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Excel Industries Limited

Annual Report 2004-05



The collage on the cover page depicts Company's focus which begins with R&D, Process development and goes right up to product applications in chemicals, agrochemicals, polymers and pharmaceuticals with clientele in India and several other countries.



Excel Industries Limited

Nurturing spirit through sports!



Tsunami

Our heart reaches out to our fellow brothers and sisters



The catastrophic earthquake and resulting Tsunami on December 26, 2004, killed thousands and rendered millions of families in Southeast Asia grieving, homeless and vulnerable.

The Environ-Biotech Division of Excel Industries along with its sister companies and voluntary organizations, rushed with its team of experts and the treatment material (Sanitreat, Herbocel & Bioculum) to the Tsunami affected regions of Tamil Nadu, Andaman & Nicobar Islands and Indonesia for sanitizing and de-odouring of human and animal corpses, to minimize the risk of diseases and epidemics. We received appreciation from the Government and other relief authorities.





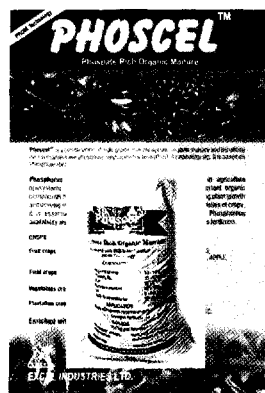
Excel Industries Limited

Biotech

The annual goal setting exercise has given this division a new focus on what needs to be achieved by each person, each group and each department. The photograph of the marketing group with the Chairman and Vice Chairman shows the kind of investment made by the Company in marketing. At present, there are 91 persons in marketing spread over 18 states of India where our bio-products are marketed.



Our Chairman and Managing Director, Mr. A.C. Shroff, also Co-Chairman of Environmental Committee of FICCI addressing the seminar on 'Draft National Environmental Policy' held on December 4, 2004.



Phoscel

The newly launched Phoscel is an eco-friendly natural product containing high grade rock-phosphate [P_2O_5 plus 15%], Organic matter [15%], Phosphate solubilising bacteria [PSB] and Azotobacter. It is based on Phosphate Rich Organic Manure [PROM] Technology, a natural replacement for Synthetic Phosphatic Fertilizer. The initial response to Phoscel is very encouraging.

Azazel

Another new product from this division is Azazel. It is well known all over the world that Azadirachtin, obtained from the seed of Neem trees gives an anti-feedant, repellent, growth regulatory and ovipositor (preventing insects from laying eggs) effect along with inhibition of fertility and reproduction in insects.

Based on this knowledge, the Company has introduced two concentrations of Azadirachtin - Azazel 3000 (3000 ppm) and Azazel 10,000 (10000 ppm). These will be used for the control of various pests like Mites, Jassids, Aphids, White Fly, Bollworms, Spodoptera, Green Leaf Hopper, Tea Mosquito, Colorado Potato beetle, Rice Root Weevil, etc.

AZAZEL-3000™

Azadirachtin 0.3% EC [3000 PPM]



AZAZEL-10000™

Azadirachtin 1.0% EC [10000 PPM]



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*Annual General Meeting on Friday 29-7-2005 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 2004-05. 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.

CHAIRMAN EMERITUS

K. C. SHROFF
G. NARAYANA

BOARD OF DIRECTORS

A. C. SHROFF, *Chairman & Managing Director*
USHA A. SHROFF, *Vice Chairperson*
S. R. POTDAR, *Executive Director*
A. D. MANGO
(Late) P. V. S. MANYAM (*up to 4.12.2004*)
ATUL G. SHROFF
RAMCHANDRA N. BHOGALE
H. N. MOTIWALLA
P. S. JHAVERI
DIPESH K. SHROFF
M. K. VADGAMA (*w.e.f. 30.7.2004*)
M. B. PAREKH (*w.e.f. 25.3.2005*)
V. R. GALKAR (*Representative of Life Insurance Corporation of India*)
(*w.e.f. 25.3.2005*)

G.M. (CORPORATE ACCOUNTS) & COMPANY SECRETARY

PRAVIN D. DESAI

BANKERS

Bank of India
Syndicate Bank
State Bank of India
UTI Bank Limited

AUDITORS

S. V. GHATALIA & ASSOCIATES
Chartered Accountants

REGISTERED OFFICE

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

FACTORIES

M.I.D.C. Area, Roha
M.I.D.C. Area, Lote Parashuram
Dhaba Kotla Road, Vijayawada
Baherampura, Ahmedabad
Piplaj, Gujarat

EXCEL INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the FORTY-FOURTH 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 29th July, 2005 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2005, 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. A. D. Mango who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. P. S. Jhaveri who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a director in place of Mr. H. N. Motiwalla who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. M. K. Vadgama, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 11(f) of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting and being eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature as Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. V. R. Galkar, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 11(f) of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting and being eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature as Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

9. To consider and, if thought fit, pass with or without modification, as a special resolution, the following:

"RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956, the Company hereby approves that the register of members, the index of members, the register and index of debentureholders, copies of all returns prepared under Sections 159 and 160 of the Companies Act, 1956, and the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Companies Act, 1956, be kept at the office of Intime Spectrum Registry Limited, C-13, Pannalal Silk Mill Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078, the Company's Registrar & Transfer Agents, instead of being kept at the registered office of the Company at 184/87, S. V. Road, Jogeshwari (West), Mumbai 400 102."

10. 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 creation, from time to time, by the Board of Directors of the Company of such mortgages, charges and hypothecations on such of the assets of the Company, both present and future, as may be decided by the Board in favour of the financial institutions/banks/other lenders/trustees for the holder of debentures/bonds/other instruments which may be issued by the Company, to secure loans, debentures, bonds, or other instruments of the Company, provided that the total amount of such loans, debentures, bonds and other instruments so secured by mortgages, charges and hypothecations shall not, at any time, exceed the sum of Rs. 150 crores (Rupees one hundred and fifty crores)."

11. To consider and, if thought fit, to pass with or without modification, as a special resolution, the following:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003 and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company, the Company hereby approves delisting of the Company's Equity Shares and the two series of Secured Redeemable Non-Convertible Debentures from The Delhi Stock Exchange Association Limited."

12. 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 Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, consent of the Company be and it is hereby accorded to the reappointment of Mr. A. C. Shroff to the office of Chairman & Managing Director of the Company for a term of five years with effect from 1st February, 2005 on the terms and conditions including remuneration as set out in the draft Agreement between the Company and Mr. A. C. Shroff placed before the meeting and duly initialled by the Executive Director for the purpose of identification."

13. 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 372A and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to invest, from time to time, sums not exceeding Rs. 350 lacs (Rupees three hundred and fifty lacs) in the equity share capital of Vinar Organic Private Limited and Rs. 50 lacs (Rupees fifty lacs) in the equity share capital of Rom Vijay Bioo Tech Private Limited, notwithstanding the fact that such investment will exceed limits set by Section 372A of the Companies Act, 1956."

14. 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 293(1)(e) of the Companies Act, 1956, and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised to contribute, from time to time, in any financial year, to any charitable or other funds or for charities or other purposes not directly relating to the business of the Company or the welfare of its employees, up to a sum of Rs. 15 lacs (Rupees fifteen lacs) or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 during the three financial years immediately preceding, whichever is greater."

15. 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 17 of the Companies Act, 1956, Clause III of the Memorandum of Association of the Company, being the object clause, be altered by:

- (i) deletion of the existing sub-clause (9) and substitution thereof with the following new sub-clause:

- (9) To manufacture, buy, sell, import, export, or otherwise deal in organic and non-organic fertilizers and manures; pesticides, rodenticides, insecticides, fungicides, weedicides, bio-pesticides, plant growth regulators and enhancers, fumigants, preservatives, soil enrichers and any and all such products and preparations by whatever name called for crop protection, agriculture, horticulture, plantations, forestry, arboriculture and allied purposes and for preservation of food grains.

(ii) deletion of the existing sub-clause (21) and substitution thereof with the following new sub-clause:

- (21) To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world any patents rights, brevets d'invention, copy rights, trade marks, formulas, designs, licences, concessions and the like, conferring exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company and to use, exercise, develop or grant licences in respect of, or otherwise turn to account, the property, rights, or information so acquired, and to expend money in experimenting upon and testing or improving any such patents, inventions or rights.

(iii) deletion of the existing sub-clause (40) and substitution thereof with the following new sub-clause:

- (40) To lend or advance money or give credit to any persons or companies, in particular to customers, suppliers and others having dealings with the Company, on such terms as may seem expedient and to give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by, any body corporate and to guarantee performance of any contract or obligation and the payment of money by such persons or companies and generally to obtain or give all kinds of guarantees and indemnities including by creation of charge on the assets of the Company, provided that the Company shall not carry on the business of banking as defined by the Banking Regulation Act, 1949.

(iv) insertion of the following new sub-clause (3A) after the existing sub-clause (3):

- (3A) To undertake, promote and sponsor or assist studies and research work in the field of mining and mineral processing chemicals and formulations thereof for the purpose of mining or mineral beneficiation through froth floatation or other processes for recovery, upgradation, beneficiation, enrichment, extraction and collection of metallic and non-metallic substances from ores and to develop, apply, procure, maintain and exploit intellectual property rights in relation thereto, to develop, test, evaluate and formulate, chemicals and mixture of chemicals for applications in mining and processing of minerals and to manufacture, import, export, buy, sell or otherwise deal in such chemicals and to provide services for application of such chemicals, formulations and techniques and technologies in mines and mineral processing plants, whether belonging to the Company or others.

(v) insertion of the following new sub-clauses (9A), (9B), (9C) and (9D) after the existing sub-clause (9):

- (9A) To apply scientific and engineering principles to processing of materials by biological agents to produce or manufacture chemicals, pharmaceuticals products of all kinds and seeds, and to undertake services including those by use of Genetic Engineering, Gene Technology, Cell Hybridization, Micro Organisms, Genetic Manipulation, Recombinant DNA and other means of biotechnology and to deal in, manufacture, process, trade, purchase, sell, export, import, store, refrigerate, pack and repack all types and kinds of materials required for production using biotechnology including genetically engineered cells or organisms and to process, store, purchase, sell, import, export, pack and repack goods produced by using biotechnology.
- (9B) To own, operate and maintain power or other energy generation facilities, whether conventional or non-conventional, for sale or for meeting the energy needs of the manufacturing plants, factories, offices and residential premises owned by the Company, either directly by captive consumption or indirectly by arrangement with State Electricity Board or other entities engaged in energy generation, transmission and distribution.

(9C) To carry on business of promoting, developing, leasing, setting up and operating water management projects, including projects for water collection, water harvesting, water storage, water distribution, water conservation, recycling and use of water resources, whether for industrial purposes, farming or for rural or for urban areas, and to develop, buy, sell, import, export or otherwise deal in technology, equipments, products, services and other inputs for developing, setting up, operating and running water management projects.

(9D) To carry on the business of undertaking turnkey projects and works contracts for construction of industrial units and installation of plant, machinery and equipment and to acquire, collect, formulate and prepare technical details, specifications, drawings, plans, blue prints for fabrication or manufacture of any machinery, machine, plant, components, parts or accessories of any particular design, shape or material and to act as industrial consultants, engineering consultants, business consultants and to carry on all types of consultancy business connected with industry and trade, commerce, marketing, finance, data processing, accounting, information technology.

RESOLVED FURTHER THAT the Directors of the Company be and they are hereby jointly and severally authorised to do all such acts, deeds, matters and things as may be necessary for the purpose of implementing this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An Explanatory Statement relating to the Special Business under item Nos. 7 to 14 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Special Business under item No. 15 requires consent of the Shareholders by means of postal ballot under the provisions of Section 192A of the Companies Act, 1956, and rules made thereunder. Postal Ballot Forms, the Notice pursuant to Section 192A(2) and the Explanatory Statement along with self addressed postage pre-paid envelopes are being despatched to the Shareholders in order to conduct postal ballot process. The results of the postal ballot will be announced at the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 19th July, 2005 to Friday, the 29th July, 2005 (both days inclusive).
5. Members are requested to notify immediately any change in their addresses to their depository participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to the Company in respect of their physical shares, quoting Folio No.
6. Payment of the dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 3rd August, 2005 to the Members whose names stand on the Company's Register of Members on Friday, the 29th July, 2005 and to the Beneficiary Holders as per the Beneficiary List on the close of business hours on Monday, the 18th July, 2005 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.
7. Payment of the dividend will be made through Electronic Clearing Service (ECS) 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. The members, holding shares in physical form and covered under the RBI Centres, who have not furnished requisite information and who wish to avail of the ECS facility to receive dividend from the Company, may furnish the information to Intime Spectrum Registry Limited, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants, in order to receive dividend through ECS 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 Investor Education and Protection Fund.