



CARE



EXCEL
INDUSTRIES LIMITED

59th
ANNUAL REPORT
2019-20

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Investor information

Market Capitalisation as at 31st March, 2020	: ₹ 562 Crores
CIN	: L24200MH1960PLC011807
BSE Code	: 500650
NSE Symbol	: EXCELINDUS
Bloomberg Code	: EXL:IN
Interim Dividend	: ₹ 10/- (200%)
AGM Date	: 25th September, 2020
AGM Mode	: Video Conferencing and Other Audio Visual means



Over our long history of existence, we have endeavoured to continuously respond to the needs of our customers, employees, communities and society, as a whole.

Our achievements have won the unwavering trust of our stakeholders.

Our foresightedness has allowed us to build a sustainable organisation by the after turning changes in the business environment into opportunities, as our way of responding to everyone's hopes and expectations.

In the current times when the daily lives and routines of people across the globe has undergone a massive change, we are playing a crucial role in ensuring the safety of our workforce and continuing with our endeavours of the betterment of the environment and the supporting communities.

THIS IS BECAUSE WE

CARE

KPIs: 2019-20

₹ **70,248.44** Lakhs
Revenue from Operations

₹ **11,220.52** Lakhs
Profit before Tax

₹ **9,347.34** Lakhs
Profit after Tax

₹ **74.36**
Earnings Per Share

15.55%
Return on Net Worth

Excel Industries Limited:

Building a Culture of

CARE

Excel Industries Limited ('The Company' or 'Excel' or 'EIL' or 'We'), has a seven-decades rich experience and understanding of indigenous chemical technologies and waste practices in India, amalgamated with staunch values and a rich culture. Our complex product development has kept us ahead of the times through the adoption of best-in-class technological solutions.



We tailor and manufacture chemicals as per the client's requirement. Today our product streams comprise Agro Chemical Intermediates, Speciality Chemicals, Polymer Inputs and Pharmaceuticals API & Intermediates.

Our strategy is to continuously evolve and prosper by emphasising on sustainability, performance and value. This has led to hundreds of chemicals process breakthroughs in our flagship as well as emerging chemical products. In doing so, we have realigned our strategies in accordance with the Sustainable Development Goals (SDG goals). Besides, our innovative waste management solutions and environmental-friendly practices have allowed us to create sustainable value creation for our organisation and the society as a whole.

Our Values



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

Dynamism



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

Compassion



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

Expertise



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

Tradition



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

Employees' Loyalty



The average service years of the employees are 20 years which reflects their trust and loyalty towards the Company.

1st

Domestic chemical manufacturer in India

997

Employees as on 31st March, 2020



Chairman's MESSAGE



Dear Stakeholders,

As I pen down my thoughts for this year's report, most part of world is still reeling under the COVID-19 pandemic. Our this year's Annual Report theme is about 'CARE', which now happens to be the focal point around the world post the outbreak. This translates to care for the people, care for environment and care for the society. The pandemic has also unleashed a new set of challenges in every possible realm. It has changed the working pattern and behaviour in a short span of time across different industries. Some are navigating through fogs of uncertainty, whereas others are positioning themselves to adapt to the new normal.

The economic lockdown has brought an unexpected relief from poor air quality. There were reports of clear blue skies emerging across the world during the lockdown, owing to declining mobility and closures of manufacturing units. The global CO2 emissions in 2020 dropped to the levels last seen in 2006. The particulate matter pollution across the world witnessed a similar decline. The outcome has reshaped the politics around climate change as there is a concern that global warming could bring about another catastrophe in future. Few days of the lockdown made us realise how has the environment changed with globalisation and exploitation of natural resources. The pandemic has given us time to evaluate our priorities and rectify the mistakes and minimise the impact on the environment

Besides the environment, ensuring mental and physical fitness has also taken a centre stage. At EIL, we reached out to all our employees to keep their morale high and help them stay positive and focussed to emerge out of the bad times. Additionally, we also offered medical insurance coverage, tele-consultancy / medicine facilities and provided medical treatment to them on priority through tie-ups with hospitals. We continued to extend our care towards our community development programs in the areas of rural development, education, healthcare, sanitation and women empowerment.

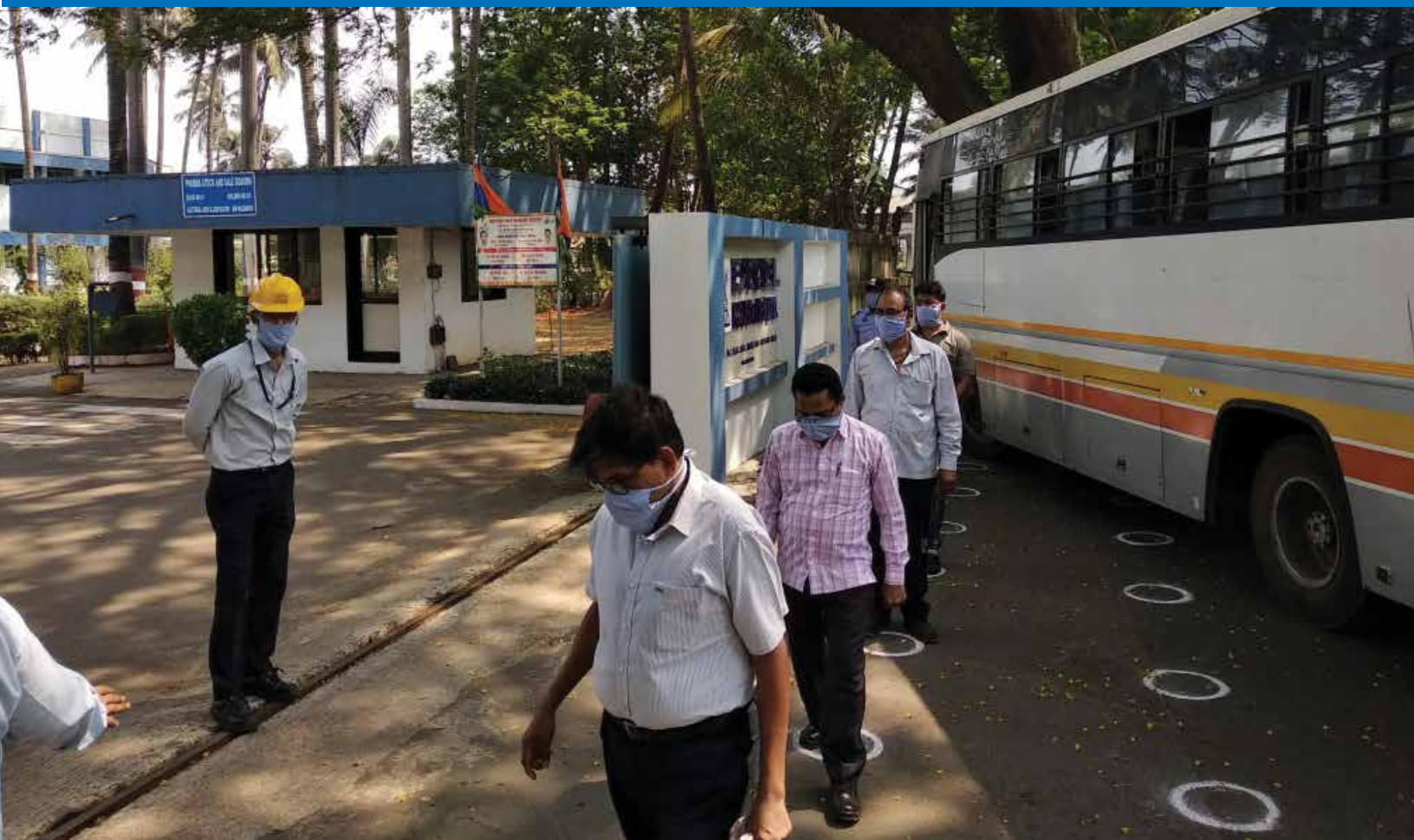
I would like to acknowledge the efforts of our employees for their constant dedication and commitment amidst the challenges. I would also like to thank all our stakeholders, customers and the Board Members for their continuous support. I hope by the time I write next year's letter, we all would have emerged out of this crisis, taking the right learnings and adapting to the new normal.

Stay Safe.

Best Wishes

Ashwin C. Shroff, Executive Chairman

Safety and precautionary measures being taken at the Roha Plant



MESSAGE

from the Managing Director



Dear Shareholders,

Founded with an entrepreneurial spirit in the backdrop of World War-II, it gives me an pleasure to put forward, that the next fiscal year would mark the completion of the 80th year of our organisation. As we reach close to this milestone and prepare for the journey of next 20 years, there are few things that will remain constant. These include continuous value-creation for our stakeholders and how we stay committed to our ethos of care and sustainability, even in the new normal period.

The Indian chemical space plays an inevitable position in the country's trade as it contributes 9% to the total exports. With Government's focus on self-reliance through 'Atma Nirbhar Abhiyaan' and 'Vocal for Local', there would be a realignment of the supply chain scenario. The domestic downstream chemical companies will gradually explore sourcing the raw material from within the nation. Besides, several overseas customers are now favouring India as a preferred destination. This in turn will further provide opportunity for established players like us.

The legacy of strong Research & development (R&D) continues and will remain the focal point of our business. This constant pursuit of excellence has allowed us to build a sustainable manufacturing process. It has allowed us to meet emerging needs of the varied customers and build diversified revenue base. During the year, we successfully acquired the manufacturing unit of Net Matrix Crop Care, which is located in Andhra Pradesh. The facility produces Sodium Trichloropyridinol which has a high value potential and can generate healthy revenues and profitability margins for the Company, going ahead.

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

Best Wishes,

Ravi A. Shroff, Managing Director

MESSAGE

from the Executive Director



Dear Shareholders,

As we see the transformational challenges in the business environment, waste management becomes an important driver to build a smart and sustainable business. It makes us socially and environmentally responsible because when waste is managed at source, it becomes a resource. I am glad to state that Solid Waste Management is now gaining traction and getting importance as an organised industry. With the COVID-19 pandemic, the need for scientific collection, treatment and disposal of waste has gained more importance owing to the restrictions of man and material movement. We are strongly positioned to seize these opportunities through our centralised and decentralised waste management, legacy waste management and bio-remediation of landfill sites.

During the year, we bagged the operations and maintenance contract of 600 TPD Municipal Solid Waste Plant at Varanasi, for a period of two years starting January 2020, and Bio Mining of 900 TPD Legacy Waste at Ahmedabad, starting January 2020.

Going ahead, we look forward to associate with Urban Local Bodies for Municipal Waste Management and also explore collaboration with Indian and international partners to unlock larger opportunities in the waste management sector in India.

Best Wishes

Hrishit A. Shroff, Executive Director

CEO's MESSAGE



Dear Stakeholders,

During the past couple of years, the Company has increasingly been focussed on aligning with customers and further improving the responsiveness of the supply chain. During the year 2019-20, the focus of actions were to strengthen the internal capabilities of the organisation.

Businesses operating from both Roha and Lote sites carried out debottlenecking of operations to build capacities for future demand. Both sites applied for necessary regulatory approvals to accommodate higher volumes. The Lote site obtained clearance from authorities during the year. The pharma team also worked on reducing the manufacturing cost further and aligned with the revised market conditions. The cross functional teams went through several learnings during these improvement exercises.

With a focus on sustainable operations, last year we upgraded our wastewater treatment systems of Roha. The facilities at Lote site too were upgraded and a Multiple Effect Evaporation (MEE) system was commissioned. A solvent recovery facility for Pharma was also set up at Lote and this is expected to add significant value to Pharma business. Based on the environmental clearances obtained from authorities, the Company intends to pursue further increase in business scale from the Lote Site, going ahead.

The acquisition of Vizag site presents an exciting opportunity to explore forward-looking strategic plans for the Company. Vizag site is a fully functional plant, coming with regulatory clearances and adequate open space for constructing new plants for products of future.

Working capital management was another area of focus during the year. Although the Company had become debt-free in the beginning of last year, it was also necessary to institute internal systems where our focus on free cash flow is further improved. While supply chain team reset inventory norms, the sales team coordinated well with customers to achieve targets in collections.

Towards the end of the year, the COVID-19 outbreak interrupted our momentum. As the pandemic started to spread, all our locations took adequate precautions to ensure safety of the Company's employees and worked to find out ways to sustain our activity levels. We will have to see how these events impact us in course of time.

On behalf of our entire leadership team, I would like to thank our employees, partners, clients and stakeholders for another successful year in taking our business forward. In bringing our strategy to life in the years ahead, we are excited by the opportunities ahead of us to make a real difference in the world.

Best wishes

N. R. Kannan, Chief Executive Officer