

EXCEL INDUSTRIES LIMITED

61st | Annual Report 2021-22



GROWING WITH RESILIENCE

READ ACROSS THE PAGES

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INVESTOR INFORMATION

Market Capitalisation as on March 31, 2022	₹ 1723.50 Crores
BSE Code	500650
CIN	L24200MH1960PLC011807
NSE Symbol	EXCELINDUS
Bloomberg Code	EXL:IN
Dividend	₹ 22.50
AGM Date	September 23, 2022
AGM Mode	Video conferencing/other audio-visual means

An electronic version of this report is available online at:

<https://www.excelind.co.in/annualReports.html>

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**Our horizons are limitless.
We continued to find
new pathways, aspiring
towards consistent
value-creation for all our
stakeholders, guided by
our focus on innovation
and sustainability.**

The challenges of FY 2021-22 helped instil greater learning, confidence and pride in our people and processes. It forced us to pause and review the emerging trends while preparing ourselves to build a future-ready organisation.

Our this year's annual report theme depicts our resilience to the challenges and how our grit and determination kept us motivated and driven, making us even stronger for the coming times.

Key Performance Indicators

FY 2021-22

₹ **1,178.02** Crores

Revenue from Operations

₹ **127.41**

Earnings per Share

17.17 %

Return on Net Worth

₹ **160.16** Crores

Profit After Tax

₹ **231.01** Crores

Total Comprehensive Income



A QUICK READ

Pioneers of indigenous chemical technologies and waste management practices in India.



OUR PARENTAGE

Established in 1941, we have pioneered indigenous chemical technologies and waste management practices in India. Headquartered in Mumbai, we are amongst the oldest players in the domestic chemical manufacturing fraternity. We operate through our manufacturing facilities located at Roha, Lote, Vishakhapatnam and Ahmedabad.



OUR OFFERINGS

We manufacture and market agro intermediates and specialty chemicals. We also offer polymer inputs, pharmaceutical APIs (Active Pharma Ingredients) and intermediates and environ-biotech products.



AGRO CHEMICAL INTERMEDIATES

Usage

Intermediates in manufacturing of various insecticides and herbicides.



POLYMER INPUT

Usage

Cross linking or branching agent for polymers like Polycarbonates, Epoxy, Polyesters and similar systems.

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



SPECIALITY CHEMICALS

Usage

Phosphonates: Soaps & detergents, industrial water treatment chemicals, textiles auxiliaries, oilfield chemicals etc.

Biocides: Industrial fungicides in MDF, Textiles, paints, guar gum etc. They are also used in slimicides and algaecides in cooling water systems.

Mining chemicals: Among others, used as froth flotation agents.



PHARMA APIS (ACTIVE PHARMA INGREDIENTS)

Usage

Antidiabetic and anti-gout therapeutic application.

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



OUR EDGE

We manufacture complex products through our best-in-class technological setup.



OUR RESPONSIBILITIES

Our responsibilities toward the community and environment is further evidenced by being a part of the select league of 'Responsible Care' companies. Our commitment extends to all aspects of our operations, including health and safety of our workforce and the environment.



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 to our larger goals and it all begins with a sympathetic ear and an open mind.

EXPERTISE



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

TRADITION



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

EMPLOYEES' LOYALTY



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

CHAIRMAN'S MESSAGE



The world is changing rapidly. We are committed to contribute to the world's progress by delivering meaningful, innovative and sustainable solutions.



Dear Friends,

FY 2021-22 once again demonstrated how our purpose and commitment to innovation and sustainability helped us in performing amidst challenging scenario. Today's industrial landscape, and society in general, is indeed impacted by numerous megatrends like rapid urbanisation, clean energy transition, disruptive technology developments, health considerations, demographic & social changes, climate change and resource shortages. These have significantly changed in the last decade and are set to dominate for the coming years as well.

Our product and market segment selection reflects national environmental and societal needs. At Excel, which is now an eight decade old listed chemical company, we have always believed in the core principles of doing business ethically and responsibly, and going beyond business, in terms of serving the environment and society at large through various initiatives implemented directly or through our own NGOs. We have been prominently focussing in the areas of agriculture, water, income security, healthcare, disaster management and prevention, among others. Today, climate change is one of the major issues that the world is facing, alongside Covid, which occupied a lot of attention, recently.

Climate Change

Climate change occurs mainly due to over production and use of fossil fuels for energy which causes greenhouse gases like carbon dioxide emission. Besides, a strong focus is needed to switch from consumerism-based lifestyles to responsible and need based consumption. Both, industry and consumers need to consider the impact of their consumption practices on the environment, especially climate change. Higher economic growth can still be achieved even after following responsible consumption practices.

There is lot of talk about GDP growth. GDP growth is mostly consumption driven. While boosting the economic activity, we tend to use more and more resources like energy, feedstocks etc. We need to learn that High GDP growth is at the cost of environmental damage and depletion of our natural resources. We must remember Gandhiji's quote "The world has enough for everyone's needs, but not for everyone's greed". Industry has to play a responsible role and needs to get rid of policies such as "buy one, get one free", banks offering EMLs to tempt more purchase and consumerism.

At the same time, we should be responsible consumers also. We have to remember that by limiting our consumption to our basic needs and comfort, we leave more and more for future generations. While there have been regulations of one kind or the other for Producers, there should also be regulations for Consumers. Just like Government enforced certain guidelines during lockdown to control the pandemic, they should also come out with strict regulations to control excessive consumption.

Energy Security

Energy plays an important role in economic and social well-being of human kind. India is one of the fastest growing major economies and is also the world's fastest growing energy consumer. Constantly changing aspirations, newer habits and expectations have led to exponential growth in demand for energy and natural resources.

The ability and capacity of the Earth and Nature is rapidly being stretched to fulfil the increasing demand. Besides, the CO₂ generation during energy production and consumption have also been thrown out of balance. Both, the demand and supply side management needs to be corrected and brought into balanced and sustainable mode for preserving the future. Our country has been depending mainly on fossil fuels for its energy sources. Depleting fossil fuels are becoming more and more expensive. India has already started moving to renewable energy since last 8-10 years, and its share has been growing steadily. Besides, various policy initiatives by the Government is further driving the cause. However, the demand side management, including awareness and change of habits is very much needed. Every individual needs to practice the principle of AMG ie. avoid, minimise and generate.

Use of wind energy, solar energy and energy from waste, both city waste and agro waste should be given high prominence as they are more reliable and sustainable as also clean source of energy. Technologies and processes need to be adopted on these sources of energy.

New Problems, that may arise

Consumerism and excessive use will produce various types of wastes. These wastes need to be recognised as valuable resources which need to be processed or recycled. For

instance, lithium ion batteries from electric vehicles. Besides, while using ethanol for blending, its overuse will need more molasses, in turn more sugarcane which is highly water intensive crop. Alternative crops which are less water intensive like sugarbeet or elephant grass can be grown for ethanol production.

Increasing role of IT/AI/ML/ digitalisation, will need materials which are both imported and monopolised by some dominant countries, eg. Lithium, cobalt etc. as also rare earth elements. India is fortunate to have some minerals which can make them available domestically. Excel fortunately has some products and expertise which can help in these efforts.

ESG (Environmental, Social and Governance) Concept

ESG has been a recent buzzword and these are the core factors that are supposed to measure the sustainability and ethical practices of an organisation. However, with all its good intention, its main focus still remains economic and financial development. It only intends to make the producer responsible. What about the consumer?

Being in the chemical space, sustainability forms an important aspect of business continuity. As an organisation, we need to marry both innovation and sustainability to serve the society, people and the planet and work on the betterment of the future. Through innovation, we should focus on delivering sustainable solutions to meet customer demands for a better environmental footprint and the transition toward a circular and bio-based economy. Sustainability shapes the portfolio strategy and innovation priorities, and as a result, it nourishes the long-term competitiveness. Sustainability in our industrial processes further helps to reduce our carbon footprint and increases operational excellence and thereby achieves cost competitiveness. Combination of innovation and sustainability will make us ready to meet the potential business opportunities.

In the true spirit of our corporate values, we will continue to do everything we can – with innovative strength and pioneering spirit. Our Company colleagues are the key driving force in this endeavour, and I would like to take this opportunity to extend my very special thanks to them. With their tireless efforts even under the most challenging conditions they ensure – day in, day out – that innovation and sustainability engine keeps running.

My thanks to our stakeholders, including customers and business associates and to you, our valued shareholders, for the confidence you have shown in us. We have been and will continue to achieve our financial objectives while fulfilling our corporate, social, and environmental responsibilities.

Best Wishes,
Ashwin C. Shroff,
Executive Chairman

MANAGING DIRECTOR'S MESSAGE



Our ambition to create a positive impact is an integral part of our culture which continues to define our success.

