

EXCEL INDUSTRIES LIMITED
ANNUAL REPORT 1996-97



*Excel's vision depicted on the cover reiterates its
commitment to Nature's ever abundant bounty
- the sun, the soil, the water, the air and the sky.
"From nature unto nature, we are learning to return."*

GLIMPSES OF EXCELLENCE 1996-97

EXCEL INDUSTRIES LIMITED

1. DOCTORAL HONOUR : Our beloved Chairman, Shri Darbari Seth, who has been our inspiring and guiding light for many years has been conferred with Doctor of Science, 'Honoris Causa' by the renowned seat of education in the country, The Banaras Hindu University. Shri Darbari Seth has made corporate history during his glorious career spanning over five decades. With his inspiring leadership, several organisations, including Excel, performed so well that he came to be aptly known as "The Man with the Midas Touch".

The citation mentions appropriately : " Any account of Shri Darbari Seth's achievements will not be complete without explicit reference to his very deep and unshakable commitment to, and faith in, his country and countrymen, his enviable innovative abilities, dynamism and vision, charismatic leadership, transparency and openness, insistence on adherence to the highest ethical standards, generosity in liberally supporting public causes, humility bordering on self-effacement and, above all, his very deep faith in the Divine. In every situation that Shri Darbari Seth gets involved, he makes the decisive difference and always for the better."

The Chancellor of Banaras Hindu University, Shri Vibhuti Narayan Singh (H.H. Kashi Naresh), Vice-Chancellor, Dr. Hari Gautam and Dr. D.S. Seth can be seen in the picture.



2. SMT. SNEHLATA CHAMPRAJ SHROFF : Smt. Snehlata Champraj Shroff, wife of our founder, Late Shri C.C. Shroff, known by one and all in Excel as "Mummy" passed-a-way and joined the eternal light on 4th March 1997. Late Shri C.C. Shroff started Excel in 1941, in his characteristic unassuming manner, with an amount of Rs. 10000/- generated from the ornaments contributed by her, his devoted partner. She took great interest in the well-being of all Excel employees and never failed to interact with shareholders at every occasion, with grace and charm that was hers. In keeping with her style, she gave special and personal attention to our valued shareholders during their visit to the Company's factory in Mumbai.

Let her spirit continue to inspire us.



3. ACQUISITION OF SHARES: Excel has been an example of value-based, harmonious and nurturing partnership between the Shroffs and the Tatas for more than three decades.

Recently, transfer of Excel's shares belonging to the companies of the Tata Group in favour of the Shroff Group took place with great goodwill and in a harmonious and supportive manner. Shri Darbari Seth, who facilitated the transfer with his characteristic vision and care, continues to guide the path of Excel, as its Chairman.

The Chairman, Board, Managing Director and Executive Director and Excel team, remains unchanged and shall continue in their endeavour for the well-being and future progress and growth of Excel.



4. STRATEGIC MANAGEMENT MEET : Senior Executives of Excel met for 2 days at Lonavala, a hill resort near Mumbai, to take stock and introspect about the Company, in the post-liberalisation era and the approaching dawn of the 21st century.

It was a highly productive and an interactive exercise, with the participation by about 60 Executives from different functions and areas of the Company. The occasion provided an excellent opportunity to look at the future of existing products/businesses as also possibilities of new products and markets.

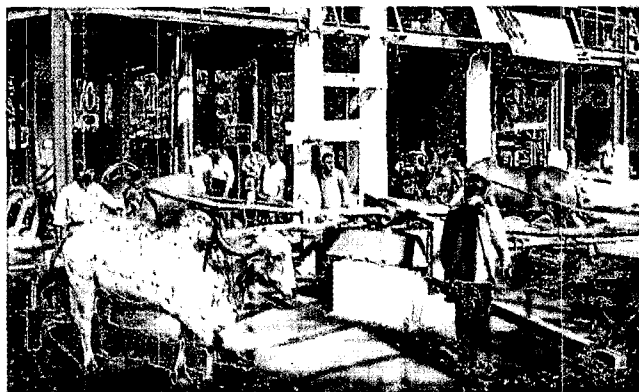


5. EXPORTS : Export sales volume touching the Rs. 60 crore mark was yet another feather in our cap. This year witnessed a further expansion of export markets for Excel's range of products. The merchant export activities also increased further.



6. BULLOCK POWER : Excel, under the able guidance of Shri K.C. Shroff, has developed an innovative solution to India's acute power shortages, especially in the rural areas. Observing that bullocks are used only for 2 to 3 months a year for agricultural purposes, Shri K.C. Shroff has developed a mechanical system that uses these bullocks to generate electrical or mechanical power. Power generated in this manner can provide lighting, run a water pump to lift water and also be used to run a chaff cutter to cut grass for animal feed.

Further experiments are ongoing to provide greater efficiency to the system which can be a cost-effective answer to India's crying need for a cheap source of energy in the rural areas.





7. ICMA PRESIDENCY : In September 1996, Shri A.C. Shroff was elected as President of the Indian Chemical Manufacturers Association (ICMA), which is an apex association of the chemical industry, making significant contribution in the development and enrichment of technological and business process in industry.

Over the years, Shri A.C. Shroff has contributed widely and added value to this institution as a committee member. ICMA, under his leadership can look forward to making further contributions.



8. BMA RECOGNITION & CITATION : Our Director and Corporate Advisor, Shri G. Narayana, fondly and respectfully called "Guruji" by many, was felicitated by the Baroda Management Association (BMA) (a city he has made his home) on the occasion of its 5th National Management Convention.

A very learned and energetic teacher and practitioner of innovative and value-based management ideas and practices and combining at once, the ancient knowledge from our Vedic times, with the latest in management ideas (from the West), he has contributed tremendously to the organic growth of Excel and Excellites.

He has been connected with and richly contributing to several organisations in their search for betterment and excellence.



9. ASIA-PACIFIC CROP PROTECTION CONFERENCE : Excel, as part of its policy of developing the Indian Agrochemical Industry, co-sponsored the first-ever "Asia-Pacific Crop Protection Conference" jointly organised by the "Pesticides Formulators Association of India (PFAI) and Farm Chemicals International, USA" at the Centaur Hotel, Juhu, Mumbai on February 20-21, 1997. The Conference proved to be a landmark event for the Indian Agrochemical Industry with major participation by over 45 countries, apart from India.



10. EFFECTIVE PERSONAL PRODUCTIVITY - LMI : This year about 100 Executives underwent a programme designed to improve their individual productivity. The course is conceived by an international organisation, namely Leadership Management International (LMI). The programme makes the participant aware about a number of small deterrents affecting their productivity. Thereafter, a package of simple suggestions comes along in the programme to try out and ascertain how productivity improves. On-line application of solutions and ideas is a major feature contributing to the success of the programme.

11. SPICES 'N' ORGANICS : It requires a pioneering spirit to lead and Excel leads the way. Spices 'N' Organics, a division of Excel, combines our products and services in a unique way to help both agri producers and consumers. At Spices 'N' Organics, we offer garden-fresh spices (cardamom, pepper, cloves, etc.) sourced directly from Excel's farms at Idukki in Kerala.

Marketed under the brand name, "Fresh 'N' Spicy", the elegantly packed spices are sold across the counter at the first retail outlet, recently inaugurated on 9th April 1997, at Secunderabad.

In the years ahead, Spices 'N' Organics will steadily grow into all allied areas in the field of agri business and supporting areas.



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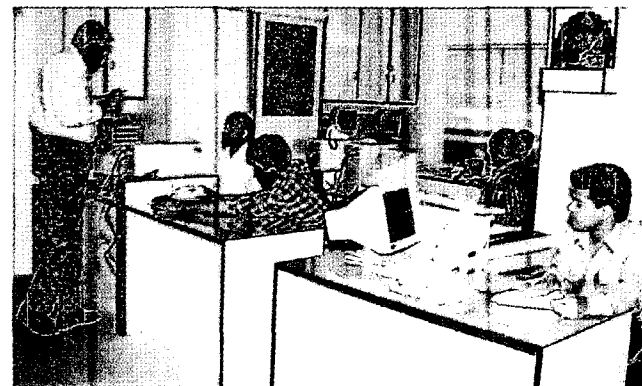
12. CONVERSION OF USED TEMPLE FLOWERS (NIRMALYA) INTO CELRICH : Flowers collected at the famous Siddhi Vinayak temple of Lord Ganesha at Prabhadevi, Mumbai posed a major problem of disposal to the temple management. The management did not wish to put these holy flowers into the garbage, nor could they dispose them at sea.

Excel came to their help and conducted experiments for converting these flowers into rich manure. Since March 1997, Excel has regularly started treating the flowers and producing Celrich, an organic soil enricher, thus offering an eco-friendly solution to the problem.



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13. INVESTOR RELATIONS DEPARTMENT : The well-equipped Investor Relations Department, promptly and amiably catering to the needs of our esteemed shareholders.



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14. AWARD : The Company has been presenting the Late Shri Vipin Maneklal Memorial Award to outstanding personnel, who contribute in a laudable way in an efficient management of tax matters.

Late Shri Vipin Maneklal, a Director of the Company for many years, had evinced keen interest in taxation matters and the Company had the benefit of his guidance concerning Customs and Central Excise laws. His family has created an endowment with the Company, the interest of which is being distributed annually as Awards.

During the year under review, Shri Nalin Pandya of the Company's Bhavnagar site was presented with an Award in recognition of the responsibilities discharged by him in handling and securing Land Development charges with the Bhavnagar Area Development Authorities.



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EXCEL INDUSTRIES LIMITED



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MD	✓	BKC	✓
CS	✓	DPY	✓
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Annual General Meeting on Wednesday, 23-7-1997 at 3.30 p.m.
At Birla Kreed Kendra, Chowpatty,
Mumbai 400 007.

A REQUEST

We are sure you will have read with interest the accounts for the year ended 31st March, 1997. You may desire to have some clarification or additional information on the said accounts 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.





BOARD OF DIRECTORS

D. S. SETH, *Chairman*
A. C. SHROFF, *Managing Director*
DIPESH K SHROFF, *Executive Director*
A. D. MANGO
P V S MANYAM
G. S. PATEL
R. C. KHANNA
G. NARAYANA
KISHORE MARIWALA
M. K. VADGAMA
ATUL G SHROFF
CYRIL SHROFF

SECRETARY

ARUN VEERAMONEY

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BANKERS

Bank of India
Syndicate Bank
State Bank of India
Citibank N.A.
ABN Amro Bank N.V.

AUDITORS

S. V. GHATALIA & ASSOCIATES
Chartered Accountants

REGISTERED OFFICE

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

FACTORIES

Jogeshwari (W), Mumbai
Amboli Hill, Mumbai
Ruvapari Road, Bhavnagar
M.I.D.C. Area, Roha
Lote Parashuram, Chiplun



EXCEL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the THIRTY-SIXTH ANNUAL GENERAL MEETING of the Members of EXCEL INDUSTRIES LIMITED will be held at Birla Kreed Kendra, Chowpatty, Mumbai - 400 007 on Wednesday, the 23rd July, 1997, at 3.30 p. m. to transact the following business:

1. To consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1997, the Balance Sheet as at that date, and the Reports of the directors and the auditors thereon.
2. To declare a dividend.
3. To appoint a director in place of Mr. Kishore Mariwala who retires by rotation and is eligible for re-election.
4. To appoint a director in place of Mr. Atul G Shroff who retires by rotation and is eligible for re-election.
5. To appoint a director in place of Mr. M. K. Vadgama who retires by rotation and is eligible for re-election.
6. To appoint auditors and to fix their remuneration and in this connection to consider and, if thought fit, to pass, with or without modification, as a special resolution, the following:

"RESOLVED THAT pursuant to the provisions of Section 224-A and other applicable provisions, if any, of the Companies Act, 1956, Messrs S.V. Ghatalia & Associates, Chartered Accountants, the retiring Auditors of the Company, be and they are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 4,25,000/- plus reimbursement of actual travelling and out-of-pocket expenses."

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:

"RESOLVED THAT pursuant to the provisions of Section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and other necessary approvals, if any, the consent of the Company be and it is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to invest a sum not exceeding Rs. 4 crores (Rupees four crores) in the equity share capital of the Joint Venture Company to be promoted and incorporated in India for manufacture and marketing of Drip Irrigation Systems and that the Board be and it is hereby authorised to determine the actual sum or sums to be so invested from time to time and to do all or any other matters, acts or things arising out of or incidental to the said investment."

8. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:

"RESOLVED THAT the consent of the Company be and it is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge the immovable properties of the Company, present and future, situate at Roha, Maharashtra ranking *pari passu* with the existing mortgages and charges created by the Company and an exclusive first charge by way of hypothecation of the movable fixed assets of the Company acquired/to be acquired for capacity expansion in respect of two of the Company's products viz. Glyphosate and Phosphorous situate at Roha, Maharashtra and Bhavnagar, Gujarat respectively in favour of Export-Import Bank of India (Exim Bank) for securing Rupee Term Loan up to the extent of Rs. 10 crores (Rupees ten crores) to be lent and advanced by Exim Bank to the Company together with interest, commitment charges, liquidated damages, costs, charges, expenses and other monies whatsoever payable by the Company to Exim Bank in terms of the Loan Agreement/Hypothecation Agreement entered into/to be entered into by the Company in respect of the said Rupee Term Loan.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to finalise with Exim Bank the documents for creating the aforesaid mortgage and/or charge and for reserving the aforesaid right and to do all