5,45.28 | 5,45.28 |
| (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period | | |
| Equity Shares | March 31, 2013 | March 31, 2012 |
| | Nos. ₹ in Lacs | Nos. ₹ in Lacs |
| At the beginning of the period | 10,905,630 5,45.28 | 10,905,630 5,45.28 |
| Fresh issue of shares during the period | — — | — — |
| Outstanding at the end of the period | 10,905,630 5,45.28 | 10,905,630 5,45.28 |
| (b) Terms/rights attached to equity shares | | |
| <p>The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>During the year ended March 31, 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/- (Previous year: ₹ 2/-)</p> <p>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.</p> | | |
| (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, 2013 | As at March 31, 2012 |
| | No. of % holding in | No. of % holding |
| | Shares the class | Shares in the class |
| Equity shares of ₹ 5/- each fully paid: | | |
| Life Insurance Corporation of India | 1,012,799 9.29% | 1,012,799 9.29% |
| Utkarsh Chemicals Private Limited | 3,248,974 29.79% | 1,378,944 12.64% |
| Anshul Specialty Molecules Limited | — — | 1,890,205 17.33% |
| <p>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.</p> | | |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 4. RESERVES AND SURPLUS | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital reserve | | | | |
| (a) Profit on purchase of debentures | 0.01 | 0.01 | | |
| (b) Government grants/subsidies | 70.00 | 70.00 | | |
| | <u>70.01</u> | <u>70.01</u> | | |
| Securities premium account | 1,81.08 | 1,81.08 | | |
| General reserve: | | | | |
| Balance as per the last financial statements | 103,54.07 | 91,54.07 | | |
| Add: amount transferred from surplus balance in the statement of profit and loss | 10,00.00 | 12,00.00 | | |
| | <u>113,54.07</u> | <u>103,54.07</u> | | |
| Closing balance | 113,54.07 | 103,54.07 | | |
| Surplus in the statement of profit and loss: | | | | |
| Balance as per the last financial statements | 11,45.81 | 11,31.47 | | |
| Profit for the year | 14,81.56 | 14,67.83 | | |
| Less: Appropriations: | | | | |
| Proposed equity dividend [Amount per share ₹ 3/- (Previous Year: ₹ 2/-)] | (3,27.17) | (2,18.11) | | |
| Tax on proposed equity dividend | (55.60) | (35.38) | | |
| Transfer to general reserve | (10,00.00) | (12,00.00) | | |
| Total appropriations | <u>(13,82.77)</u> | <u>(14,53.49)</u> | | |
| Net surplus in the statement of profit and loss | <u>12,44.60</u> | <u>11,45.81</u> | | |
| Total reserves and surplus | <u>128,49.76</u> | <u>117,50.97</u> | | |
| | | | | |
| 5. LONG-TERM BORROWINGS | | | | |
| | Non-current portion | | Current maturities | |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| From other: | | | | |
| Under vehicle finance scheme (secured) | 18.97 | 21.14 | 18.24 | 18.87 |
| Deposits (unsecured): | | | | |
| From shareholders | 1,82.28 | 76.10 | 34.82 | 1,56.61 |
| From public | 8,48.82 | 4,47.91 | 2,57.52 | 9,99.66 |
| | <u>10,50.07</u> | 5,45.15 | <u>3,10.58</u> | 11,75.14 |
| The above amount includes: | | | | |
| Secured borrowings | 18.97 | 21.14 | 18.24 | 18.87 |
| Unsecured borrowings | 10,31.10 | 5,24.01 | 2,92.34 | 11,56.27 |
| Amount disclosed under the head "other current liabilities" (Refer Note 9) | — | — | (3,10.58) | (11,75.14) |
| Net amount | <u>10,50.07</u> | <u>5,45.15</u> | <u>—</u> | <u>—</u> |
| (a) Term loan under vehicle finance from financial institution amounting to ₹ 37.21 lacs (Previous Year: ₹ 40.01 lacs) carrying interest rate ranging from 12% to 14%, repayable in equated monthly instalments and secured by hypothecation of the vehicles acquired by utilising the said loans. | | | | |
| (b) Deposit from shareholders are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively. | | | | |
| (c) Deposit from public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively. | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 6. DEFERRED TAX LIABILITY (NET) | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| Deferred tax liability | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting | 18,30.89 | 16,22.67 |
| 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 | 3,20.08 | 1,87.58 |
| Provision for doubtful receivables and advances | 23.27 | 13.76 |
| Other disallowances | 15.04 | 15.09 |
| Gross deferred tax assets | <u>3,58.39</u> | <u>2,16.43</u> |
| Net deferred tax liability | <u>14,72.50</u> | <u>14,06.24</u> |
| <p>The Company has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised.</p> | | |
| | | |
| 7. PROVISIONS | | |
| | Long-term | Short-term |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
| | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
| Provision for employee benefits | | |
| Provision for gratuity (Refer Note 27) | 1,92.29 | 7.96 |
| Provision for leave benefits | 6,13.03 | 5,28.78 |
| Other provisions | | |
| Provision for taxation [net of advance tax of ₹ 31,92.60 lacs (Previous Year: ₹ 26,42.75 lacs)] | — | — |
| Proposed equity dividend | — | — |
| Provision for tax on proposed equity dividend | — | — |
| | <u>8,05.32</u> | <u>5,36.74</u> |
| | | <u>11,30.43</u> |
| | | <u>8,40.58</u> |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 8. SHORT-TERM BORROWINGS | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| From banks | | |
| Cash credit and packing credit (secured) | 38,78.50 | 37,46.61 |
| Working capital demand loan (secured) | 9,88.61 | 9,90.26 |
| Foreign currency buyer's credit loan (unsecured) | 6,19.92 | 10,89.29 |
| | 54,87.03 | 58,26.16 |
| From others | | |
| Inter corporate deposits (unsecured) | 3,50.00 | — |
| Total | 58,37.03 | 58,26.16 |
| The above amount includes | | |
| Secured Borrowing | 48,67.11 | 47,36.87 |
| Unsecured Borrowing | 9,69.92 | 10,89.29 |
| <p>Cash credit, packing credit and working capital demand loan from bank are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Roha and Lote Parshuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 9% to 13.5% p.a.</p> <p>Outstanding foreign currency buyer's credit loans are unsecured and carry an interest rate ranging from libor plus 75 bps to 115 bps.</p> <p>Inter Corporate Deposits are repayable within a period of 3 months and carries interest rates @ 12% to 12.5% p.a.</p> | | |
| 9. OTHER CURRENT LIABILITIES | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Trade payables (including acceptances) (Refer Note 37 for details of dues to micro and small enterprises) (A) | 50,39.70 | 45,14.16 |
| Other liabilities | | |
| Current maturities of long-term borrowings (Refer Note 5) | 3,10.58 | 11,75.14 |
| Interest accrued but not due on borrowings | 45.32 | 1,07.52 |
| Interest accrued and due on borrowings | 6.55 | — |
| Investor education and protection fund will be credited by following amounts as and when due: | | |
| Unclaimed dividend | 15.26 | 12.85 |
| Unclaimed matured deposits | 30.57 | 22.19 |
| Advances from customers | 3,79.58 | 5,19.51 |
| Creditors for capital goods | 2,58.03 | 2,88.71 |
| Statutory liabilities | 1,94.68 | 1,76.48 |
| Sundry deposits | 11.12 | 1,16.18 |
| Others | 93.37 | 47.51 |
| (B) | 13,45.06 | 24,66.09 |
| Total (A+B) | 63,84.76 | 69,80.25 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. TANGIBLE ASSETS

(₹ in Lacs)

| | Land free hold | Land lease hold | Leasehold improvements | Buildings | Plant and machinery | Data processing equipments | Electrical installation | Laboratory equipments | Furniture fixture and office equipments | Vehicles | Technical books | Total |
|--------------------------|----------------|-----------------|------------------------|-----------------|---------------------|----------------------------|-------------------------|-----------------------|---|----------------|-----------------|------------------|
| Cost or Valuation | | | | | | | | | | | | |
| At April 1, 2011 | 1,72.91 | 2,82.71 | 23.43 | 22,90.88 | 160,06.10 | 8,38.23 | 5,24.90 | 2,11.84 | 6,16.47 | 2,74.60 | 9.24 | 212,51.31 |
| Additions | — | — | — | 9,73.17 | 8,36.42 | 49.80 | 10.63 | 19.32 | 39.39 | 43.16 | 0.18 | 19,72.07 |
| Disposals | 1.06 | — | — | 1.07 | 3,90.13 | 77.48 | 1.58 | — | 46.46 | 19.04 | — | 5,36.82 |
| At March 31, 2012 | 1,71.85 | 2,82.71 | 23.43 | 32,62.98 | 164,52.39 | 8,10.55 | 5,33.95 | 2,31.16 | 6,09.40 | 2,98.72 | 9.42 | 226,86.56 |
| Additions | — | — | — | 61.48 | 19,60.79 | 28.63 | 1,62.47 | 24.26 | 23.39 | 23.32 | 0.17 | 22,84.51 |
| Disposals | — | — | — | 0.07 | 4,86.00 | 32.14 | — | 6.90 | (2.95) | 1.93 | 0.11 | 5,24.20 |
| At March 31, 2013 | 1,71.85 | 2,82.71 | 23.43 | 33,24.39 | 179,27.18 | 8,07.04 | 6,96.42 | 2,48.52 | 6,35.74 | 3,20.11 | 9.48 | 244,46.87 |
| Depreciation | | | | | | | | | | | | |
| At April 1, 2011 | — | 47.15 | 12.07 | 7,49.14 | 87,37.68 | 7,09.62 | 3,36.23 | 1,89.36 | 4,87.68 | 1,76.61 | 6.19 | 114,51.73 |
| Charge for the year | — | 4.64 | 8.52 | 1,05.00 | 6,68.87 | 39.58 | 25.96 | 8.53 | 27.72 | 30.00 | 0.46 | 9,19.28 |
| Disposals/adjustments | — | — | — | 0.45 | 2,22.30 | 99.77 | 1.58 | — | 40.34 | 16.35 | — | 3,80.79 |
| At March 31, 2012 | — | 51.79 | 20.59 | 8,53.69 | 91,84.25 | 6,49.43 | 3,60.61 | 1,97.89 | 4,75.06 | 1,90.26 | 6.65 | 119,90.22 |
| Charge for the year | — | 4.28 | 2.84 | 99.96 | 7,22.68 | 43.27 | 30.24 | 16.17 | 24.96 | 30.68 | 0.36 | 9,75.44 |
| Disposals/adjustments | — | — | — | 0.07 | 3,17.99 | 30.06 | — | 6.90 | (4.87) | 1.66 | 0.11 | 3,51.92 |
| At March 31, 2013 | — | 56.07 | 23.43 | 9,53.58 | 95,88.94 | 6,62.64 | 3,90.85 | 2,07.16 | 5,04.89 | 2,19.28 | 6.90 | 126,13.74 |
| Net Block | | | | | | | | | | | | |
| At March 31, 2012 | 1,71.85 | 2,30.92 | 2.84 | 24,09.29 | 72,68.14 | 1,61.12 | 1,73.34 | 33.27 | 1,34.34 | 1,08.46 | 2.77 | 106,96.34 |
| At March 31, 2013 | 1,71.85 | 2,26.64 | — | 23,70.81 | 83,38.24 | 1,44.40 | 3,05.57 | 41.36 | 1,30.85 | 1,00.83 | 2.58 | 118,33.13 |

Notes: a.* Amount written off in respect of leasehold land.

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

c. Buildings include buildings given on operating lease:

Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs)

Accumulated depreciation ₹ 81.91 lacs (Previous Year: ₹ 78.66 lacs)

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

Net block ₹ 1,14.54 lacs (Previous Year: ₹ 1,17.79 lacs)

11. INTANGIBLE ASSETS

(₹ in Lacs)

| | Trade marks | Computer software | Export product registration | Total |
|---------------------------|-------------|-------------------|-----------------------------|----------------|
| Cost (Gross block) | | | | |
| At April 1, 2011 | 7.00 | 1,86.34 | 54.02 | 2,47.36 |
| Additions/purchase | — | — | 23.12 | 23.12 |
| Disposals | — | — | 9.44 | 9.44 |
| At March 31, 2012 | 7.00 | 1,86.34 | 67.70 | 2,61.03 |
| Additions/purchase | — | 2,39.07 | — | 2,39.07 |
| Disposals | — | — | — | — |
| At March 31, 2013 | 7.00 | 4,25.41 | 67.70 | 5,00.10 |
| Amortisation | | | | |
| At April 1, 2011 | 7.00 | 1,47.41 | 4.50 | 1,58.91 |
| Charge for the year | — | 38.95 | 11.32 | 50.27 |
| Disposals | — | 0.02 | — | 0.02 |
| At March 31, 2012 | 7.00 | 1,86.34 | 15.82 | 2,09.16 |
| Charge for the year | — | 20.84 | 16.93 | 37.77 |
| Disposals | — | — | — | — |
| At March 31, 2013 | 7.00 | 2,07.18 | 32.75 | 2,46.93 |
| Net Block | | | | |
| At March 31, 2012 | — | — | 51.88 | 51.87 |
| At March 31, 2013 | — | 2,18.23 | 34.95 | 2,53.18 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 12. NON CURRENT INVESTMENTS | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|---|--------------------------------------|--------------------------------------|
| Trade investment (valued at cost unless stated otherwise) | | |
| Unquoted equity instruments | | |
| Investment in subsidiaries | | |
| (a) 1,99,982 (Previous Year: 1,99,982) Equity Shares of ₹ 100/- each fully paid-up in Kamaljiyot Investments Limited | 1,99.98 | 1,99.98 |
| (b) 5,10,000 (Previous Year: 5,10,000) Equity Shares of ₹ 10/- each fully paid-up in Excel Bio Resources Limited | 51.13 | 51.13 |
| Investment in joint ventures | | |
| 4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong | 27.26 | 27.26 |
| Less: Provision for diminution in value of investments | (27.26) | (27.26) |
| | — | — |
| Others | | |
| (a) 8,88,750 (Previous Year: 8,88,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited | 1,77.75 | 1,77.75 |
| (b) 10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Limited | 2,86.08 | 2,86.08 |
| Quoted equity instruments | | |
| Others | | |
| (a) 2,45,760 (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited | 3,66.26 | 3,66.26 |
| (b) 5,84,977 (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited | 3,09.00 | 3,09.00 |
| | 13,90.20 | 13,90.20 |
| Total trade Investment (A) | 13,90.20 | 13,90.20 |
| Non-trade investment (valued at cost unless stated otherwise) | | |
| Unquoted equity instruments | | |
| (a) 2,500 (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited | 0.25 | 0.25 |
| (b) 50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited | 5.00 | 5.00 |
| Quoted equity instruments | | |
| (a) 4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited | 1.53 | 1.53 |
| (b) 35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India | 16.16 | 16.16 |
| | 22.94 | 22.94 |
| Total non-trade investments (B) | 22.94 | 22.94 |
| Total Investments (A+B) | 14,13.14 | 14,13.14 |
| Aggregate amount of quoted investments [Market value ₹ 7,69.95 lacs: (Previous Year: ₹ 7,58.28 lacs)] | 6,92.95 | 6,92.95 |
| 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 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 13. LOANS AND ADVANCES | Non-current | | Current | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Capital advances | | | | |
| Unsecured, considered good | (A) 1,33.70 | 74.63 | — | — |
| Security deposits | | | | |
| Unsecured, considered good | (B) 2,51.97 | 2,41.68 | — | — |
| Loan and advances to related parties (Refer Note 29 & 36) | | | | |
| Unsecured, considered good | (C) — | — | 7,65.00 | 2,95.00 |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | — | — | 3,97.82 | 3,04.61 |
| Unsecured, considered doubtful | — | — | 35.00 | 35.00 |
| | — | — | 4,32.82 | 3,39.61 |
| Provision for doubtful advances | — | — | (35.00) | (35.00) |
| (D) | — | — | 3,97.82 | 3,04.61 |
| Other loans and advances, unsecured, considered good | | | | |
| MAT Credit Entitlement | — | — | — | 12.00 |
| Prepaid expenses | 6.12 | 9.51 | 1,59.18 | 1,59.50 |
| Loans to employees | 35.97 | 34.56 | 27.23 | 29.12 |
| Balances with statutory/government authorities | — | — | 2,38.86 | 3,64.97 |
| (E) | 42.09 | 44.07 | 4,25.27 | 5,65.59 |
| Total | (A+B+C+D+E) 4,27.76 | 3,60.38 | 15,88.09 | 11,65.20 |
| | | | | |
| 14. TRADE RECEIVABLES AND OTHER ASSETS | | | | |
| 14.1. Trade receivables | | | | |
| | Non-current | | Current | |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Unsecured, considered good unless stated otherwise | | | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | | | |
| Unsecured, considered good | — | — | 1,42.36 | 1,19.71 |
| Doubtful | — | — | 26.05 | 7.52 |
| | — | — | 1,68.41 | 1,27.23 |
| Less: Provision for doubtful receivables | — | — | (26.05) | (7.52) |
| | — | — | 1,42.36 | 1,19.71 |
| Other receivables | | | | |
| Unsecured, considered good | — | — | 87,43.83 | 82,72.77 |
| | — | — | 88,86.19 | 83,92.48 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 14.2 Other assets | Non-current | | Current | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Unsecured, considered good unless stated otherwise (A) | | | | |
| Non-current bank balance (Refer Note 16) | 1,78.00 | 73.00 | — | — |
| Others | | | | |
| Interest receivable | — | — | 13.49 | 10.42 |
| Export benefit receivable | — | — | 80.56 | 1,10.16 |
| Income tax refund receivable | — | — | 53.75 | 92.74 |
| Miscellaneous receivable | — | — | 16.59 | 11.76 |
| (B) | — | — | 1,64.39 | 2,25.08 |
| Total (A+B) | 1,78.00 | 73.00 | 1,64.39 | 2,25.08 |
| 15. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE) | | | | |
| | | | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Raw materials [including stock-in-transit ₹ 49.50 lacs (Previous Year: ₹ 5,60.90 lacs)] (Refer Note 19) | | | 8,21.65 | 14,55.29 |
| Packing materials (Refer Note 19) | | | 1,13.08 | 1,10.94 |
| Finished goods (Refer Note 20) | | | 16,17.68 | 12,57.19 |
| Work-in-progress (Refer Note 20) | | | 10,34.61 | 9,84.66 |
| Traded goods (Refer Note 20) | | | 3,16.18 | 2,42.32 |
| Stores and spares [including fuel and coal] [including stock-in-transit ₹ Nil (Previous Year: ₹ 3,26.95 lacs)] | | | 3,67.33 | 7,09.72 |
| | | | 42,70.53 | 47,60.12 |
| 16. CASH AND BANK BALANCES | | | | |
| | Non-current | | Current | |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| On current accounts | — | — | 5,32.16 | 4,57.84 |
| On unclaimed dividend accounts | — | — | 15.26 | 12.85 |
| | — | — | 5,47.42 | 4,70.69 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months | 1,78.00 | 73.00 | — | — |
| Margin money deposits | — | — | 36.41 | 2,63.09 |
| | 1,78.00 | 73.00 | 36.41 | 2,63.09 |
| Amount disclosed under non-current assets (Refer Note 14.2) | (1,78.00) | (73.00) | — | — |
| Total | — | — | 5,83.83 | 7,33.78 |
| Margin money deposits given as security | | | | |
| Margin money deposits with a carrying amount of ₹ 36.41 lacs (Previous Year: ₹ 2,63.09 lacs) have been given against opening of Letter of Credit Account with the Bank and Bank guarantee. | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 17. REVENUE FROM OPERATIONS | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|--|-----------------------------------|------------------------------------|
| Revenue from operations | | |
| Sale of products | | |
| Finished goods | 403,73.62 | 314,17.08 |
| Traded goods | 11,61.08 | 10,82.68 |
| Sale of services | | |
| Processing charges | 1,45.87 | 7,80.43 |
| Royalty/Technical fees | 11.41 | 2,04.10 |
| Other operating revenue | | |
| Export incentives | 1,51.99 | 1,92.53 |
| Scrap sales | 1,88.06 | 2,01.17 |
| Commission received | — | 32.90 |
| Revenue from operations (gross) | 420,32.03 | 339,10.89 |
| Less: Excise duty (Refer note below) | 36,38.45 | 23,61.41 |
| Revenue from operations (net) | 383,93.58 | 315,49.48 |
| <p>Note: Excise duty on sales amounting to ₹ 36,38.45 lacs (Previous Year: ₹ 23,61.41 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ 13.34 lacs (Previous Year: ₹ 69.31 lacs) has been considered (income)/expenses in Note 22 of financial statements.</p> | | |
| Details of products sold | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| Finished goods sold | | |
| Phosphorous and its compounds | 264,98.70 | 204,12.45 |
| Chemicals | 127,18.49 | 103,02.86 |
| Organic manure/culture | 2,33.63 | 1,91.93 |
| Others | 9,22.80 | 5,09.84 |
| | 403,73.62 | 314,17.08 |
| Trading goods sold | | |
| Chemicals | 4,37.71 | 4,07.11 |
| Organic manure | — | 36.40 |
| Others | 7,23.37 | 6,39.17 |
| | 11,61.08 | 10,82.68 |
| | 415,34.70 | 324,99.76 |
| 18. OTHER INCOME | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| 18.1 Interest income on | | |
| Bank deposits | 53.62 | 14.32 |
| Income tax refund | 13.43 | 4.32 |
| Others | 5.03 | 14.29 |
| | 72.08 | 32.93 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|---|-------------------------------|-----------------------|
| 18. OTHER INCOME <i>(Contd.)</i> | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| 18.2 Others | | |
| Dividend income long-term investments | 2,31.77 | 1,24.12 |
| Rent | 45.21 | 37.88 |
| Exchange gain (net) | — | 1,47.36 |
| Excess/(short) accrual written back (net) (Refer Note 34) | 17.72 | 69.52 |
| Sales tax refund | — | 28.12 |
| Others | 56.02 | 26.02 |
| | <u>3,50.72</u> | <u>4,33.02</u> |
| Total | <u>4,22.80</u> | <u>4,65.95</u> |
| | | |
| 19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| a. Raw materials | | |
| Inventory at the beginning of the year | 14,55.29 | 12,63.16 |
| Add: Purchases | 192,27.49 | 166,65.76 |
| | <u>206,82.78</u> | <u>179,28.92</u> |
| Less: Inventory at the end of the year | 8,21.65 | 14,55.29 |
| | <u>(A) 198,61.13</u> | <u>164,73.63</u> |
| | | |
| b. Packing materials | | |
| Inventory at the beginning of the year | 1,10.94 | 1,13.10 |
| Add: Purchases | 9,28.84 | 7,86.12 |
| | <u>10,39.78</u> | <u>8,99.22</u> |
| Less: Inventory at the end of the year | 1,13.08 | 1,10.94 |
| | <u>(B) 9,26.71</u> | <u>7,88.28</u> |
| Total | <u>(A+B) 207,87.84</u> | <u>172,61.92</u> |
| | | |
| Details of raw materials consumed | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Inorganic Chemicals | | |
| Phosphorous | 83,30.24 | 62,23.20 |
| Others | 26,66.31 | 29,06.68 |
| Metal and metal powder | 1,18.69 | 2,45.18 |
| Minerals | 9,73.44 | 9,08.89 |
| Organic Chemicals | 59,03.23 | 53,38.32 |
| Others | 18,69.22 | 8,51.36 |
| | <u>198,61.13</u> | <u>164,73.63</u> |
| | | |
| Details of inventory | | |
| | As at | As at |
| | March 31, 2013 | March 31, 2012 |
| | ₹ in Lacs | ₹ in Lacs |
| Inorganic Chemicals | | |
| Phosphorous | 1,00.51 | 5,91.53 |
| Others | 81.56 | 2,43.72 |
| Minerals | 56.91 | 13.95 |
| Organic Chemicals | 5,53.20 | 5,80.08 |
| Others | 29.47 | 26.01 |
| | <u>8,21.65</u> | <u>14,55.29</u> |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 20. (INCREASE)/ DECREASE IN INVENTORIES | Current Year ₹ in Lacs | Previous Year ₹ in Lacs | (Increase)/decrease ₹ in Lacs |
|---|---------------------------|---|--------------------------------------|
| | | | March 31, 2013 |
| Inventories at the end of the year | | | |
| Finished goods | 16,17.68 | 12,57.19 | (3,60.49) |
| Work-in-progress | 10,34.61 | 9,84.66 | (49.95) |
| Traded goods | 3,16.18 | 2,42.32 | (73.86) |
| | 29,68.47 | 24,84.17 | (4,84.30) |
| Inventories at the beginning of the year | | | March 31, 2012 |
| Finished goods | 12,57.19 | 12,97.94 | 40.75 |
| Work-in-progress | 9,84.66 | 6,94.36 | (2,90.30) |
| Traded goods | 2,42.32 | 1,21.34 | (1,20.98) |
| | 24,84.17 | 21,13.64 | (3,70.53) |
| | (4,84.30) | (3,70.53) | |
| Details of Purchase of traded goods | | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Chemicals | | 2,98.69 | 2,25.97 |
| Organic manure/culture | | — | 37.40 |
| Others | | 4,64.04 | 4,54.02 |
| | | 7,62.73 | 7,17.39 |
| Details of inventory | | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Finished goods | | | |
| Phosphorous and its compounds | | 6,36.38 | 3,63.84 |
| Chemicals | | 8,87.48 | 8,55.25 |
| Organic manure | | 40.86 | 31.40 |
| Others | | 52.96 | 6.70 |
| | | 16,17.68 | 12,57.19 |
| Work-in-progress | | | |
| Phosphorous and its compounds | | 60.95 | 79.97 |
| Chemicals | | 2,91.40 | 2,68.49 |
| Others | | 6,82.26 | 6,36.20 |
| | | 10,34.61 | 9,84.66 |
| Traded goods | | | |
| Chemicals | | 3.60 | 8.95 |
| Others | | 3,12.58 | 2,33.37 |
| | | 3,16.18 | 2,42.32 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 21. EMPLOYEE BENEFITS EXPENSE | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|---|-----------------------------------|------------------------------------|
| Salaries, wages and bonus | 36,68.07 | 32,99.12 |
| Contribution to provident and other funds | 3,33.09 | 3,02.14 |
| Provision/payment of gratuity (Refer Note 27) | 5,34.07 | 1,71.82 |
| Provision for other retirement benefits | 2,36.29 | 1,11.60 |
| Workmen and staff welfare expenses | 3,08.47 | 2,66.49 |
| | 50,79.99 | 41,51.17 |
| | | |
| 22. OTHER EXPENSES | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| Consumption of stores and spares (Refer Note 40) | 73.51 | 58.68 |
| Processing charges | 1,43.92 | 2,90.79 |
| (Increase)/decrease of Excise duty on inventory (Refer Note 17) | 13.34 | 69.31 |
| Power and fuel | 29,91.47 | 25,01.61 |
| Effluent expenses | 6,01.67 | 3,53.55 |
| Rent (Refer Note 30) | 46.51 | 33.59 |
| Rates and taxes | 94.65 | 58.03 |
| Insurance | 72.07 | 61.13 |
| Repairs and maintenance | | |
| — Plant and machinery | 11,91.58 | 11,48.36 |
| — Buildings | 1,10.83 | 84.68 |
| — Others | 99.11 | 89.07 |
| Sales commission and discounts | 99.52 | 1,08.52 |
| Travelling and conveyance | 2,23.94 | 1,65.92 |
| Legal and professional fees | 2,30.08 | 2,62.37 |
| Directors' sitting fees | 2.65 | 2.60 |
| Payment to auditor (refer details below) | 22.61 | 18.49 |
| Exchange differences (net) | 68.24 | - |
| Bad debts/sundry debit balances written off | 17.41 | 6.03 |
| Freight outward and forwarding expenses | 8,38.38 | 7,76.38 |
| Charity and donations | 76.75 | 30.77 |
| Provision for doubtful receivables/advances | 26.05 | 7.52 |
| Tangible assets written off | 46.92 | 92.84 |
| Loss on sale of tangible assets (net) | 34.54 | 37.54 |
| Miscellaneous expenses | 11,42.27 | 9,55.57 |
| | 82,68.02 | 72,13.35 |
| | | |
| Payment to auditor | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| As auditor: | | |
| Audit fee | 14.00 | 11.00 |
| Tax audit fees | 5.00 | 4.00 |
| Limited review | 2.75 | 2.25 |
| In other capacity: | | |
| Certification fees and other matters | 0.50 | 0.70 |
| Reimbursement of expenses | 0.36 | 0.54 |
| | 22.61 | 18.49 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 23. DEPRECIATION AND AMORTISATION EXPENSES | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|--|-----------------------------------|----------------------------|
| Depreciation on tangible assets | 9,75.44 | 9,19.28 |
| Amortisation of intangible assets | 37.77 | 50.27 |
| | 10,13.21 | 9,69.55 |
| 24. FINANCE COSTS | | |
| | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| Interest | 8,94.46 | 7,19.54 |
| Bank and financial charges | 2,11.77 | 1,38.18 |
| Exchange difference and loss on buyer's credit | 1,14.57 | 38.12 |
| | 12,20.80 | 8,95.84 |
| 25. EXCEPTIONAL ITEM | | |
| Exceptional item | — | 7,24.01 |
| <p>The development work on the Company's plot of land at Jogeshwari has been completed. The Company had secured 41% of the constructed area in return for the transfer of 59% of its rights in the said plot of land for which the Company had executed a Deed of Conveyance on May 6, 2011. Profit arising on the said transaction amounting to Rs. 7,24.01 lacs had been accounted as an exceptional item.</p> | | |
| 26. EARNINGS PER SHARE (EPS) | | |
| The following reflects the profit and share data used in the basic and diluted EPS computations: | | |
| | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| Profit after tax as per statement of profit and loss | 14,81.56 | 14,67.83 |
| Add/Less: Reconciliation items | — | — |
| Net profit for calculation of basic/diluted EPS | 14,81.56 | 14,67.83 |
| | Nos. | Nos. |
| Weighted average number of equity shares in calculating basic EPS | 10,905,630 | 10,905,630 |
| Effect of dilution | — | — |
| Weighted average number of equity shares in calculating diluted EPS | 10,905,630 | 10,905,630 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

27. DETAILS OF EMPLOYEE BENEFITS

(I) Defined Benefit Plan Gratuity

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

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

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

Defined Benefit Plan

| | Current Year Gratuity (₹ in Lacs) | Previous Year Gratuity (₹ in Lacs) |
|--|--|--|
| Current service cost | 1,18.02 | 87.75 |
| Interest cost on benefit obligation | 1,63.35 | 1,42.44 |
| Expected return on plan assets | (1,71.10) | (1,47.84) |
| Net actuarial (gain)/loss recognised in the year | 4,23.80 | 89.47 |
| Amount included under the head employee benefit expenses (Refer Note 21) | <u>5,34.07</u> | <u>1,71.82</u> |

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

| | As at 31st March, 2013 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs) | As at 31st March, 2012 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs) |
|--|--|--|
| Present value of funded obligation | 25,83.68 | 19,67.88 |
| Less: Fair value of plan assets | 21,41.39 | 18,34.92 |
| Net Liability included under the head Provisions in Note No. '7' | <u>4,42.29</u> | <u>1,32.96</u> |

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

| | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) |
|--|--|--|
| Opening defined benefit obligation | 19,67.88 | 17,26.60 |
| Interest cost | 1,63.35 | 1,42.44 |
| Current service cost | 1,18.02 | 87.75 |
| Benefits paid | (92.30) | (68.86) |
| Actuarial (gains)/losses on obligation | 4,26.73 | 79.95 |
| Closing defined benefit obligation | <u>25,83.68</u> | <u>19,67.88</u> |

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

| | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) |
|-----------------------------------|--|--|
| Opening fair value of plan assets | 18,34.92 | 15,87.46 |
| Expected return | 1,71.10 | 1,47.84 |
| Contributions by employer | 2,24.74 | 1,78.00 |
| Benefits paid | (92.30) | (68.86) |
| Actuarial gains/(losses) | 2.93 | (9.52) |
| Closing fair value of plan assets | <u>21,41.39</u> | <u>18,34.92</u> |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 27. DETAILS OF EMPLOYEE BENEFITS (Contd.) | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) | | | |
|--|--|--|----------------|----------------|----------------|
| (e) Expected contribution to defined benefit plan for the year 2013-14 | 2,50.00 | 1,25.00 | | | |
| (f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows: | Current Year | Previous Year | | | |
| Insurer Managed Funds (Life Insurance Corporation of India) | 86.39% | 86.82% | | | |
| Insurer Managed Funds (Aviva Life Insurance Company India Limited) | 13.61% | 13.18% | | | |
| | 100% | 100% | | | |
| <p>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</p> | | | | | |
| | Gratuity Current Year | Gratuity Previous Year | | | |
| (g) The principal actuarial assumptions at the Balance Sheet date: | | | | | |
| Discount rate | 8.10% | 8.50% | | | |
| Expected rate of return on assets | 9% | 9% | | | |
| Expected rate of salary increase | 6.50% | 5% | | | |
| Mortality table | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | | | |
| Proportion of employees opting for early retirement | 5% to 1% | 5% to 1% | | | |
| Notes: | | | | | |
| 1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. | | | | | |
| 2. Amounts for the current and previous four periods are as follows: [AS15 Para 120(n)] [1] | | | | | |
| | (₹ in Lacs) | | | | |
| | March 31, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 | March 31, 2009 |
| Defined benefit obligation | 25,83.68 | 19,67.88 | 17,26.60 | * | * |
| Plan assets | 21,41.39 | 18,34.92 | 15,87.46 | * | * |
| Surplus/(deficit) | (4,42.29) | (1,32.96) | (1,39.14) | * | * |
| Experience adjustments on plan liabilities | 88.21 | 1,16.83 | 2,03.59 | * | * |
| Experience adjustments on plan assets | (2.93) | 9.52 | 6.68 | * | * |
| <p>* The disclosure required under Para 120(n)(ii) of Accounting Standard 15 Employee Benefits (Revised, 2003) pertaining to experience adjustments on plan assets and plan liabilities is not given for previous two years on the ground that such information is not available with the Company.</p> | | | | | |
| (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 | 1,84.92 | 1,58.98 | | | |
| Family Pension Fund | 61.55 | 62.30 | | | |
| Superannuation Fund | 81.45 | 74.06 | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 28. SEGMENT INFORMATION | | | | | | |
|--|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| 1. Information About Primary Business Segments: | | | | Previous Year | | |
| Particulars | Current Year (₹ in Lacs) | | | (₹ in Lacs) | | |
| | Chemicals | Environment | Total | Chemicals | Environment | Total |
| REVENUE: | | | | | | |
| External Revenue: | 374,75.09 | 10,16.58 | 384,91.67 | 307,11.79 | 11,12.46 | 318,24.25 |
| Un-allocated revenue: | | | 3,24.71 | | | 1,91.18 |
| Total Revenue: | | | 388,16.38 | | | 320,15.43 |
| RESULT: | | | | | | |
| Segment result: | 47,03.95 | (45.33) | 46,58.62 | 30,57.26 | 1,53.23 | 32,10.49 |
| Un-allocated expenditure net of un-allocated income: | | | 12,67.48 | | | 11,84.40 |
| Finance Costs | | | 12,20.80 | | | 8,95.84 |
| Profit before taxation and exceptional item but after prior period adjustments: | | | 21,70.34 | | | 11,30.25 |
| Add: Exceptional item | | | — | | | 7,24.01 |
| Profit/(Loss) after exceptional item but before tax | | | 21,70.34 | | | 18,54.26 |
| Current: | | | | | | |
| Provision for Taxation: | | | | | | |
| Current: | | | 7,03.00 | | | 3,64.00 |
| In respect of earlier years: | | | (80.48) | | | (2.20) |
| Minimum Alternative Tax (Entitlement) | | | — | | | (12.00) |
| Deferred tax: | | | 66.26 | | | 36.63 |
| Profit/(Loss) after tax: | | | 14,81.56 | | | 14,67.83 |
| OTHER INFORMATION: | | | | | | |
| Segment Assets: | 242,94.29 | 9,47.74 | 252,42.03 | 233,24.92 | 9,06.90 | 242,31.82 |
| Un-allocated Assets: | | | 48,33.12 | | | 41,99.55 |
| Total Assets: | | | 300,75.15 | | | 284,31.37 |
| Segment Liabilities: | (50,57.27) | (4,59.48) | (55,16.75) | (46,23.05) | (6,97.68) | (53,20.73) |
| Un-allocated Liabilities: | | | (111,63.36) | | | (108,14.39) |
| Total Liabilities: | | | (166,80.11) | | | (161,35.12) |
| Segment Capital expenditure: | 22,01.78 | 50.10 | 22,51.88 | 10,84.02 | 67.28 | 11,51.30 |
| Un-allocated Capital expenditure: | | | 2,71.70 | | | 8,43.89 |
| Segment Depreciation and Amortisation: | 8,49.62 | 80.29 | 9,29.91 | 7,88.29 | 83.14 | 8,71.43 |
| Un-allocated Depreciation and Amortisation: | | | 83.30 | | | 98.12 |
| Segment Non-cash expenses other than Depreciation and Amortisation: | 61.86 | 28.52 | 90.38 | 95.89 | 3.34 | 99.23 |
| Un-allocated Non-cash expenses other than Depreciation and Amortisation: | | | — | | | 7.15 |
| 2. Information About Secondary Business Segments: | | | | | | |
| | Domestic | Exports | Total | Domestic | Exports | Total |
| Revenue: | 313,15.15 | 75,01.23 | 388,16.38 | 257,38.50 | 62,76.93 | 320,15.43 |
| Carrying amount of Assets: | 283,20.79 | 17,54.36 | 300,75.15 | 268,30.22 | 16,01.15 | 284,31.37 |
| Capital Expenditure: | 25,23.58 | — | 25,23.58 | 19,95.19 | — | 19,95.19 |
| 3. Notes: | | | | | | |
| 1. The Company is organised into two business segments namely: | | | | | | |
| (a) Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides 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 include the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis. | | | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Subsidiaries

Kamaljyot Investments Limited

Excel Bio Resources Limited

Associate

RomVijay Bioo Tech Private Limited (upto May 3, 2012)

Jointly Controlled Entity

Wexsam Limited, Hong Kong

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

Agrocel Industries Limited

Anshul Specialty Molecules Limited

C. C. Shroff Research Institute

C. C. Shroff Self Help Centre

Dipkanti Investments & Financing Private Limited

Divakar Chemicals Limited

Excel Crop Care Limited

Good Rasayan Limited

Hyderabad Chemicals Limited

Hyderabad Chemicals Products Limited

Kutch Crop Services Limited

Pritami Investments Private Limited

Rashtriya Seva Trust

Shri Seetha Rama Seva Sadan

Shrodip Investments Private Limited

Shrujan

Transpek Industry Limited

Transpek-Silox Industry Limited

Transpek Industry (Europe) Limited

Utkarsh Chemicals Private Limited

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Dipesh K. Shroff (Director)

Shri Atul G. Shroff (Director)

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

Shri S. R. Potdar (Executive Director)

Relatives of Key Management Personnel

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

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

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

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

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

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

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

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

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/purchase of goods & services and other transactions

(₹ in Lacs)

| | Year ended | Sale of goods | Sale of services | Sale of fixed assets | Dividend Received | Purchase of traded goods | Purchase of Services | Dividend Paid | Sitting Fees | Purchase of Shares | Reimbursement of Expenses from Party (Income) | Reimbursement of Expenses to Party (Expenses) | Charity & Donation | Salary, Bonus & contribution to PF | Retirement Benefits | Amount owed by related parties | Amount owed to related parties |
|---|------------|---------------|------------------|----------------------|-------------------|--------------------------|----------------------|---------------|--------------|--------------------|---|---|--------------------|------------------------------------|---------------------|--------------------------------|--------------------------------|
| Subsidiaries | | | | | | | | | | | | | | | | | |
| Excel Bio Resources Limited | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | 33.59 | — | — | — | — | — | — | — | — | — | — |
| Kamaliyot Invesments Limited | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | 25.00 | — | — | — | — | — | — | — |
| Enterprises owned or significantly influenced by key management personnel or their relatives | | | | | | | | | | | | | | | | | |
| Excel Crop Care Limited | 31-Mar-13 | 42,72.19 | 36.58 | 13.50 | 4.92 | 1.79 | 20.70 | 2.92 | — | — | 12.72 | 5.34 | — | — | — | 10,01.15 | 22.21 |
| | 31-Mar-12 | 33,73.74 | 8,00.15 | — | 9.22 | — | — | 5.47 | — | 25.00 | — | — | — | — | — | 12,21.44 | 6.03 |
| Agrocel Industries Limited | 31-Mar-13 | 13,27.56 | — | — | — | 10,34.91 | — | — | — | — | — | — | — | — | — | 6,76.73 | 4,65.14 |
| | 31-Mar-12 | 15,22.56 | — | — | — | 11,80.79 | — | — | — | — | — | — | — | — | — | 3,93.07 | 3,13.52 |
| Anshul Specialty Molecules Limited | 31-Mar-13 | 23.84 | — | — | — | 4.50 | — | 37.80 | — | — | — | — | — | — | — | 18.55 | — |
| | 31-Mar-12 | 1.20 | — | — | — | 0.78 | — | 70.88 | — | — | — | — | — | — | — | — | — |
| Transpek Industry Limited | 31-Mar-13 | 5.93 | — | — | 0.13 | 0.78 | 16.26 | 3.13 | — | — | — | — | — | — | — | — | 0.06 |
| | 31-Mar-12 | 0.15 | — | — | 0.26 | 1.08 | — | 5.87 | — | — | — | — | — | — | — | — | — |
| Hyderabad Chemicals Products Limited | 31-Mar-13 | 3,37.01 | — | — | — | — | — | 0.94 | — | — | — | — | — | — | — | 1,47.33 | — |
| | 31-Mar-12 | 68.99 | — | — | — | — | — | 1.76 | — | — | — | — | — | — | — | 9.51 | — |
| C. C. Shroff Self — Help Centre | 31-Mar-13 | — | — | — | — | 0.92 | — | — | — | — | — | — | — | — | — | — | 0.12 |
| | 31-Mar-12 | — | — | — | — | 1.37 | — | — | — | — | — | — | — | — | — | — | 0.58 |
| C. C. Shroff Research Institute | 31-Mar-13 | — | — | — | — | — | — | 0.29 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.61 | — | — | — | — | — | — | — | — | — |
| Good Rasayan Limited | 31-Mar-13 | — | — | — | — | — | 46.72 | — | — | — | — | — | — | — | — | — | 9.35 |
| | 31-Mar-12 | — | — | — | — | — | 47.79 | — | — | — | — | — | — | — | — | — | 5.65 |
| Dipkanti Investment & Financing Private Limited | 31-Mar-13 | — | — | — | — | — | — | 1.80 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 3.36 | — | — | — | — | — | — | — | — | — |
| Divakar Chemicals Limited | 31-Mar-13 | — | — | — | — | — | 0.69 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Hyderabad Chemicals Limited | 31-Mar-13 | — | — | — | — | — | — | 3.00 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 5.62 | — | — | — | — | — | — | — | — | — |
| Utkarsh Chemicals Private Limited | 31-Mar-13 | — | — | — | — | — | — | 27.58 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 48.41 | — | — | — | — | — | — | — | — | — |
| Pritami Invesments Private Limited | 31-Mar-13 | — | — | — | — | — | — | 1.60 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 2.99 | — | — | — | — | — | — | — | — | — |
| Shrodiip Invesments Private Limited | 31-Mar-13 | — | — | — | — | — | — | 0.59 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 1.10 | — | — | — | — | — | — | — | — | — |
| Shri Seetha Rama Seva Sadan | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | 3.00 | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | 1.50 | — | — | — | — |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Related Party Transactions (Contd.)

(₹ in Lacs)

| | Year ended | Sale of goods | Sale of services | Sale of fixed assets | Dividend Received | Purchase of traded goods | Purchase of Services | Dividend Paid | Sitting Fees | Purchase of Shares | Reimbursement of Expenses from Party (Income) | Reimbursement of Expenses to Party (Expenses) | Charity & Donation | Salary, Bonus & contribution to PF | Retirement Benefits | Amount owed by related parties | Amount owed to related parties |
|------------------------------------|------------|---------------|------------------|----------------------|-------------------|--------------------------|----------------------|---------------|--------------|--------------------|---|---|--------------------|------------------------------------|---------------------|--------------------------------|--------------------------------|
| Rashtriya Seva Trust | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | 2.00 | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | 1.50 | — | — | — | — |
| Transpek Industry (Europe) Limited | 31-Mar-13 | — | — | — | — | — | 20.98 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | 46.03 | — | — | — | — | — | — | — | — | — | — |
| Transpek-Silox Industry Limited | 31-Mar-13 | — | — | — | 2,24.16 | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | 1,12.08 | — | — | — | — | — | — | — | — | — | — | — | — |
| RomVijay Bioo Tech Private Limited | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | 0.54 | — | — | — | — | — | — | — | — | — | — | — | — |
| Mrs. Usha A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.13 | — | — | — | — | — | 54.23 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.24 | — | 0.47 | — | — | — | 46.61 | — | — | — |
| Mr. D.K. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.17 | 0.45 | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.23 | 0.50 | 0.50 | — | — | — | — | — | — | — |
| Mr. R. A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.95 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | 0.01 | — | — | — | — | — | — | — |
| Mr. A. C. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.66 | — | — | — | — | — | 59.47 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 3.12 | — | 0.01 | — | — | — | 49.90 | — | — | — |
| Mr. H. A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.95 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | 0.01 | — | — | — | — | — | — | — |
| Mr. K. C. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.14 | — | — | — | — | — | — | — | 3.60 | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 3.60 | — |
| Mr. S. R. Potdar | 31-Mar-13 | — | — | — | — | — | — | 0.04 | — | — | — | — | — | 49.78 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.07 | — | — | — | — | — | 44.33 | — | — | — |
| Mr. A. G. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.20 | 0.20 | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 2.24 | 0.20 | — | — | — | — | — | — | — | — |
| Others | 31-Mar-13 | — | — | — | — | — | — | 4.16 | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 7.71 | — | — | — | — | — | — | — | — | — |

(b) Loans given and repayment thereof

| | Year ended | Loans given | Repayment | Amount owed by related parties |
|---|------------|-------------|-----------|--------------------------------|
| (₹ in Lacs) | | | | |
| Subsidiary | | | | |
| Kamaljyot Investments Ltd. (Refer Note 13) | 31-Mar-13 | 4,70.00 | — | 7,65.00 |
| | 31-Mar-12 | — | 25.00 | 2,95.00 |
| Enterprises owned or significantly influenced by Key Management Personnel or their relatives | | | | |
| Transpek Industry (Europe) Limited | 31-Mar-13 | 29.19 | 20.98 | 12.46 |
| | 31-Mar-12 | 50.28 | 46.03 | 4.25 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|--|---|--|
| <p>30. OPERATING LEASES</p> <p>Office premises and godowns are obtained on operating leases for various tenors. None of the operating leases is renewable. There are no restrictions imposed by lease agreements/arrangements.</p> | <p>For the year ended March 31, 2013 ₹ in Lacs</p> | <p>For the year ended March 31, 2012 ₹ in Lacs</p> |
| Lease payments for the year | 46.51 | 33.59 |
| Sub-lease payments received during the year | Nil | Nil |
| Minimum lease payments as at 31st March | | |
| (a) Not later than one year | 35.80 | 28.91 |
| (b) Later than one year but not later than five years | Nil | 44.55 |
| (c) Later than five years | Nil | Nil |
| <p>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.</p> <p>There are no uncollectible minimum lease payments receivable at the reporting date. Current Year: ₹ Nil (Previous Year: ₹ Nil)</p> | | |
| Future Minimum Lease payments | | |
| (a) Not later than one year | 28.01 | 31.40 |
| (b) Later than one year but not later than five years | 37.40 | 1,17.40 |
| (c) Later than five years | Nil | Nil |
| <p>31. RESEARCH AND DEVELOPMENT COSTS</p> <p>Research and Development costs, as certified by the Management, debited to the statement of profit and Loss are as under:</p> <p>*Revenue expenses debited to Research and Development Expenses Account and other heads of accounts</p> <p>Depreciation on Research and Development Equipment</p> <p> </p> <p>*includes ₹ 88.13 lacs, ₹ 37.55 lacs and ₹ 1,02.46 lacs (Previous Year: ₹ 71.01 lacs, ₹ 52.19 lacs and ₹ 80.44 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively for which application for approval is made to Department of Scientific & Industrial Research, Ministry of Science & Technology.</p> <p>Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 27.13, ₹ 21.16 lacs and ₹ 34.24 (Previous Year: ₹ Nil, ₹ 1.38 lacs and ₹ Nil) in respect of Research and Development Units at Roha, Lote and Mumbai respectively for which application for approval is made to Department of Scientific & Industrial Research, Ministry of Science & Technology).</p> | <p>Current Year ₹ in Lacs</p> | <p>Previous Year ₹ in Lacs</p> |
| | 2,83.70 | 2,34.72 |
| | 42.27 | 43.23 |
| | <u>3,25.97</u> | <u>2,77.95</u> |
| | 1,04.94 | 21.95 |
| <p>32. CONTINGENT LIABILITIES</p> | <p>For the year ended March 31, 2013 ₹ in Lacs</p> | <p>For the year ended March 31, 2012 ₹ in Lacs</p> |
| Bills discounted | 8,11.93 | 1,07.80 |
| Disputed Income-tax liability | 17,11.50 | 6,50.50 |
| Disputed Excise Duty liability | 4,50.19 | 4,27.98 |
| Disputed Sales Tax liability | 19.96 | 34.09 |
| Disputed Custom duty tax liability | 21.78 | — |
| Disputed Service Tax liability | 32.22 | 19.46 |
| Guarantees given by Company's Bankers on behalf of the Company to third parties | 1,06.87 | 69.20 |
| Claims against the Company not acknowledged as debts | 13.46 | 13.46 |
| Liability in respect of claim made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|--|--|---|
| 33. CAPITAL COMMITMENTS | For the year ended March 31, 2013 ₹ in Lacs | For the year ended March 31, 2012 ₹ in Lacs |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 3,66.62 | 4,42.62 |
| 34. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| Raw Materials | (0.21) | — |
| Export Incentives | 0.28 | 3.52 |
| Excise Duty | 2.22 | 34.78 |
| Depreciation | 0.28 | — |
| Employee benefits expense | 13.51 | 29.97 |
| Discount | 0.22 | 0.03 |
| Others | 1.42 | 1.22 |
| | 17.72 | 69.52 |
| 35. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE | | |
| | Currency | |
| | | For the year ended March 31, 2013 ₹ in Lacs |
| | | For the year ended March 31, 2013 Foreign Currency Value in Lacs |
| | | For the year ended March 31, 2012 ₹ in Lacs |
| | | For the year ended March 31, 2012 Foreign Currency Value in Lacs |
| (a) Forward contract – Buy for Hedging Purpose | | |
| (i) Loans | USD | 6,26.45 |
| | | 11.54 |
| | | 11,11.27 |
| | | 21.84 |
| (b) Un-hedged Foreign Currency Exposure on | | |
| (i) Import Creditors | USD | 1,98.98 |
| | GBP | 1.97 |
| | | 3.67 |
| | | 0.02 |
| | | 7,96.23 |
| | | 1.30 |
| (ii) Export Debtors | USD | 17,09.84 |
| | EURO | 43.27 |
| | | 31.51 |
| | | 0.62 |
| | | 14,94.93 |
| | | 87.24 |
| (iii) Bank Balance | USD | 1.25 |
| | | 0.02 |
| | | 18.98 |
| | | 0.38 |
| 36. DETAILS OF LOAN GIVEN TO SUBSIDIARY COMPANY | | |
| | | For the year ended March 31, 2013 ₹ in Lacs |
| | | For the year ended March 31, 2012 ₹ in Lacs |
| Kamaljiyot Investments Limited (Refer Note 13) | | |
| Maximum amount outstanding during the year ₹ 765 lacs (Previous Year: ₹ 320 lacs) | | 7,65.00 |
| There is no repayment schedule in respect of this loan | | 2,95.00 |
| | | 7,65.00 |
| | | 2,95.00 |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|--|---------------------------|---------------------------|
| 37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 | | |
| The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". | | |
| 38. VALUE OF IMPORTS CALCULATED ON CIF BASIS | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Raw-materials | 92,82.75 | 72,51.21 |
| Components and Spare Parts* | — | 2.49 |
| Capital goods | 1,32.01 | 75.32 |
| Purchase of Traded Goods | 3.55 | 1,16.50 |
| | <u>94,18.31</u> | <u>74,45.52</u> |
| *In giving the above information, the Company has taken the view that Components and Spare Parts as referred to in Clause 4-D(a) of Part II of Schedule VI cover only such items as go directly into production and those used as spares for repairs and maintenance of Plant and Machinery. | | |
| 39. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS) | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Finance Cost | 22.39 | 12.00 |
| Container Rental Charges | 41.32 | 68.69 |
| Freight Outwards | 85.16 | 1,04.10 |
| Travelling and Conveyance | 64.28 | 43.90 |
| Discount on Sales | 14.02 | 8.25 |
| Legal and Professional | 3.17 | — |
| Commission on Export Sales | 1.93 | 12.10 |
| Export Product Registration | 16.26 | 19.37 |
| Others | 13.26 | 6.57 |
| | <u>2,61.79</u> | <u>2,74.98</u> |
| 40. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED | | |
| | For the year ended | |
| | March 31, 2013 | |
| | % of total | Value |
| | consumption | ₹ Lacs |
| Raw Materials | | |
| Imported | 49% | 97,92.03 |
| Indigenous obtained | 51% | 100,69.10 |
| | <u>100%</u> | <u>198,61.13</u> |
| Stores & Spares | | |
| Imported | — | — |
| Indigenous obtained | 100% | 73.51 |
| | <u>100%</u> | <u>73.51</u> |
| | | For the year ended |
| | | March 31, 2012 |
| | % of total | Value |
| | consumption | ₹ Lacs |
| Raw Materials | | |
| Imported | 46% | 75,48.86 |
| Indigenous obtained | 54% | 89,24.77 |
| | <u>100%</u> | <u>164,73.63</u> |
| Stores & Spares | | |
| Imported | — | — |
| Indigenous obtained | 100% | 58.68 |
| | <u>100%</u> | <u>58.68</u> |

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|---|--|--|
| <p>41. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE</p> <p>During the year, the Company has not remitted any amount in foreign currency on account of dividend. The details of dividend paid in respect of shares held by non-residents on repatriation basis are as under:</p> | <p>Current Year ₹ in Lacs</p> | <p>Previous Year ₹ in Lacs</p> |
| <p>Year to which it relates</p> <p>Number of Non-resident shareholders</p> <p>Number of Equity Shares held by them</p> <p>Amount of dividend remitted</p> | <p>2011-12</p> <p>1,17.00</p> <p>63,087</p> <p>1.26</p> | <p>2010-11</p> <p>1,06.00</p> <p>64,016</p> <p>2.40</p> |
| <p>42. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)</p> <p>Exports of Goods on F.O.B. basis</p> <p>Commission</p> <p>Technical Fees</p> | <p>Current Year ₹ in Lacs</p> <p>73,38.65</p> <p style="text-align: center;">—</p> <p>11.41</p> <hr style="width: 100%;"/> <p>73,50.06</p> | <p>Previous Year ₹ in Lacs</p> <p>61,19.53</p> <p>24.46</p> <p>88.88</p> <hr style="width: 100%;"/> <p>62,32.87</p> |
| <p>43. PREVIOUS YEAR FIGURES</p> <p>Previous Year figures have been regrouped/reclassified, where necessary to confirm to this year's classification.</p> | | |
| <p>As per our report of even date</p> <p>For S. R. BATLIBOI & CO. LLP Firm registration no.: 301003E <i>Chartered Accountants</i></p> <p>per Vijay Maniar <i>Partner</i> Membership No. 36738</p> <p><i>Place : Mumbai</i> <i>Date: 24 May 2013</i></p> | <p>For and on behalf of the Board of Directors of Excel Industries Limited</p> <p>A. C. SHROFF <i>Chairman and Managing Director</i></p> <p>S. R. POTDAR <i>Executive Director</i></p> <p>S. K. SINGHVI <i>Company Secretary</i></p> <p><i>Place : Mumbai</i> <i>Date: 24 May 2013</i></p> | <p>U. A. SHROFF <i>Executive Vice Chairperson</i></p> <p>KAILAS DABHOLKAR <i>Vice President – Finance and Taxation</i></p> |

EXCEL INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO
THE BOARD OF DIRECTORS OF
EXCEL INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of Excel Industries Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31 March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of ₹ 1,127.23 lacs as at 31 March 2013 and total revenues of ₹ 21.22 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiary whose financial statements and other financial information have been audited by other auditor and whose reports has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditor. Our opinion is not qualified in respect of this matter.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm registration number: 301003E

per VIJAY MANIAR

Partner

Membership Number: 36738

Place: Mumbai

Date: 24 May 2013

EXCEL INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

| | Notes | As at March 31, 2013 (₹ in Lacs) | As at March 31, 2012 (₹ In Lacs) |
|--|-------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 3 | 5,45.28 | 5,45.28 |
| Reserves and surplus | 4 | 130,06.36 | 118,97.36 |
| | | 135,51.64 | 124,42.64 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 5 | 10,50.07 | 5,45.15 |
| Deferred tax liabilities (net) | 6 | 14,72.50 | 14,06.24 |
| Long-term provisions | 7 | 8,05.32 | 5,36.74 |
| | | 33,27.89 | 24,88.13 |
| Current Liabilities | | | |
| Short-term borrowings | 8 | 58,37.03 | 58,26.16 |
| Trade payables | 9 | 50,39.70 | 45,14.16 |
| Other current liabilities | 9 | 13,48.73 | 24,67.63 |
| Short-term provisions | 7 | 11,34.37 | 8,41.98 |
| | | 133,59.83 | 136,49.93 |
| | TOTAL | 302,39.36 | 285,80.70 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 118,35.21 | 106,98.50 |
| Intangible assets | 11 | 2,53.93 | 52.63 |
| Capital work-in-progress | | 4,76.91 | 5,59.97 |
| Non-current investments | 12.1 | 21,03.54 | 17,63.73 |
| Loans and advances | 13 | 4,27.76 | 3,60.38 |
| Other non-current assets | 14.2 | 1,78.00 | 73.00 |
| | | 152,75.35 | 135,08.21 |
| Current Assets | | | |
| Inventories | 15 | 42,70.53 | 47,60.12 |
| Current Investments | 12.2 | 47.73 | 19.75 |
| Trade receivables | 14.1 | 88,86.19 | 83,92.48 |
| Cash and bank balances | 16 | 5,98.03 | 7,73.89 |
| Loans and advances | 13 | 9,83.38 | 8,71.94 |
| Other current assets | 14.2 | 1,78.15 | 2,54.31 |
| | | 149,64.01 | 150,72.49 |
| | TOTAL | 302,39.36 | 285,80.70 |
| Summary of significant accounting policies | 2.3 | | |

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

As per our report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

| | Notes | Current Year (₹ in Lacs) | Previous Year (₹ In Lacs) |
|--|-------|-----------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations (gross) | 17 | 420,32.03 | 339,10.89 |
| Less: Excise duty | | 36,38.45 | 23,61.41 |
| Revenue from operations (net) | | 383,93.58 | 315,49.48 |
| Other income | 18.2 | 3,59.07 | 5,02.52 |
| Total revenue (I) | | 387,52.65 | 320,52.00 |
| EXPENSES | | | |
| Cost of materials consumed | 19 | 207,87.83 | 172,61.91 |
| Purchase of traded goods | 20 | 7,62.73 | 7,17.39 |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods | 20 | (4,84.30) | (3,70.53) |
| Employee benefits expense | 21 | 50,79.99 | 41,51.17 |
| Other expenses | 22 | 82,74.71 | 72,16.62 |
| Total Expenses (II) | | 344,20.96 | 289,76.56 |
| Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II) | | 43,31.69 | 30,75.44 |
| Depreciation and amortisation expense | 23 | 10,13.25 | 9,69.66 |
| Interest income | 18.1 | (88.46) | (35.60) |
| Finance costs | 24 | 12,20.80 | 8,95.84 |
| Profit before exceptional item and tax, prior period adjustments | | 21,86.10 | 12,45.54 |
| Exceptional item | 25 | — | 7,24.01 |
| Profit before tax and prior period adjustments | | 21,86.10 | 19,69.55 |
| Tax expenses | | | |
| Current tax | | | |
| Pertaining to profit for the current year | | 7,08.38 | 3,65.88 |
| Adjustment of tax relating to earlier periods | | (80.48) | (1.88) |
| Minimum Alternative Tax (Entitlement) | | 0.90 | (12.59) |
| Deferred tax | | 66.26 | 36.61 |
| Total tax expense | | 6,95.06 | 3,88.02 |
| Profit after tax but before prior period expenses | | 14,91.04 | 15,81.53 |
| Add/(Less): Prior period adjustments [Net of tax of ₹ 0.73 lac (Previous Year: ₹ 31.41 lacs)] | | 1.97 | (46.50) |
| Add/(Less): Share of Loss in an Associate Company in Earlier Year | | — | 1.65 |
| Profit for the year | | 14,93.01 | 15,36.68 |
| Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)] | 26 | | |
| Basic and Diluted (in ₹) computed on the basis of profit for the year | | 13.69 | 14.09 |
| Summary of significant accounting policies | 2.3 | | |

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

As per our report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

| | For the year ended March 31, 2013 | For the year ended March 31, 2012 |
|---|--------------------------------------|--------------------------------------|
| | (₹ in Lacs) | (₹ in Lacs) |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 21,86.10 | 12,45.54 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 9,75.48 | 9,19.39 |
| Amortisation of Intangible Assets | 37.77 | 50.27 |
| Share of loss in Partnership Firm | 0.02 | 0.02 |
| Bad Debts/Sundry Debit Balances Written Off (Net) | 17.41 | 6.03 |
| Loss/(Profit) on sale of Tangible Assets | 36.82 | 38.24 |
| Loss/(Profit) on sale of Investments | 1.13 | (4.61) |
| Provision for Gratuity/Leave Encashment | 7,70.36 | 2,83.42 |
| Tangible Assets written off | 46.94 | 92.84 |
| Provision for Doubtful receivables/Advances | 26.05 | 7.52 |
| Sundry Credit Balances written back | (32.53) | (5.16) |
| Provision for Diminution in value of investments written back | — | (38.29) |
| Interest Income | (88.47) | (35.60) |
| Dividend Income | (2,34.00) | (1,49.22) |
| Finance Cost | 8,94.70 | 7,19.54 |
| Unrealised exchange loss | 1,16.01 | 38.12 |
| Share of Dividend from Associate Company | — | 0.54 |
| Short/(Excess) Provision for other items (Net) | (17.72) | (69.52) |
| | 25,49.97 | 18,53.53 |
| Operating Profit before working capital changes | 47,36.07 | 30,99.07 |
| Adjustments for: | | |
| Decrease/(Increase) in Trade Receivables | (5,04.28) | (23,54.98) |
| Decrease/(Increase) in Inventories | 4,89.59 | (9,06.05) |
| Decrease/(Increase) in Other Current Assets | 24.77 | 78.95 |
| Decrease/(Increase) in Loans & Advances | (32.27) | 1,95.60 |
| Increase/(Decrease) in Current Liabilities & Provisions | (8,06.69) | 17,72.85 |
| | (8,28.88) | (12,13.63) |
| Cash generated from Operations | 39,07.19 | 18,85.44 |
| Direct taxes paid | 6,40.60 | 3,48.35 |
| Cash flow before extraordinary items | 32,66.59 | 15,37.09 |
| Prior Period Adjustments (Other than Taxation) | 1.97 | (46.50) |
| Net cash from/(used in) Operating Activities (A) | 32,68.56 | 14,90.59 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible assets including cwip and capital advances | (22,01.46) | (23,97.68) |
| Purchase of Intangible Assets | (2,39.07) | (23.87) |
| Proceeds of tangible assets | 88.51 | 7,58.38 |
| Purchase of Investments | (4,50.80) | (28.48) |
| Sale of Investments | 70.65 | 36.41 |
| Sundry Loans returned | — | 2.50 |
| Sundry Loans given | (1,20.00) | — |
| Interest received | 81.61 | 32.16 |
| Dividend received | 2,34.00 | 1,49.22 |
| Net Cash from/(used in) Investing Activities (B) | (25,36.56) | (14,71.36) |

EXCEL INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

| | For the year ended March 31, 2013 (₹ in Lacs) | For the year ended March 31, 2012 (₹ in Lacs) |
|--|---|---|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings (Gross) | 41,14.17 | 35,85.88 |
| Repayment of borrowings (Gross) | (37,15.60) | (20,14.86) |
| Dividend Paid | (2,15.70) | (4,04.98) |
| Interest Paid | (9,50.35) | (6,89.57) |
| Tax on distributed Profits | (35.38) | (66.34) |
| Net cash from/(used in) Financing Activities (C) | <u>(8,02.86)</u> | <u>4,10.13</u> |
| Net increase in cash and cash equivalents (A+B+C) | (70.86) | 4,29.36 |
| Cash and cash equivalents at the beginning of the year | <u>8,46.89</u> | <u>4,17.53</u> |
| Cash and cash equivalents at the end of the year | <u>7,76.03</u> | <u>8,46.89</u> |
| Components of Cash and Cash Equivalents: | | |
| 1. Cash on hand | 0.03 | 0.01 |
| 2. Bank Balances in India: | | |
| With Scheduled Banks: | | |
| (i) In Unclaimed Dividend Accounts * | 15.26 | 12.85 |
| (ii) In Current Accounts | 5,36.61 | 4,58.26 |
| (iii) In Deposits | 1,86.04 | 1,10.23 |
| (iv) In Margin Money Accounts | 36.41 | 2,63.09 |
| (v) Unrealised Exchange loss/(gain) | 1.68 | 2.45 |
| | <u>7,76.03</u> | <u>8,46.89</u> |
| Note: | | |
| * Cash and cash equivalents include ₹ 15.26 lacs (Previous Year ₹ 8.87 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company. | | |

As per our attached report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. CORPORATE INFORMATION

The holding Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The holding Company is engaged in manufacturing of Chemicals and Environmental products. Chemicals products comprise of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprise of Soil Enricher, Bio - Pesticides and other Bio-products. The holding Company is also engaged in manufacturing activity on behalf of third parties. Excel Bio Resources Limited is a wholly owned subsidiary of the holding Company and is in the process of exploring business opportunities in the areas of renewable bio-resources, waste management, renewable energy and biotechnological processes. Kamalijot Investments Limited, another wholly owned subsidiary of the holding Company, is primarily engaged in activities of Investment Holding and Financing.

2. CONSOLIDATION:

- (a) The Consolidated financial statements comprise of the financial statements of Excel Industries Limited (hereinafter referred to as "the holding Company") and its Subsidiary Companies (hereinafter referred to as "the group"). The details of subsidiary Companies considered for consolidation together with proportion of share holding held by the group is as follows:

| Name of the Subsidiary Companies | Country of Incorporation | % of Group Holding | |
|----------------------------------|--------------------------|----------------------|----------------------|
| | | As at March 31, 2013 | As at March 31, 2012 |
| Kamalijot Investments Limited | India | 100% | 100% |
| Excel Bio Resources Limited | India | 100% | 100% |

- (b) For the purpose of preparation of consolidated financial statements, the investment of the group in its associate company is accounted for using the Equity Method. The investments in the associate Company considered for consolidation together with proportion of share holding held by the group are as under:

| Name of the Associate | Country of Incorporation | % of Group Holding | |
|-------------------------------------|--------------------------|----------------------|----------------------|
| | | As at March 31, 2013 | As at March 31, 2012 |
| Rom Vijay Bioo Tech Private Limited | India | 0.00% | 24.00% |

- (c) The group has 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest in the said entity as per the latest available Balance Sheet as at March 31, 2013 have been considered for preparation of the aforesaid consolidated financial statements. There is no change in the ownership interest as compared to previous year.
- (d) Consolidated financial statements have been prepared in the same format as adopted by the holding Company, to the extent possible, as required by Accounting Standard (AS) 21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules, 2006 and comprise of the consolidated balance sheet, consolidated statement of profit and loss, and notes, other statements and explanatory material that form an integral part thereof.
- (e) The financial statement of the subsidiaries drawn upto the same reporting date viz. year ended March 31, 2013 has been used for the purpose of consolidation.
- (f) The Consolidated financial statements of the holding Company and its Subsidiary Companies have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised Profits/Losses.
- (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 accounts to make them uniform with the accounting policies followed by the holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the Group companies are stated in Note No. 2.3 below, if material.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 BASIS OF PREPARATION

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

The Consolidated financial statements of the group have been prepared on a line-by-line basis by adding together the book value of subsidiary companies like items of assets, liabilities, income and expenses after eliminating intra-group balances and the unrealised profit / loss on intra-group transactions.

2.2 PRESENTATION AND DISCLOSURE OF CONSOLIDATED FINANCIAL STATEMENTS

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Tangible fixed assets

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

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

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

(c) Depreciation on tangible fixed assets

- (i) Leasehold Land (at cost or revalued as the case may be) is amortised over the period of 69 Years and 95 Years for Roha and Lote Parashuram site respectively.
- (ii) Other Fixed Assets:

- (1) In the case of following assets (which have been revalued) at Roha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

(d) Intangible Assets and Amortisation

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

(e) Research and Development Costs

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

(f) Leases

Where the group is lessee

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

Where the group is the lessor

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(g) Borrowing costs

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

(h) Impairment of tangible and intangible assets

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

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

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

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

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

(i) Government grants and subsidies

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

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

(j) Investments

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

On initial recognition all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

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

(k) Inventories

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

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

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

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

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Sale of goods

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

Income from services

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

Interest

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Export Benefits

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

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

Dividends

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

Royalties

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

Other Income

Certain items of income such as insurance claims, commission income, overdue interest from customers etc. are considered to the extent the amount is ascertainable/ accepted by the parties.

(m) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

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

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

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

(n) Retirement and other employee benefits

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

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

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

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

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

(o) Income taxes

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

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

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

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

Minimum 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 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 inter-segment sales and transfers at cost plus appropriate margins.

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(q) Earnings per share

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

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

(r) Provisions

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

(u) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the group does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

(v) Derivatives

Subsidiary Company – Kamaljyot Investments Limited

All derivatives, are measured using the mark-to-market principle with the resulting losses thereon being recorded in the statement of profit and loss. For derivatives which are outstanding as on the reporting date, the Company adopts a conservative approach and ignores the anticipated profit on such transactions and no credit is taken in the statement of profit and loss.

Initial margins paid for entering into the contract are disclosed in the Balance Sheet as Current Investments as it is represented by way of investment in units of LiquidBeEs (Mutual Fund). The dividend earned on such units of LiquidBeEs is further invested in purchase of additional LiquidBeEs. These LiquidBeEs are pledged as Margin for trading in Futures and Option Segment of NSE Niftyindex and have been disclosed as restricted investment. Also Refer Note 40.

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

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

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

On the final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squared up price and contract price and disclosed in the statement of profit and loss under the head profit/loss on securities.

"Nifty Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively. Premium income should be amortised over the period of option.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 3. SHARE CAPITAL | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|---|--|--|
| Authorised shares | | |
| 3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each | 19,00.00 | 19,00.00 |
| 8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each | 85.00 | 85.00 |
| 3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each | 15.00 | 15.00 |
| | 20,00.00 | 20,00.00 |
| Issued, subscribed and fully paid-up shares | | |
| 1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each fully paid | 5,45.28 | 5,45.28 |
| TOTAL | 5,45.28 | 5,45.28 |
| (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period | | |
| Equity Shares | March 31, 2013 | March 31, 2012 |
| | Nos. ₹ in Lacs | Nos. ₹ in Lacs |
| At the beginning of the period | 10,905,630 5,45.28 | 10,905,630 5,45.28 |
| Fresh issue of shares during the period | — — | — — |
| Outstanding at the end of the period | 10,905,630 5,45.28 | 10,905,630 5,45.28 |
| (b) Terms/rights attached to equity shares | | |
| <p>The holding Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>During the year ended March 31, 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/- (Previous year: ₹ 2/-)</p> <p>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.</p> | | |
| (c) Details of shareholders holding more than 5% shares in the Holding Company | | |
| Name of the shareholder | As at March 31, 2013 | As at March 31, 2012 |
| | Nos. % holding of Shares in the class | Nos. % holding of Shares in the class |
| Equity shares of ₹ 5/- each fully paid: | | |
| Life Insurance Corporation of India | 1,012,799 9.29% | 1,012,799 9.29% |
| Utmarsh Chemicals Private Limited | 3,248,974 29.79% | 1,378,944 12.64% |
| Anshul Specialty Molecules Limited | — — | 1,890,205 17.33% |
| <p>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.</p> | | |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 4. RESERVES AND SURPLUS | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | | |
|--|--------------------------------------|--------------------------------------|----------------|-----------------|
| Capital reserve | | | | |
| (a) Profit on purchase of debentures | 0.01 | 0.01 | | |
| (b) Government grants/subsidies | 70.00 | 70.00 | | |
| | <u>70.01</u> | <u>70.01</u> | | |
| Capital Redemption Reserve | 0.02 | 0.02 | | |
| Securities premium account | 1,81.08 | 1,81.08 | | |
| General reserve | | | | |
| Balance as per the last financial statements | 104,04.07 | 92,04.07 | | |
| Add: amount transferred from surplus balance in the statement of profit and loss | 10,00.00 | 12,00.00 | | |
| Closing balance | <u>114,04.07</u> | <u>104,04.07</u> | | |
| Surplus in the statement of profit and loss | | | | |
| Balance as per the last financial statements | 12,42.18 | 11,59.68 | | |
| Add: Profit for the year | 14,93.01 | 15,36.68 | | |
| Add/(less): Reduction in Reserves on cessation of Associate Company | (1.24) | (1.44) | | |
| Goodwill generated in acquisition of Subsidiary | — | 0.75 | | |
| Less: Appropriations | | | | |
| Proposed equity dividend [Amount per share ₹ 3/- (Previous Year: ₹ 2/-)] | (3,27.17) | (2,18.11) | | |
| Tax on proposed equity dividend | (55.60) | (35.38) | | |
| Transfer to general reserve | (10,00.00) | (12,00.00) | | |
| Total appropriations | <u>(13,82.77)</u> | <u>(14,53.49)</u> | | |
| Net surplus in the statement of profit and loss | <u>13,51.18</u> | <u>12,42.18</u> | | |
| Total | <u>130,06.36</u> | <u>118,97.36</u> | | |
| | | | | |
| 5. LONG-TERM BORROWINGS | | | | |
| | Non-current portion | Current maturities | | |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | | |
| | As at March 31, 2012 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | | |
| From other | | | | |
| Under vehicle finance scheme (secured) | 18.97 | 21.14 | 18.24 | 18.87 |
| Deposits (unsecured) | | | | |
| From shareholders | 1,82.28 | 76.10 | 34.82 | 1,56.61 |
| From public | 8,48.82 | 4,47.91 | 2,57.52 | 9,99.66 |
| Total | <u>10,50.07</u> | <u>5,45.15</u> | <u>3,10.58</u> | <u>11,75.14</u> |
| The above amount includes | | | | |
| Secured borrowings | 18.97 | 21.14 | 18.24 | 18.87 |
| Unsecured borrowings | 10,31.10 | 5,24.01 | 2,92.34 | 11,56.27 |
| Amount disclosed under the head "other current liabilities" (Refer Note 9) | — | — | (3,10.58) | (11,75.14) |
| Total | <u>10,50.07</u> | <u>5,45.15</u> | <u>—</u> | <u>—</u> |
| (a) Term loan under vehicle finance from financial institution amounting to ₹ 37.21 lacs (Previous Year: ₹ 40.01 lacs) carrying interest rate ranging from 12% to 14 %, repayable in equated monthly installments and secured by hypothecation of the vehicles acquired by utilising the said loans. | | | | |
| (b) Deposit from shareholders are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively. | | | | |
| (c) Deposit from public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively. | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 6. DEFERRED TAX LIABILITY (NET) | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| Deferred tax liability | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting | 18,30.89 | 16,22.67 |
| 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 | 3,20.08 | 1,87.58 |
| Provision for doubtful receivables and advances | 23.27 | 13.76 |
| Other disallowances | 15.04 | 15.09 |
| Gross deferred tax assets | 3,58.39 | 2,16.43 |
| Net deferred tax liability | 14,72.50 | 14,06.24 |
| <p>The group has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised.</p> | | |
| 7. PROVISIONS | | |
| | Long-term | Short-term |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Provision for employee benefits | | |
| Provision for gratuity (Refer Note 27) | 1,92.29 | 7.96 |
| Provision for leave benefits | 6,13.03 | 5,28.78 |
| | 8,05.32 | 5,36.74 |
| Other provisions | | |
| Provision for taxation [net of advance tax of ₹ 31,95.90 lacs (Previous Year: ₹ 26,46.07 lacs)] | — | — |
| Proposed equity dividend | — | — |
| Provision for tax on distributed profits | — | — |
| Provision for Loss on Open Nifty Index / Stock Option | — | — |
| | — | — |
| Total | 8,05.32 | 5,36.74 |
| | | 7,64.01 |
| | | 6,87.83 |
| | | 11,34.37 |
| | | 8,41.98 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 8. SHORT-TERM BORROWINGS | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| From banks | | |
| Cash credit and packing credit (secured) | 38,78.50 | 37,46.61 |
| Working capital demand loan (secured) | 9,88.61 | 9,90.26 |
| Foreign currency buyer's credit loan (unsecured) | 6,19.92 | 10,89.29 |
| | 54,87.03 | 58,26.16 |
| From others | | |
| Inter corporate deposits (unsecured) | 3,50.00 | — |
| Total | 58,37.03 | 58,26.16 |
| The above amount includes | | |
| Secured Borrowing | 48,67.11 | 47,36.87 |
| Unsecured Borrowing | 9,69.92 | 10,89.29 |
| <p>Cash credit, packing credit and working capital demand loan from bank are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivable etc and is further secured by a second charge on the fixed assets at Roha and Lote Parshuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 9% to 13.5% p.a.</p> <p>Outstanding foreign currency buyer's credit loan are unsecured and carry an interest rate ranging from libor plus 75 bps to 115 bps.</p> <p>Inter Corporate Deposits are repayable within a period of 3 months and carries interest rates @ 12% to 12.5% p.a.</p> | | |
| 9. OTHER CURRENT LIABILITIES | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Trade payables (including acceptances) (Refer Note 36 for details of dues to micro and small enterprises) (A) | 50,39.70 | 45,14.16 |
| | 50,39.70 | 45,14.16 |
| Other liabilities | | |
| Current maturities of long-term borrowings (Refer Note 5) | 3,10.58 | 11,75.14 |
| Interest accrued but not due on borrowings | 45.32 | 1,07.52 |
| Interest accrued and due on borrowings | 6.55 | — |
| Investor education and protection fund will be credited by following amounts (as and when due): | | |
| Unclaimed dividend | 15.26 | 12.85 |
| Unclaimed matured deposits | 30.57 | 22.19 |
| Advances against orders | 3,79.58 | 5,19.51 |
| Capex creditors | 2,58.03 | 2,88.71 |
| Statutory liabilities | 1,94.68 | 1,76.48 |
| Sundry deposits | 11.12 | 1,16.18 |
| Nifty Index/Stock Option Premium Account (Refer Note 40) | 2.05 | 0.16 |
| Others | 94.99 | 48.89 |
| (B) | 13,48.73 | 24,67.63 |
| Total (A + B) | 63,88.43 | 69,81.79 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. TANGIBLE ASSETS

(₹ in Lacs)

| | Land free hold | Land lease hold** | Leasehold improvements | Buildings | Plant and machinery | Data processing equipments | Electrical installation | Laboratory equipments | Furniture fixture and office equipments | Vehicles | Technical books | Total |
|---------------------------------------|----------------|-------------------|------------------------|-----------------|---------------------|----------------------------|-------------------------|-----------------------|---|----------------|-----------------|------------------|
| Cost / Valuation (gross block) | | | | | | | | | | | | |
| At April 1, 2011 | 1,72.91 | 2,84.71 | 23.43 | 22,90.88 | 160,06.10 | 8,38.70 | 5,24.90 | 2,12.00 | 6,16.47 | 2,74.60 | 9.23 | 212,53.93 |
| Acquisition of Subsidiary | — | — | — | — | 0.02 | 0.29 | — | — | 0.23 | — | — | 0.54 |
| Additions | — | — | — | 9,73.17 | 8,36.42 | 49.80 | 10.63 | 19.32 | 39.39 | 43.16 | 0.19 | 19,72.08 |
| Disposals | 1.06 | — | — | 1.07 | 3,90.13 | 77.48 | 1.58 | 0.16 | 46.46 | 19.04 | — | 536.98 |
| At March 31, 2012 | 1,71.85 | 2,84.71 | 23.43 | 32,62.98 | 164,52.41 | 8,11.31 | 5,33.95 | 2,31.16 | 6,09.63 | 2,98.72 | 9.43 | 226,89.57 |
| Additions | — | — | — | 61.48 | 19,60.79 | 28.63 | 1,62.47 | 24.26 | 23.39 | 23.32 | 0.17 | 22,84.51 |
| Disposals | — | — | — | 0.07 | 4,86.02 | 32.60 | — | 6.90 | (2.95) | 1.93 | 0.11 | 5,24.68 |
| At March 31, 2013 | 1,71.85 | 2,84.71 | 23.43 | 33,24.39 | 179,27.18 | 8,07.34 | 6,96.42 | 2,48.52 | 6,35.97 | 3,20.11 | 9.48 | 244,49.40 |
| Depreciation | | | | | | | | | | | | |
| At April 1, 2011 | — | 47.15 | 12.07 | 7,49.14 | 87,37.70 | 7,10.00 | 3,36.23 | 1,89.36 | 4,87.68 | 1,76.61 | 6.19 | 114,52.13 |
| Acquisition of Subsidiary | — | — | — | — | — | 0.22 | — | — | 0.15 | — | — | 0.37 |
| Charge for the year | — | 4.64* | 8.52 | 1,05.00 | 6,68.87 | 39.67 | 25.96 | 8.53 | 27.74 | 30.00 | 0.46 | 9,19.39 |
| Disposals/adjustments | — | — | — | 0.45 | 2,22.32 | 99.77 | 1.58 | — | 40.35 | 16.35 | — | 3,80.82 |
| At March 31, 2012 | — | 51.79 | 20.59 | 8,53.69 | 91,84.25 | 6,50.12 | 3,60.61 | 1,97.89 | 4,75.22 | 1,90.26 | 6.65 | 119,91.07 |
| Charge for the year | — | 4.28* | 2.84 | 99.96 | 7,22.67 | 43.30 | 30.24 | 16.17 | 24.98 | 30.68 | 0.36 | 9,75.48 |
| Disposals/adjustments | — | — | — | 0.07 | 3,17.99 | 30.50 | — | 6.90 | (4.87) | 1.66 | 0.11 | 3,52.36 |
| At March 31, 2013 | — | 56.07 | 23.43 | 9,53.58 | 95,88.93 | 6,62.92 | 3,90.85 | 2,07.16 | 5,05.07 | 2,19.28 | 6.90 | 126,14.19 |
| Net Block | | | | | | | | | | | | |
| At March 31, 2012 | 1,71.85 | 2,32.92 | 2.84 | 24,09.29 | 72,68.16 | 1,61.19 | 1,73.34 | 33.27 | 1,34.41 | 1,08.46 | 2.77 | 106,98.50 |
| At March 31, 2013 | 1,71.85 | 2,28.64 | — | 23,70.81 | 83,38.25 | 1,44.42 | 3,05.57 | 41.36 | 1,30.90 | 1,00.83 | 2.59 | 118,35.21 |

Notes: a.* Amount written off in respect of leasehold land.
b. Buildings include cost of shares in co-operative housing societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).
c. Buildings include buildings given on operating lease:
Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs)
Accumulated depreciation ₹ 81.91 lacs (Previous Year: ₹ 78.66 lacs)
Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 3.25 lacs)
Net block ₹ 1,14.54 lacs (Previous Year: ₹ 1,17.79 lacs)
d. ** Includes ₹ 2 lacs (Previous Year : ₹ 2 lacs) being 50% share of interest in Joint Venture.

11. INTANGIBLE ASSETS

(₹ in Lacs)

| | Trade marks | Computer software | Export product registration | Goodwill | Total |
|---------------------------|-------------|-------------------|-----------------------------|-------------|----------------|
| Cost (Gross block) | | | | | |
| At April 1, 2011 | 7.00 | 1,86.34 | 54.02 | — | 2,47.36 |
| Additions/purchase | — | — | 23.12 | 0.75* | 23.87 |
| Disposals | — | — | 9.44 | — | 9.44 |
| At March 31, 2012 | 7.00 | 1,86.34 | 67.70 | 0.75 | 2,61.79 |
| Additions/purchase | — | 2,39.07 | — | — | 2,39.07 |
| Disposals | — | — | — | — | — |
| At March 31, 2013 | 7.00 | 4,25.41 | 67.70 | 0.75 | 5,00.86 |
| Amortisation | | | | | |
| At April 1, 2011 | 7.00 | 1,47.41 | 4.50 | — | 1,58.91 |
| Charge for the year | — | 38.95 | 11.32 | — | 50.27 |
| Disposals | — | 0.02 | — | — | 0.02 |
| At March 31, 2012 | 7.00 | 1,86.34 | 15.82 | — | 2,09.16 |
| Charge for the year | — | 20.84 | 16.93 | — | 37.77 |
| Disposals | — | — | — | — | — |
| At March 31, 2012 | 7.00 | 2,07.18 | 32.75 | — | 2,46.93 |
| Net Block | | | | | |
| At March 31, 2012 | — | — | 51.88 | 0.75 | 52.63 |
| At March 31, 2013 | — | 2,18.23 | 34.95 | 0.75 | 253.93 |

Note: * Goodwill on account of acquiring a company

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 12.1 NON-CURRENT INVESTMENTS (Long Term Investments) | As at March 31, 2013 | | | As at March 31, 2012 | | |
|---|------------------------|---------------------|------------------------|----------------------|--------------|-----------------|
| | Cost | Diminution | Carrying Amount | Cost | Diminution | Carrying Amount |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| Trade Investments (valued at cost unless otherwise stated) | | | | | | |
| Quoted equity instruments | | | | | | |
| Others | | | | | | |
| 2,45,760 (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited | 3,66.26 | — | 3,66.26 | 3,66.26 | — | 3,66.26 |
| 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 | <u>6,75.26</u> | <u>—</u> | <u>6,75.26</u> | <u>6,75.26</u> | <u>—</u> | <u>6,75.26</u> |
| Unquoted equity instruments | | | | | | |
| Investment in joint ventures | | | | | | |
| 4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong (Refer Note 38) | 27.26 | 27.26 | — | 27.26 | 27.26 | — |
| B | <u>27.26</u> | <u>27.26</u> | <u>—</u> | <u>27.26</u> | <u>27.26</u> | <u>—</u> |
| Investment in associates | | | | | | |
| Nil (Previous Year: 10,812) Equity Shares of ₹ 10/- each fully paid-up in RomVijay Bio Tech Private Limited | — | — | — | 51.24 | — | 51.24 |
| C | <u>—</u> | <u>—</u> | <u>—</u> | <u>51.24</u> | <u>—</u> | <u>51.24</u> |
| Others (quoted) | | | | | | |
| 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 | 1,77.75 | — | 1,77.75 |
| 10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Limited | 2,86.08 | — | 2,86.08 | 2,86.08 | — | 2,86.08 |
| 1,82,573 (Previous Year: Nil) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited | 3,99.59 | — | 3,99.59 | — | — | — |
| D | <u>8,63.42</u> | <u>—</u> | <u>8,63.42</u> | <u>4,63.83</u> | <u>—</u> | <u>4,63.83</u> |
| Total Trade Investment (E = A+B+C+D) | <u>15,65.94</u> | <u>27.26</u> | <u>15,38.68</u> | <u>12,17.59</u> | <u>27.26</u> | <u>11,90.33</u> |
| Non-Trade Investments (valued at cost unless otherwise stated) | | | | | | |
| Investments in equity instruments (quoted) | | | | | | |
| 4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited | 1.54 | — | 1.54 | 1.54 | — | 1.54 |
| 35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India | 16.16 | — | 16.16 | 16.16 | — | 16.16 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 12.1 NON-CURRENT INVESTMENTS (Long Term Investments) | As at March 31, 2013 | | | As at March 31, 2012 | | |
|---|----------------------|-------------|-----------------|----------------------|------------|-----------------|
| | Cost | Diminution | Carrying Amount | Cost | Diminution | Carrying Amount |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| 10,075 (Previous Year: 10,075) Equity Shares of ₹ 10/- each fully paid-up in Aimco Pesticides Limited | 1.02 | 0.24 | 0.78 | 1.02 | — | 1.02 |
| 608,493 (Previous Year: 6,08,493) Equity Shares of ₹ 10/- each fully paid-up in Transpek Industry Limited | 5,18.67 | — | 5,18.67 | 5,18.67 | — | 5,18.67 |
| 1,500 (Previous Year: 1,500) Equity Shares of ₹ 2/- each fully paid-up in Astra Microwave Products Limited | 1.64 | 1.03 | 0.61 | 1.64 | 1.12 | 0.52 |
| 8 (Previous Year: 8) Equity Shares of ₹ 10/- each fully paid-up in Bayer Cropscience Limited | 0.01 | — | 0.01 | 0.01 | — | 0.01 |
| 40 (Previous Year: 40) Equity Shares of ₹ 10/- each fully paid-up in Birla Precision Technologies Limited | — | — | — | — | — | — |
| 2,000 (Previous Year: 2,000) Equity Shares of ₹ 1/- each fully paid-up in Carborundum Universal Limited | 1.77 | — | 1.77 | 1.77 | — | 1.77 |
| 3,500 (Previous Year: 3,500) Equity Shares of ₹ 1/- each fully paid-up in Elgi Rubber International Limited | 1.96 | 1.11 | 0.85 | 1.96 | 1.26 | 0.70 |
| 375 (Previous Year: 375) Equity Shares of ₹ 10/- each fully paid-up in Gujarat Lease Financing Limited | 0.58 | 0.57 | 0.01 | 0.58 | 0.57 | 0.01 |
| 4,700 (Previous Year: 4,700) Equity Shares of ₹ 10/- each fully paid-up in Gujarat State Financial Corporation | 0.94 | 0.86 | 0.08 | 0.94 | 0.82 | 0.12 |
| 1,000 (Previous Year: 1,000) Equity Shares of ₹ 1/- each fully paid-up in Hindalco Industries Limited | 1.84 | 0.92 | 0.92 | 1.84 | 0.54 | 1.30 |
| 100 (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Indokem Limited | 0.02 | 0.02 | — | 0.02 | 0.02 | — |
| 420 (Previous Year: 420) Equity Shares of ₹ 10/- each fully paid-up in Lloyds Finance Limited | 0.17 | 0.16 | 0.01 | 0.17 | 0.16 | 0.01 |
| 1,000 (Previous Year: 6,000) Equity Shares of ₹ 10/- each fully paid-up in Mangalore Chemicals & Fertilizers Limited | 0.43 | 0.14 | 0.29 | 2.56 | 0.13 | 2.43 |
| 10 (Previous Year: 10) Equity Shares of ₹ 10/- each fully paid-up in Monsanto India Limited | 0.03 | — | 0.03 | 0.03 | — | 0.03 |
| 300 (Previous Year: 300) Equity Shares of ₹ 10/- each fully paid-up in Navin Fluorine International Limited | 1.13 | 0.49 | 0.64 | 1.13 | 0.07 | 1.06 |
| 1,000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Shah Foods Limited | 0.10 | — | 0.10 | 0.10 | — | 0.10 |
| 4,000 (Previous Year: 4,000) Equity Shares of ₹ 1/- each fully paid-up in Sona Koyo Steering Systems Limited | 1.36 | 0.97 | 0.39 | 1.36 | 0.91 | 0.45 |
| 1,600 (Previous Year: 1,600) Equity Shares of ₹ 1/- each fully paid-up in Sterlite Industries Limited | 3.23 | 1.73 | 1.50 | 3.23 | 1.45 | 1.78 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 12.1 NON-CURRENT INVESTMENTS (Long Term Investments) | As at March 31, 2013 | | | As at March 31, 2012 | | |
|--|----------------------|--------------|-----------------|----------------------|--------------|-----------------|
| | Cost | Diminution | Carrying Amount | Cost | Diminution | Carrying Amount |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| Nil (Previous Year: 230) Equity Shares of ₹ 10/- each fully paid-up in Ultratech Cements Limited | — | — | — | 2.19 | — | 2.19 |
| 100 (Previous Year: 100) Equity Shares of ₹ 2/- each fully paid-up in Uniphos Enterprises Limited | 0.01 | — | 0.01 | 0.01 | — | 0.01 |
| 500 (Previous Year: 500) Equity Shares of ₹ 2/- each fully paid-up in V I P Industries Limited | 0.13 | — | 0.13 | 0.13 | — | 0.13 |
| 121 (Previous Year: 121) Equity Shares of ₹ 10/- each fully paid-up in Zenith Birla India Limited | 0.34 | 0.34 | — | 0.34 | 0.33 | 0.01 |
| F | <u>5,53.08</u> | <u>8.58</u> | <u>5,44.50</u> | <u>5,57.40</u> | <u>7.38</u> | <u>5,50.02</u> |
| 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 | — |
| 5 (Previous Year: 5) Equity Shares of ₹ 5/- each fully paid-up in Syngenta India Limited | 0.01 | — | 0.01 | 0.01 | — | 0.01 |
| 31,750 (Previous Year: 31,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited | 9.75 | 3.38 | 6.37 | 9.75 | 1.03 | 8.72 |
| Nil (Previous Year: 10,000) Equity Shares of ₹ 10/- each fully paid-up in Vishwakarma Finance and Asset Management Services Limited | — | — | — | 0.67 | — | 0.67 |
| G | <u>23.85</u> | <u>12.22</u> | <u>11.63</u> | <u>24.52</u> | <u>9.87</u> | <u>14.65</u> |
| Other Investments (quoted) | | | | | | |
| 1,725 (Previous Year: 1,725) Equity Shares of ₹ 10/- each fully paid-up in Goldman Sachs Mutual Fund - NIFTYBEES | 8.73 | — | 8.73 | 8.73 | — | 8.73 |
| H | <u>8.73</u> | <u>—</u> | <u>8.73</u> | <u>8.73</u> | <u>—</u> | <u>8.73</u> |
| Total Non-Trade Investment (I = F+G+H) | <u>5,85.66</u> | <u>20.80</u> | <u>5,64.86</u> | <u>5,90.65</u> | <u>17.25</u> | <u>5,73.40</u> |
| Total Non-Current Investments (E+I) | <u>21,51.60</u> | <u>48.06</u> | <u>21,03.54</u> | <u>1808.24</u> | <u>44.51</u> | <u>17,63.73</u> |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | | | | |
|---|---|---|-----------------|----------------------|------------|-----------------|
| <i>Notes:</i> | | | | | | |
| 1. (a) Aggregate of Quoted Investments: | | | | | | |
| Long Term Investments: | | | | | | |
| Cost (Net of provision for diminution) | 20,91.91 | 16,97.85 | | | | |
| Market Value | 14,78.96 | 7,58.28 | | | | |
| (b) Aggregate of Unquoted Investments: | | | | | | |
| Cost (Net of provision for diminution) | 11.63 | 65.88 | | | | |
| (c) Aggregate provision for diminution in value of investments | 48.06 | 44.51 | | | | |
| 12.2 CURRENT INVESTMENTS | | | | | | |
| | As at March 31, 2013 | | | As at March 31, 2012 | | |
| | Cost | Diminution | Carrying Amount | Cost | Diminution | Carrying Amount |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| (Valued at lower of cost and fair value, unless stated otherwise) | | | | | | |
| Unquoted Mutual Funds (at cost): | | | | | | |
| (a) Nil (Previous Year: 44,838.626 units) of SBIMF – MIF FRP Savings Plus Bonds Plan of ₹ 10/- each | — | — | — | 5.00 | — | 5.00 |
| (b) Nil (Previous Year: 39,572.929 units) of UTI Short Term Income Fund of ₹ 10/- each | — | — | — | 5.00 | — | 5.00 |
| | — | — | — | 10.00 | — | 10.00 |
| Other Investments (at cost): | | | | | | |
| Goldman Sachs Mutual Fund Liquid Benchmark (ETS – LiquidBeEs) (Quoted) | | | | | | |
| (a) 4771.0559 (Previous Year: 650.851) LiquidBeEs (Note: 2187.000 LiquidBeEs are pledged as Margin for Trading in Futures & Option Segment of NSE – Nifty index) (Refer Note 40) | 47.72 | — | 47.72 | 6.51 | — | 6.51 |
| (b) 0.692 (Previous Year: 324.120) LiquidBeEs (Refer Note 40) | 0.01 | — | 0.01 | 3.24 | — | 3.24 |
| | 47.73 | — | 47.73 | 9.75 | — | 9.75 |
| Total Current Investments | 47.73 | — | 47.73 | 19.75 | — | 19.75 |
| Aggregate amount of quoted investments [Market value ₹ 47.72 lacs (Previous Year: ₹ 9.75 Lacs)] | | | 47.73 | | | 9.75 |
| Aggregate amount of unquoted investments | | | — | | | 10.00 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 13. LOANS AND ADVANCES | Non-current | | Current | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Capital advances | | | | |
| Unsecured, considered good | (A) 1,33.70 | 74.63 | — | — |
| Security deposits | | | | |
| Unsecured, considered good | (B) 2,51.97 | 2,41.68 | — | — |
| Loan and Advances to related parties (Refer Note 29) | | | | |
| Unsecured, considered good | (C) — | — | 30.00 | — |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | — | — | 3,97.82 | 3,04.61 |
| Unsecured, considered doubtful | — | — | 35.00 | 35.00 |
| | — | — | 4,32.82 | 3,39.61 |
| Provision for doubtful advances | — | — | (35.00) | (35.00) |
| | (D) — | — | 3,97.82 | 3,04.61 |
| Other loans and advances | | | | |
| Dues from Share, Stock & Commodity Brokers | — | — | 0.02 | 0.76 |
| Advance income-tax [net of provision for taxation ₹ 0.79 lac (Previous Year ₹ 0.26 lac)] | — | — | 1.45 | — |
| MAT Credit Entitlement | — | — | 8.66 | 12.90 |
| Inter-corporate Deposits | — | — | 1,20.00 | — |
| Income Tax refund receivable | — | — | 0.10 | — |
| Prepaid expenses | 6.12 | 9.51 | 1,59.20 | 1,59.54 |
| Miscellaneous receivable | — | — | 0.04 | — |
| Loans to employees | 35.97 | 34.56 | 27.23 | 29.12 |
| Balances with statutory / government authorities | — | — | 2,38.86 | 3,65.01 |
| | (E) 42.09 | 44.07 | 5,55.56 | 5,67.33 |
| Total | (A+B+C+D+E) 4,27.76 | 3,60.38 | 9,83.38 | 8,71.94 |
| | | | | |
| 14. TRADE RECEIVABLES AND OTHER ASSETS | | | | |
| 14.1 Trade receivables | | | | |
| | Non-current | | Current | |
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Unsecured, considered good unless stated otherwise | | | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | | | |
| Unsecured, considered good | — | — | 1,42.36 | 1,19.71 |
| Doubtful | — | — | 26.05 | 7.52 |
| | — | — | 1,68.41 | 1,27.23 |
| Less: Provision for doubtful receivables | — | — | (26.05) | (7.52) |
| | — | — | 1,42.36 | 1,19.71 |
| Other receivables | | | | |
| Unsecured, considered good | — | — | 87,43.83 | 82,72.77 |
| Total | — | — | 88,86.19 | 83,92.48 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 14.2 Other assets | Non-current | | Current | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current bank balance (Refer Note 16) | (A) 1,78.00 | 73.00 | — | — |
| Share Application Money: | | | | |
| 10,000 Cumulative Redeemable Preference shares of ₹ 100/- each of L&T Finance Holdings Limited | (B) — | — | 10.00 | — |
| Others | | | | |
| Open Position in Commodity Market (Refer Note 40) | — | — | — | 18.01 |
| MAT Credit Entitlement | — | — | — | 9.21 |
| TDS Receivable | — | — | — | 1.97 |
| Interest receivable | — | — | 14.19 | 10.42 |
| Export benefit receivable | — | — | 80.56 | 1,10.16 |
| Interest Accrued on Loans & Advances | — | — | 3.09 | — |
| Income tax refund receivable | — | — | 53.75 | 92.74 |
| Miscellaneous receivables | — | — | 16.56 | 11.80 |
| | (C) — | — | 1,68.15 | 2,54.31 |
| Total | (A+B+C) 1,78.00 | 73.00 | 1,78.15 | 2,54.31 |
| 15. INVENTORIES (Valued at lower of cost or net realisable value) | | | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Raw materials [including stock-in-transit ₹ 49.50 lacs (Previous Year: ₹ 5,60.90 lacs)] (Refer Note 19) | | | 8,21.65 | 14,55.29 |
| Packing materials (Refer Note 19) | | | 1,13.08 | 1,10.94 |
| Finished goods (Refer Note 20) | | | 16,17.68 | 12,57.19 |
| Work-in-progress (Refer Note 20) | | | 10,34.61 | 9,84.66 |
| Traded goods (Refer Note 20) | | | 3,16.18 | 2,42.32 |
| Stores and spares [including fuel and coal] [including stock-in-transit ₹ Nil (Previous Year: ₹ 3,26.95 lacs)] | | | 3,67.33 | 7,09.72 |
| Total | | | 42,70.53 | 47,60.12 |
| 16. CASH AND BANK BALANCES | | | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
| Cash and cash equivalents | | | | |
| Cash on Hand | | | 0.03 | 0.01 |
| Balances with banks | | | | |
| In current accounts (*) | | | 5,38.29 | 4,60.71 |
| In unclaimed dividend accounts | | | 15.26 | 12.85 |
| | | | 5,53.55 | 4,73.56 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months | 1,78.00 | 73.00 | 8.04 | 37.23 |
| Margin money deposits | — | — | 36.41 | 2,63.09 |
| | 1,78.00 | 73.00 | 44.45 | 3,00.32 |
| Amount disclosed under non-current assets (Refer Note 14.2) | (1,78.00) | (73.00) | — | — |
| Total | — | — | 5,98.03 | 7,73.89 |
| Margin money deposits given as security | | | | |
| Margin money deposits with a carrying amount of ₹ 36.41 lacs (Previous Year: ₹ 2,63.09 lacs) have been given against opening of Letter of Credit Account with the Bank and Bank guarantee. | | | | |
| * includes ₹ 0.07 lac (Previous Year ₹ 0.05 lac) being 50% share of interest in Joint Venture | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 17. REVENUE FROM OPERATIONS | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|--|-----------------------------------|------------------------------------|
| Revenue from operations | | |
| Sale of products | | |
| Finished goods | 403,73.62 | 314,17.08 |
| Traded goods | 11,61.08 | 10,82.68 |
| Sale of services | | |
| Processing charges | 1,45.87 | 7,80.43 |
| Royalty/Technical fees | 11.41 | 2,04.10 |
| Other operating revenue | | |
| Export incentives | 1,51.99 | 1,92.53 |
| Scrap sales | 1,88.06 | 2,01.17 |
| Commission received | — | 32.90 |
| Revenue from operations (gross) | 420,32.03 | 339,10.89 |
| Less: Excise duty (Refer note below) | 36,38.45 | 23,61.41 |
| Revenue from operations (net) | 383,93.58 | 315,49.48 |
| <p>Note: Excise duty on sales amounting to ₹ 36,38.45 lacs (Previous Year: ₹ 23,61.41 lacs) has been reduced from sales in statement of profit and loss and excise duty increase/decrease in stock amounting to ₹ 13.34 lacs (Previous Year: ₹ 69.13 lacs) has been considered (income)/expenses in Note 22 of financial statements.</p> | | |
| 18. OTHER INCOME | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
| 18.1 Interest income on | | |
| Bank deposits | 53.66 | 16.83 |
| Income tax refund | 13.43 | 4.48 |
| Others | 21.37 | 14.29 |
| Total | 88.46 | 35.60 |
| 18.2 Others | | |
| Dividend income | | |
| On Current Investments | 1.49 | 0.40 |
| On Long-term Investments | 2,32.51 | 1,48.82 |
| Rent | 45.21 | 37.88 |
| Exchange gain (loss) | — | 1,47.36 |
| Excess/(short) accrual written back (net) (Refer Note 35) | 17.72 | 69.52 |
| Sales tax refund | — | 28.12 |
| Profit on securities (net) | | |
| Sale of Long Term Investments | 2.01 | 4.61 |
| Sale of Current Investments | 0.18 | — |
| Trading in Future and Option Contracts in NIFTYINDEX | 2.49 | 1.13 |
| Interest Rate Arbitrage Contracts | 1.44 | 0.37 |
| Diminution in value of Investments written back (Net) | — | 38.29 |
| Others | 56.02 | 26.02 |
| Total | 3,59.07 | 5,02.52 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 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 | 14,55.29 | 12,63.16 | |
| Add: Purchases | 192,27.49 | 166,65.76 | |
| | 206,82.78 | 179,28.92 | |
| Less: Inventory at the end of the year | 8,21.65 | 14,55.29 | |
| (A) | 198,61.13 | 164,73.63 | |
| (b) Packing materials | | | |
| Inventory at the beginning of the year | 1,10.94 | 1,13.10 | |
| Add: Purchases | 9,28.84 | 7,86.12 | |
| | 10,39.78 | 8,99.22 | |
| Less: Inventory at the end of the year | 1,13.08 | 1,10.94 | |
| (B) | 9,26.70 | 7,88.28 | |
| Total | (A+B) 207,87.83 | 172,61.91 | |
| 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, 2013 |
| Finished goods | 16,17.68 | 12,57.19 | (3,60.49) |
| Work-in-progress | 10,34.61 | 9,84.66 | (49.95) |
| Traded goods | 3,16.18 | 2,42.32 | (73.86) |
| | 29,68.47 | 24,84.17 | (4,84.30) |
| Inventories at the beginning of the year | | | March 31, 2012 |
| Finished goods | 12,57.19 | 12,97.94 | 40.75 |
| Work-in-progress | 9,84.66 | 6,94.36 | (2,90.30) |
| Traded goods | 2,42.32 | 1,21.34 | (1,20.98) |
| | 24,84.17 | 21,13.64 | (3,70.52) |
| | (4,84.30) | (3,70.53) | |
| Details of Purchase of traded goods | | | |
| | For the year ended March 31, 2013 ₹ in Lacs | | For the year ended March 31, 2012 ₹ in Lacs |
| Chemicals | 2,98.69 | | 2,25.97 |
| Organic manure | — | | 37.40 |
| Others | 4,64.04 | | 4,54.02 |
| | 7,62.73 | | 7,17.39 |
| Details of inventory | | | |
| | For the year ended March 31, 2013 ₹ in Lacs | | For the year ended March 31, 2012 ₹ in Lacs |
| Finished goods | | | |
| Phosphorous and its compounds | 6,36.38 | | 3,63.84 |
| Chemicals | 8,87.48 | | 8,55.25 |
| Organic manure | 40.86 | | 31.40 |
| Others | 52.96 | | 6.70 |
| | 16,17.68 | | 12,57.19 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 20. (INCREASE)/DECREASE IN INVENTORIES <i>(Contd.)</i> | For the year ended March 31, 2013 ₹ in Lacs | For the year ended March 31, 2012 ₹ in Lacs |
|---|---|---|
| Work-in-progress | | |
| Phosphorous and its compounds | 60.95 | 79.97 |
| Chemicals | 2,91.40 | 2,68.49 |
| Organic manure | — | — |
| Others | 6,82.26 | 6,36.20 |
| | 10,34.61 | 9,84.66 |
| Traded goods | | |
| Chemicals | 3.60 | 8.95 |
| Others | 3,12.58 | 2,33.37 |
| | 3,16.18 | 2,42.32 |
| 21. EMPLOYEE BENEFITS EXPENSE | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Salaries, wages and bonus | 36,68.07 | 32,99.12 |
| Contribution to provident and other funds | 3,33.09 | 3,02.14 |
| Provision/payment of gratuity (Refer Note 27) | 5,34.07 | 1,71.82 |
| Provision for other retirement benefits | 2,36.29 | 1,11.60 |
| Workmen and staff welfare expenses | 3,08.47 | 2,66.49 |
| | 50,79.99 | 41,51.17 |
| 22. OTHER EXPENSES | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Consumption of stores and spares | 73.51 | 58.68 |
| Processing charges | 1,43.92 | 2,90.79 |
| (Increase)/decrease of excise duty on inventory (Refer Note 17) | 13.34 | 69.31 |
| Power and fuel | 29,91.47 | 25,01.61 |
| Effluent expenses | 6,01.67 | 3,53.55 |
| Rent (Refer Note 30) | 46.51 | 34.00 |
| Rates and taxes | 94.65 | 58.03 |
| Insurance | 72.07 | 61.13 |
| Repairs and maintenance | | |
| — Plant and machinery | 11,91.58 | 11,48.36 |
| — Buildings | 1,10.83 | 84.68 |
| — Others | 99.11 | 89.07 |
| Sales commission and discounts | 99.52 | 1,08.52 |
| Travelling and conveyance | 2,23.94 | 1,66.07 |
| Legal and professional fees | 2,31.70 | 2,53.48 |
| Directors' sitting fees | 2.65 | 2.60 |
| Payment to auditor (Refer details below) | 23.73 | 29.45 |
| Exchange differences (net) | 68.24 | — |
| Bad debts/sundry debit balances written off | 17.41 | 6.03 |
| Share in Loss of Partnership Firm | 0.02 | 0.02 |
| Freight outward and forwarding expenses | 8,38.38 | 7,76.38 |
| Charity and donations | 76.75 | 30.77 |
| Provision for doubtful receivables/advances | 26.05 | 7.52 |
| Tangible assets written off | 46.94 | 92.84 |
| Loss on Sale of Mutual Fund Units | — | 0.39 |
| Loss on sale of tangible assets (net) | 34.54 | 37.54 |
| Provision for diminution in value of investments | 3.31 | — |
| Miscellaneous expenses | 11,42.87 | 9,55.80 |
| Total | 82,74.71 | 72,16.62 |

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | |
|--|---------------------------|--------------------|
| 22. OTHER EXPENSES (Contd.) | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 13.62 | 10.84 |
| Tax audit fees | 5.00 | 4.11 |
| Limited review | 2.75 | 2.25 |
| In other capacity: | | |
| Taxation matters | — | 9.87 |
| Certification fees and other matters | 2.00 | 1.84 |
| Reimbursement of expenses | 0.36 | 0.54 |
| | 23.73 | 29.45 |
| 23. DEPRECIATION AND AMORTISATION EXPENSES | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Depreciation on tangible assets | 9,75.48 | 9,19.39 |
| Amortisation of intangible assets | 37.77 | 50.27 |
| | 10,13.25 | 9,69.66 |
| 24. FINANCE COSTS | | |
| | For the year ended | For the year ended |
| | March 31, 2013 | March 31, 2012 |
| | ₹ in Lacs | ₹ in Lacs |
| Interest | 8,94.46 | 7,19.54 |
| Bank and financial charges | 2,11.77 | 1,38.18 |
| Exchange difference and loss on buyer's credit | 1,14.57 | 38.12 |
| Total | 12,20.80 | 8,95.84 |
| 25. EXCEPTIONAL ITEM | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Exceptional item | — | 7,24.01 |
| <p>The development work on the holding Company's plot of land at Jogeshwari has been completed. The holding Company had secured 41% of the constructed area in return for the transfer of 59% of its rights in the said plot of land for which the holding Company had executed a Deed of Conveyance on May 6, 2011. Profit arising on the said transaction amounting to ₹ 7,24.01 lacs had been accounted as an exceptional item.</p> | | |
| 26. EARNINGS PER SHARE (EPS) | | |
| The following reflects the profit and share data used in the basic and diluted EPS computations: | | |
| | Current Year | Previous Year |
| | ₹ in Lacs | ₹ in Lacs |
| Profit after tax as per statement of profit and loss | 14,93.01 | 15,36.68 |
| Add/Less: Reconciliation items | — | — |
| Net profit for calculation of basic/diluted EPS | 14,93.01 | 15,36.68 |
| | Nos. | Nos. |
| Weighted average number of equity shares in calculating basic EPS | 10,905,630 | 10,905,630 |
| Effect of dilution | — | — |
| Weighted average number of equity shares in calculating diluted EPS | 10,905,630 | 10,905,630 |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

27. DETAILS OF EMPLOYEE BENEFITS

(I) Defined Benefit Plan Gratuity

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

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

(a) The amounts recognised in the Statement of Profit and Loss are as follows:

Defined Benefit Plan

| | Current Year Gratuity (₹ in Lacs) | Previous Year Gratuity (₹ in Lacs) |
|---|---|--|
| Current service cost | 1,18.02 | 87.75 |
| Interest cost on benefit obligation | 1,63.35 | 1,42.44 |
| Expected return on plan assets | (1,71.10) | (1,47.84) |
| Net actuarial (gain)/loss recognised in the year | 4,23.80 | 89.47 |
| Amount included under the head Provision/payment of gratuity under Note 21 'Employee Benefit Expense' | 5,34.07 | 1,71.82 |

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

| | As at 31st March, 2013 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs) | As at 31st March, 2012 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs) |
|---|--|--|
| Present value of funded obligation | 25,83.68 | 19,67.88 |
| Less: Fair value of plan assets | 21,41.39 | 18,34.92 |
| Net liability included under the head Provision for gratuity in Note 7 'Provisions' | 4,42.29 | 1,32.96 |

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

| | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) |
|--|--|--|
| Opening defined benefit obligation | 19,67.88 | 17,26.60 |
| Interest cost | 1,63.35 | 1,42.44 |
| Current service cost | 1,18.02 | 87.75 |
| Benefits paid | (92.30) | (68.86) |
| Actuarial (gains)/losses on obligation | 4,26.73 | 79.95 |
| Closing defined benefit obligation | 25,83.68 | 19,67.88 |

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

| | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) |
|-----------------------------------|--|--|
| Opening fair value of plan assets | 18,34.92 | 15,87.46 |
| Expected return | 1,71.10 | 1,47.84 |
| Contributions by employer | 2,24.74 | 1,78.00 |
| Benefits paid | (92.30) | (68.86) |
| Actuarial gains/(losses) | 2.93 | (9.52) |
| Closing fair value of plan assets | 21,41.39 | 18,34.92 |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 27. DETAILS OF EMPLOYEE BENEFITS (Contd.) | As at 31st March, 2013 Gratuity (₹ in Lacs) | As at 31st March, 2012 Gratuity (₹ in Lacs) | | | |
|--|--|--|----------------|----------------|----------------|
| (e) Expected contribution to defined benefit plan for the year 2013-14 | 2,50.00 | 1,25.00 | | | |
| (f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows: | Current Year | Previous Year | | | |
| Insurer Managed Funds (Life Insurance Corporation of India) | 86.39% | 86.82% | | | |
| Insurer Managed Funds (Aviva Life Insurance Company India Limited) | 13.61% | 13.18% | | | |
| | 100% | 100% | | | |
| <p>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</p> | | | | | |
| (g) The principal actuarial assumptions at the Balance Sheet date: | Gratuity Current Year | Gratuity Previous Year | | | |
| Discount rate | 8.10% | 8.50% | | | |
| Expected rate of return on assets | 9% | 9% | | | |
| Expected rate of salary increase | 6.50% | 5% | | | |
| Mortality table | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | | | |
| Proportion of employees opting for early retirement | 5% to 1% | 5% to 1% | | | |
| Notes : | | | | | |
| 1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. | | | | | |
| 2. Amounts for the current and previous four periods are as follows: [AS15 Para 120(n)] [1] | | | | | |
| | (₹ in Lacs) | | | | |
| | March 31, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 | March 31, 2009 |
| Defined benefit obligation | 2,583.68 | 1,967.88 | 1,726.60 | * | * |
| Plan assets | 2,141.39 | 1,834.92 | 1,587.46 | * | * |
| Surplus/(deficit) | (442.29) | (132.96) | (139.14) | * | * |
| Experience adjustments on plan liabilities | 88.21 | 116.83 | 203.59 | * | * |
| Experience adjustments on plan assets | (2.93) | 9.52 | 6.68 | * | * |
| * The disclosure required under Para 120(n)(ii) of Accounting Standard 15 "Employee Benefits (Revised, 2003)" pertaining to experience adjustments on plan assets and plan liabilities is not given for previous two years on the ground that such information is not available with the group. | | | | | |
| (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 Note 21 'Employee Benefit Expense' | | | | | |
| Provident Fund | 1,84.92 | 1,58.98 | | | |
| Family Pension Fund | 61.55 | 62.30 | | | |
| Superannuation Fund | 81.45 | 74.06 | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 28. SEGMENT INFORMATION | | | | | | |
|---|--|--------------------|--------------------|----------------------|--------------------|--------------|
| 1. Information About Primary Business Segments: | | | | Previous Year | | |
| Particulars | Current Year | | | (₹ in Lacs) | | |
| | Chemicals | Environment | Total | Chemicals | Environment | Total |
| REVENUE: | | | | | | |
| External Revenue: | 374,75.09 | 10,16.38 | 384,91.47 | 307,11.79 | 11,12.46 | 318,24.25 |
| Un-allocated revenue: | | | 3,49.64 | | | 2,63.35 |
| Total Revenue: | | | 388,41.11 | | | 320,87.60 |
| RESULT: | | | | | | |
| Segment result: | 47,03.95 | (45.33) | 46,58.62 | 30,57.26 | 1,53.23 | 32,10.49 |
| Un-allocated expenditure net of un-allocated income: | | | 12,49.75 | | | 11,15.61 |
| Finance Costs | | | 12,20.80 | | | 8,95.84 |
| Profit before taxation and exceptional item but after prior period adjustments: | | | 21,88.07 | | | 11,99.04 |
| Add: Exceptional item | | | — | | | 7,24.01 |
| Profit/(Loss) after exceptional item but before tax | | | 21,88.07 | | | 19,23.05 |
| Current: | | | | | | |
| Provision for Taxation: | | | | | | |
| Current: | | | 7,08.38 | | | 3,65.88 |
| In respect of earlier years: | | | (80.48) | | | (1.88) |
| Minimum Alternative Tax Entitlement | | | 0.90 | | | (12.59) |
| Deferred: | | | 66.26 | | | 36.61 |
| Add/(Less): Share of Associate Company | | | — | | | 1.65 |
| Profit/(Loss) after tax: | | | 14,93.01 | | | 15,36.68 |
| OTHER INFORMATION: | | | | | | |
| Segment Assets: | 242,94.29 | 9,47.74 | 252,42.03 | 233,24.92 | 9,06.90 | 242,31.82 |
| Un-allocated Assets: | | | 49,97.33 | | | 43,48.88 |
| Total Assets: | | | 302,39.36 | | | 285,80.70 |
| Segment Liabilities: | (50,57.27) | (4,59.48) | (55,16.75) | (46,23.05) | (6,97.68) | (53,20.73) |
| Un-allocated Liabilities: | | | (111,70.97) | | | (108,17.33) |
| Total Liabilities: | | | (166,87.72) | | | (161,38.06) |
| Segment Capital expenditure: | 22,01.78 | 50.10 | 22,51.88 | 10,84.02 | 67.28 | 11,51.30 |
| Un-allocated Capital expenditure: | | | 2,71.70 | | | 8,43.89 |
| Segment Depreciation and Amortisation: | 8,49.62 | 80.29 | 9,29.91 | 7,88.29 | 83.14 | 8,71.43 |
| Un-allocated Depreciation and Amortisation: | | | 83.34 | | | 98.23 |
| Segment Non-cash expenses other than Depreciation and Amortisation: | 61.86 | 28.52 | 90.38 | 95.89 | 3.34 | 99.23 |
| Un-allocated Non-cash expenses other than Depreciation and Amortisation: | | | — | | | 7.15 |
| 2. Information About Secondary Business Segments: | | | | | | |
| | Domestic | Exports | Total | Domestic | Exports | Total |
| Revenue: | 313,39.88 | 75,01.23 | 388,41.11 | 258,64.51 | 62,23.09 | 320,87.60 |
| Carrying amount of Assets: | 284,85.00 | 17,54.36 | 302,39.36 | 269,79.55 | 16,01.15 | 285,80.70 |
| Capital Expenditure: | 25,23.58 | — | 25,23.58 | 19,95.19 | — | 19,95.19 |
| 3. Notes: | | | | | | |
| 1. | The Group is organised into two business segments namely: | | | | | |
| | (a) Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides 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. | | | | | |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Associates

RomVijay Bioo Tech Private Limited (upto May 3, 2012)

Jointly Controlled Entity

M/s. Multichem Industries

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

Agrocel Industries Limited

Anshul Specialty Molecules Limited

C. C. Shroff Research Institute

C. C. Shroff Self Help Centre

Dipkanti Investments & Financing Private Limited

Divakar Chemicals Limited

Excel Crop Care Limited

Good Rasayan Limited

Hyderabad Chemicals Limited

Hyderabad Chemicals Products Limited

Kutch Crop Services Limited

Pritami Investments Private Limited

Rashtriya Seva Trust

Shri Seetha Ram Seva Sadan

Shrodip Investments Private Limited

Shrujan

Transpek Industry Limited

Transpek-Silox Industry Limited

Transpek Industry (Europe) Limited

TML Industries Limited

Utkarsh Chemicals Private Limited

Key Management Personnel

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Dipesh K. Shroff (Director)

Shri Atul G. Shroff (Director)

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

Shri S. R. Potdar (Executive Director)

Relatives of Key Management Personnel

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

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

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

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

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

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

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

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

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/purchase of goods & services and other transactions

(₹ in Lacs)

| | Year ended | Sale of goods | Sale of services | Sale of fixed assets | Dividend Received | Purchase of traded goods | Purchase of Services | Dividend Paid | Interest received | Sitting Fees | Purchase of Shares | Reimbursement of Expenses from Party (Income) | Reimbursement of Expenses to Party (Expenses) | Charity & Donation | Salary, Bonus & contribution to PF | Retirement Benefits | Amount owed by related parties | Amount owed to related parties |
|---|------------------|-----------------|------------------|----------------------|-------------------|--------------------------|----------------------|---------------|-------------------|--------------|--------------------|---|---|--------------------|------------------------------------|---------------------|--------------------------------|--------------------------------|
| Enterprises owned or significantly influenced by key management personnel or their relatives | | | | | | | | | | | | | | | | | | |
| Excel Crop Care Limited | 31-Mar-13 | 42,72.19 | 36.58 | 13.50 | 4.92 | 1.79 | 20.70 | 2.92 | — | — | — | 12.72 | 5.34 | — | — | — | 10.01.15 | 22.21 |
| | 31-Mar-12 | 33,73.74 | 8,00.15 | — | 9.22 | — | — | 5.47 | — | — | 25.00 | — | — | — | — | — | 12,21.44 | 6.03 |
| Agrocel Industries Limited | 31-Mar-13 | 13,27.56 | — | — | — | 10,34.91 | — | — | — | — | — | — | — | — | — | — | 6,76.73 | 4,65.14 |
| | 31-Mar-12 | 15,22.56 | — | — | — | 11,80.79 | — | — | — | — | — | — | — | — | — | — | 3,93.07 | 3,13.52 |
| Anshul Specialty Molecules Limited | 31-Mar-13 | 23.84 | — | — | — | 4.50 | — | 37.80 | — | — | — | — | — | — | — | — | 18.55 | — |
| | 31-Mar-12 | 1.20 | — | — | — | 0.78 | — | 70.88 | — | — | — | — | — | — | — | — | — | — |
| Transpek Industry Limited | 31-Mar-13 | 5.93 | — | — | 0.13 | 0.78 | 16.26 | 3.13 | — | — | — | — | — | — | — | — | — | 0.06 |
| | 31-Mar-12 | 0.15 | — | — | 0.26 | 1.08 | — | 5.87 | — | — | — | — | — | — | — | — | — | — |
| Hyderabad Chemicals Products Limited | 31-Mar-13 | 3,37.01 | — | — | — | — | — | 0.94 | — | — | — | — | — | — | — | — | 1,47.33 | — |
| | 31-Mar-12 | 68.99 | — | — | — | — | — | 1.76 | — | — | — | — | — | — | — | — | 9.51 | — |
| C. C. Stroff Self – Help Centre | 31-Mar-13 | — | — | — | — | 0.92 | — | — | — | — | — | — | — | — | — | — | — | 0.12 |
| | 31-Mar-12 | — | — | — | — | 1.37 | — | — | — | — | — | — | — | — | — | — | — | 0.58 |
| C. C. Stroff Research Institute | 31-Mar-13 | — | — | — | — | — | 0.29 | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | 0.61 | — | — | — | — | — | — | — | — | — | — | — |
| Good Rasayan Limited | 31-Mar-13 | — | — | — | — | — | 46.72 | — | — | — | — | — | — | — | — | — | — | 9.35 |
| | 31-Mar-12 | — | — | — | — | — | 47.79 | — | — | — | — | — | — | — | — | — | — | 5.65 |
| Dipkanti Investment & Financing Private Limited | 31-Mar-13 | — | — | — | — | — | — | 1.80 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 3.36 | — | — | — | — | — | — | — | — | — | — |
| Divakar Chemicals Limited | 31-Mar-13 | — | — | — | — | — | 0.69 | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Hyderabad Chemicals Supplier Limited | 31-Mar-13 | — | — | — | — | — | — | 3.00 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 5.62 | — | — | — | — | — | — | — | — | — | — |
| Utkarsh Chemicals Private Limited | 31-Mar-13 | — | — | — | — | — | — | 27.58 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 48.41 | — | — | — | — | — | — | — | — | — | — |
| Pritami Investments Private Limited | 31-Mar-13 | — | — | — | — | — | — | 1.60 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 2.99 | — | — | — | — | — | — | — | — | — | — |
| Shrodip Investments Private Limited | 31-Mar-13 | — | — | — | — | — | — | 0.59 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 1.10 | — | — | — | — | — | — | — | — | — | — |
| Shri Seetha Rama Seva Sadan | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | 3.00 | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | 1.50 | — | — | — | — |
| Rashtriya Seva Trust | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | 2.00 | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | 1.50 | — | — | — | — |
| Transpek Industry (Europe) Limited | 31-Mar-13 | — | — | — | — | — | 20.98 | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | 46.03 | — | — | — | — | — | — | — | — | — | — | — |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Related Party Transactions (Contd.)

(₹ in Lacs)

| | Year ended | Sale of goods | Sale of services | Sale of fixed assets | Dividend Received | Purchase of traded goods | Purchase of Services | Dividend Paid | Interest received | Sitting Fees | Purchase of Shares | Reimbursement of Expenses from Party (Income) | Reimbursement of Expenses to Party (Expenses) | Charity & Donation | Salary, Bonus & contribution to PF | Retirement Benefits | Amount owed by related parties | Amount owed to related parties |
|------------------------------------|------------|---------------|------------------|----------------------|-------------------|--------------------------|----------------------|---------------|-------------------|--------------|--------------------|---|---|--------------------|------------------------------------|---------------------|--------------------------------|--------------------------------|
| Transpek-Silox Industry Limited | 31-Mar-13 | — | — | — | 2,24.16 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | 1,12.08 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| RomVijay Bloo Tech Private Limited | 31-Mar-13 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | 0.54 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Mrs. Usha A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.13 | — | — | — | — | — | — | 54.23 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.24 | — | — | 0.47 | — | — | — | 46.61 | — | — | — |
| Mr. D. K. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.17 | — | 0.45 | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.23 | — | 0.50 | 0.50 | — | — | — | — | — | — | — |
| Mr. R. A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.95 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | 0.01 | — | — | — | — | — | — | — |
| Mr. A. C. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.66 | — | — | — | — | — | — | 59.47 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 3.12 | — | — | 0.01 | — | — | — | 49.90 | — | — | — |
| Mr. H. A. Shroff | 31-Mar-13 | — | — | — | — | — | — | 0.95 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | 0.01 | — | — | — | — | — | — | — |
| Mr. K. C. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.14 | — | — | — | — | — | — | — | — | 3.60 | — |
| | 31-Mar-12 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 3.60 | — |
| Mr. S. R. Potdar | 31-Mar-13 | — | — | — | — | — | — | 0.04 | — | — | — | — | — | — | 49.78 | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 0.07 | — | — | — | — | — | — | 44.33 | — | — | — |
| Mr. A. G. Shroff | 31-Mar-13 | — | — | — | — | — | — | 1.20 | — | 0.20 | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 2.24 | — | 0.20 | — | — | — | — | — | — | — | — |
| Others | 31-Mar-13 | — | — | — | — | — | — | 4.16 | — | — | — | — | — | — | — | — | — | — |
| | 31-Mar-12 | — | — | — | — | — | — | 7.71 | — | — | — | — | — | — | — | — | — | — |

(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 (Europe) Limited | 31-Mar-13 | 29.19 | 20.98 | 12.46 |
| | 31-Mar-12 | 50.28 | 46.03 | 4.25 |
| Transpek Industry Limited | 31-Mar-13 | 50.00 | — | 50.00 |
| | 31-Mar-12 | — | — | — |
| Mr. A. C. Shroff | 31-Mar-13 | — | — | — |
| | 31-Mar-12 | 1.00 | 1.00 | — |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

30. OPERATING LEASES

Office premises and godowns are obtained on operating leases for various tenors. None of the operating leases are renewable. There are no restrictions imposed by lease agreements/arrangements.

| | For the year ended March 31, 2013 ₹ in Lacs | For the year ended March 31, 2012 ₹ in Lacs |
|---|---|---|
| Lease payments for the year | 46.51 | 34.00 |
| Sub-lease payments received during the year | Nil | Nil |
| Minimum lease payments as at 31st March | | |
| (a) Not later than one year | 35.80 | 28.91 |
| (b) Later than one year but not later than five years | Nil | 44.55 |
| (c) Later than five years | Nil | Nil |

The holding Company has leased out its office premises on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

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

Future Minimum Lease payments

| | | |
|---|-------|---------|
| (a) Not later than one year | 28.01 | 31.40 |
| (b) Later than one year but not later than five years | 37.40 | 1,17.40 |
| (c) Later than five years | Nil | Nil |

31. RESEARCH AND DEVELOPMENT COSTS

| | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|---|---------------------------|----------------------------|
| Research and Development costs, as certified by the Management, debited to the statement of profit and loss are as under: | | |
| * Revenue expenses debited to Research and Development Expenses Account and other heads of accounts | 2,83.70 | 2,34.72 |
| Depreciation on Research and Development Equipment | 42.27 | 43.23 |
| | <u>3,25.97</u> | <u>2,77.95</u> |

*includes ₹ 88.13 lacs, ₹ 37.55 lacs and ₹ 102.46 lacs (Previous Year: ₹ 71.01 lacs, ₹ 52.19 lacs and ₹ 80.44 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively for which application for approval is made to 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 ₹ 27.13 lacs, ₹ 21.16 lacs and ₹ 34.24 lacs (Previous Year: ₹ Nil, ₹ 1.38 lacs and ₹ Nil) in respect of Research and Development Units at Roha, Lote and Mumbai respectively for which application for approval is made to Department of Scientific & Industrial Research, Ministry of Science & Technology]. | 104.94 | 21.95 |
|---|--------|-------|

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| 32. CONTINGENT LIABILITIES | For the year ended March 31, 2013 ₹ in Lacs | For the year ended March 31, 2012 ₹ in Lacs | | | |
|--|--|--|---|--|---|
| Bills discounted | 8,11.93 | 1,07.80 | | | |
| Disputed income-tax liability | 17,11.50 | 6,50.50 | | | |
| Disputed excise duty liability | 4,50.19 | 4,27.98 | | | |
| Disputed sales tax liability | 19.96 | 34.09 | | | |
| Disputed custom duty tax liability | 21.78 | — | | | |
| Disputed service tax liability | 32.22 | 19.46 | | | |
| Guarantees given by holding Company's Bankers on behalf of the holding Company to third parties | 1,06.87 | 69.20 | | | |
| Claims against the holding Company not acknowledged as debts | 13.46 | 13.46 | | | |
| Liability in respect of claim made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable | | | |
| 33. CAPITAL COMMITMENTS | For the year ended March 31, 2013 ₹ in Lacs | For the year ended March 31, 2012 ₹ in Lacs | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 3,66.62 | 4,42.62 | | | |
| 34. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE | | | | | |
| | Currency | For the year ended March 31, 2013 | For the year ended March 31, 2013 | For the year ended March 31, 2012 | For the year ended March 31, 2012 |
| | | ₹ in Lacs | Foreign Currency Value in Lacs | ₹ in Lacs | Foreign Currency Value in Lacs |
| (a) Forward contract - Buy for Hedging Purpose | | | | | |
| (i) Loans | USD | 6,26.45 | 11.54 | 11,11.27 | 21.84 |
| (b) Un-hedged Foreign Currency Exposure on | | | | | |
| (i) Import Creditors | USD | 1,98.98 | 3.67 | 7,96.23 | 13.52 |
| | GBP | 1.97 | 0.02 | 1.30 | 0.02 |
| (ii) Export Debtors | USD | 17,09.84 | 31.51 | 14,94.93 | 29.39 |
| | EURO | 43.27 | 0.62 | 87.24 | 1.29 |
| (iii) Bank Balance | USD | 1.25 | 0.02 | 18.98 | 0.38 |

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

35. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING

| | Current Year ₹ in Lacs | Previous Year ₹ in Lacs |
|---------------------------|---------------------------|----------------------------|
| Raw Materials | (0.21) | — |
| Export Incentives | 0.28 | 3.52 |
| Excise Duty | 2.22 | 34.78 |
| Depreciation | 0.28 | — |
| Employee benefits expense | 13.51 | 29.97 |
| Discount | 0.22 | 0.03 |
| Others | 1.42 | 1.22 |
| | 17.72 | 69.52 |

36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Group has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".

37. PARTNERSHIP FIRM

The Group has 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest of the Group in the said entity as per latest available Balance Sheet as at March 31, 2013, is as under:

| | As at March 31, 2013 ₹ in Lacs | As at March 31, 2012 ₹ in Lacs |
|-------------|--------------------------------------|--------------------------------------|
| Assets | 2.07 | 2.21 |
| Liabilities | — | — |
| Income | — | — |
| Expense | 0.02 | 0.02 |

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

| Name of the Partners | As at March 31, 2013 | | As at March 31, 2012 | |
|------------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| | Capital ₹ in Lacs | Share of Profit or Loss % | Capital ₹ in Lacs | Share of Profit or Loss % |
| (a) Excel Crop Care Limited | 2.00 | 50 | 2.00 | 50 |
| (b) Kamaljiyot Investments Limited | 2.00 | 50 | 2.00 | 50 |
| | 4.00 | 100 | 4.00 | 100 |

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

(₹ in Lacs)

| Sr. No. | Name of the Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment other than Investment in Subsidiary Company | Total Revenue | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend |
|---------|--------------------------------|--------------------|---------------|----------------------|----------------------|-----------------------|----------------------|--|------------------|------------------------|------------------------|-----------------------|-------------------|
| 1 | Kamaljiyot Investments Limited | INR | 1.00 1.00 | 1,99.98 (1,99.98) | 1,54.99 (1,45.24) | 11,27.24 (6,42.54) | 7,72.27 (2,97.32) | 9,91.20 (6,22.17) | 21.22 (70.20) | 15.22 (68.15) | 5.20 (0.50) | 10.02 (67.33) | — — |
| 2 | Excel Bio Resources Limited | INR | 1.00 1.00 | 51.00 (51.00) | 0.93 (0.75) | 52.24 (50.56) | 0.31 (0.31) | — — | 3.48 (2.51) | 2.77 (1.16) | 1.08 (0.77) | 1.69 (0.39) | — — |

(Figures in brackets relate to the Previous Year)

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Notes:

1. Details of Investment of Subsidiary Company:

| | March 31, 2013 | March 31, 2012 |
|-----------------------------|-----------------------|----------------|
| | ₹ in Lacs | ₹ in Lacs |
| In equity shares (Quoted) | 9,35.11 | 5,41.04 |
| In equity shares (Unquoted) | 8.37 | 61.38 |
| In Mutual Fund(Quoted) | — | 6.51 |
| In Mutual Fund(Unquoted) | 47.72 | 13.24 |
| Total | 9,91.20 | 6,22.17 |

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

40. DERIVATIVES

Kamaljyot Investments Limited

In accordance with the press release of The Institute of Chartered Accountants of India dated December 2, 2005, following are the quantitative and unhedged exposure disclosures of derivatives instruments outstanding as at March 31, 2013:

| Particulars | No. of units | | Value (₹ in Lacs) | |
|----------------------------|----------------|-----------------|-------------------|-----------------|
| | Long | Short | Long | Short |
| Nifty Index Futures | | | | |
| March 31, 2013 | — | — | — | — |
| March 31, 2012 | — | 500 | — | 0.11 |
| | | | | |
| Options | Written | Purchase | Written | Purchase |
| March 31, 2013 | 4550 | — | 2.05 | — |
| March 31, 2012 | 5 | — | 0.16 | — |

The Company has entered into 17 written options which are outstanding as on 31 March, 2013 which have been duly approved by the Board of Directors (Refer Note 12.2). The Company has adopted a conservative approach and has ignored the anticipated profit on such transactions and no credit is taken in the statement of profit and loss. Further as per RBI norms, Company is allowed to enter into derivatives including written options.

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

41. During the previous year, the holding Company had subscribed to 5,10,000 fully paid Equity Shares for a total consideration of ₹ 51.13 lacs in its wholly owned subsidiary Excel Bio Resources Limited.

42. PREVIOUS YEAR FIGURES

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

As per our report of even date

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

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 24 May 2013

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 24 May 2013

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

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

| | | |
|---|--|---|
| 1. Names of the subsidiary company | Kamaljyot Investments Limited | Excel Bio Resources Limited |
| 2. The financial year of the subsidiary company ended on | 31st March, 2013 | 31st March, 2013 |
| 3. Date from which it became subsidiary | 30th July, 1984 | 30th September, 2011 |
| 4. Shares of the subsidiary company held by Excel Industries Limited at the end of the financial year of the subsidiary company: | | |
| (a) Number and face value | 1,99,982 equity shares of ₹ 100/- each | 5,10,000 equity shares of ₹ 10/- each |
| (b) Extent of holding | 100% | 100% |
| 5. Net aggregate profits/losses of the subsidiary company, so far as it concerns the members of Excel Industries Limited — | | |
| (a) not dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2013, amounted to: | | |
| (i) for the subsidiary company's financial year ended as in (2) above | ₹ 9,75,123 | ₹ 1,68,652 |
| (ii) for previous financial years of the subsidiary company | ₹ 67,32,777 | ₹ 39,126 |
| (b) dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2013, amounted to: | | |
| (i) for the subsidiary company's financial year ended as in (2) above | ₹ NIL | ₹ NIL |
| (ii) for previous financial years of the subsidiary company | ₹ NIL | ₹ NIL |
| 6. Changes in the interest of Excel Industries Limited in the subsidiary company between the end of financial year of the subsidiary company and 31st March, 2013 | NOT APPLICABLE | NOT APPLICABLE |
| 7. Material changes between the end of the financial year of the subsidiary company and 31st March, 2013 | | |
| (a) fixed assets | } NOT APPLICABLE | } NOT APPLICABLE |
| (b) investments | | |
| (c) monies lent by the subsidiary company | | |
| (d) monies borrowed by the subsidiary company for any purpose other than that of meeting current liabilities | | |
| For and on behalf of the Board of Directors of Excel Industries Limited | | |
| | A. C. SHROFF <i>Chairman & Managing Director</i> | U. A. SHROFF <i>Executive Vice Chairperson</i> |
| | | S. R. POTDAR <i>Executive Director</i> |
| Place : Mumbai, Date : 24th May, 2013 | KAILAS DABHOLKAR <i>Vice President – Finance and Taxation</i> | S. K. SINGHVI <i>Company Secretary</i> |

EXCEL INDUSTRIES LIMITED

Registered Office:

184-87, SWAMI VIVEKANAND ROAD, JOGESHWARI (W), Mumbai-400 102.

PROXY FORM

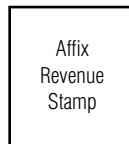
| | |
|------------|--|
| DP.ID* | |
| Client ID* | |

| | |
|----------------------|--|
| Registered Folio No. | |
|----------------------|--|

I/We.....
of.....
..... being a member/members of the above named Company hereby appoint
..... of.....
..... or failing him/her.....
of.....
as my/our proxy to vote for me/us on my/our behalf at the 52nd ANNUAL GENERAL MEETING of the Company to be held on Friday, the 26th July, 2013,
and at any adjournment thereof.

Signed this day of 2013.

Signature



.....

* Applicable for investors holding shares in electronic form.

N.B.: This proxy must be deposited at the Registered Office of the Company at 184-87, Swami Vivekanand Road, Jogeshwari (W), Mumbai-400 102,
not less than 48 hours before the time of the meeting.



EXCEL INDUSTRIES LIMITED

Registered Office:

184-87, SWAMI VIVEKANAND ROAD, JOGESHWARI (W), Mumbai-400 102.

ATTENDANCE SLIP

52nd Annual General Meeting on Friday, 26th July, 2013

| | |
|------------|--|
| DP.ID* | |
| Client ID* | |

| | |
|----------------------|--|
| Registered Folio No. | |
|----------------------|--|

Mr./Mrs./Miss.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 52nd ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, Kishinchand Chellaram College,
Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Friday, the 26th July, 2013 at 3.00 p.m.

.....
Member's/Proxy's name in BLOCK letters

.....
Member's/Proxy's Signature

* Applicable for investors holding shares in electronic form.

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

Excel Industries Limited
184-87, S. V. Road, Jogeshwari (W), Mumbai - 400 102
Website : <http://www.excelind.co.in>