

Excel Industries Limited

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Annual Report 2005 - 06



HEARTFELT RESPECTS & CONGRATULATIONS TO HON.SHRI K.C.SHROFF

Mr. K.C.Shroff our beloved Kakaji, an octogenarian, an institution in himself, was felicitated by (none other than) Dr. Abdul Kalaam, President of India for the outstanding leadership, vision, inspiration and direction that he has provided over the years in the overall upliftment, development and empowerment of community in rural India especially in the Kutch Region.

Through his single-minded, undaunted purpose, he has inspired and guided individuals and NGOs alike to put in whole-hearted efforts in rural development thus creating self sufficiency in all areas of living, largely in areas of water-shed management, saline and waste land management, income generation projects, agriculture, self-help groups, development of arts and crafts through women artisans and entrepreneurs and the likes.

The function organized on behalf of Shri Ramkrishna Mission at Porbunder was conducted on the auspicious National Youth Day on January 12, 2006, the birth anniversary of Shri Vivekananda.



Corporate Social Responsibility is woven in every gesture of Excel, whether be it through PURA (Providing Urban Amenities To Rural Areas) or reaching out in times of catastrophe or calamities.

Excel Team joined Bombay Municipal Corporation and carried out Sanitation Relief Operations for a week in deluge-affected areas in Western Suburbs to diminish possible risk of epidemic and diseases after the devastating floods on 26th July 2005 in Mumbai.

2005-2006
GLIMPSES
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“BUILDING WORLD CLASS PLUS COMPANY THROUGH INNOVATION, CREATIVITY & ENHANCED COMPETENCE”

An in-house seminar conducted for the senior group of the company & it's sister concerns

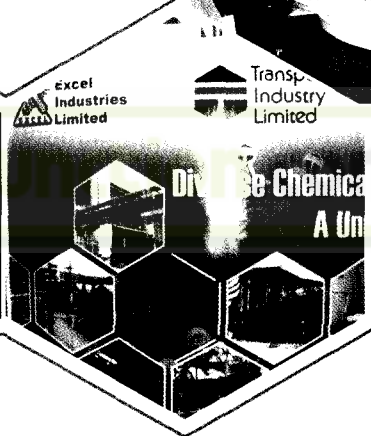
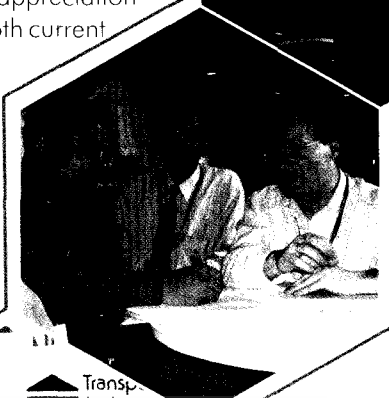
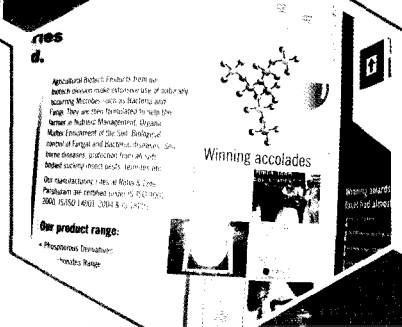
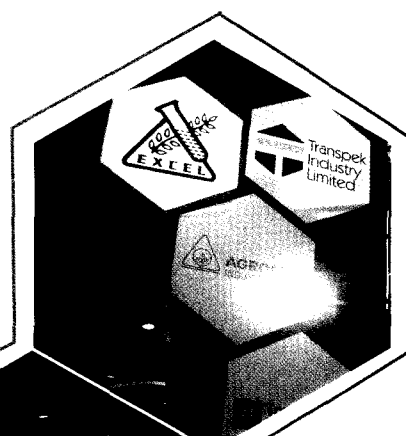




UNITED BINDING FORCE

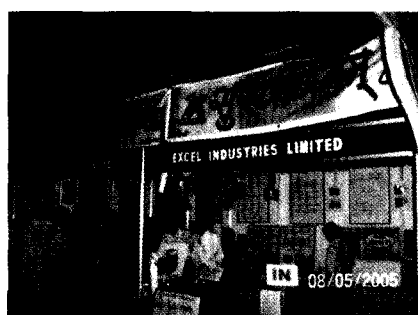
Excel participated in ChemSpec India 2006 an exhibition dedicated to fine and speciality chemicals. Beyond exhibiting the products, Excel demonstrated a fresh theme of bonding and group strength by coming together with three of the group companies on the same platform.

The mammoth exhibit was not only the centre of attraction in the exhibition but also a show of group's strength and capabilities. A great deal of appreciation was received by the impressed clientele both current and prospective for the display.

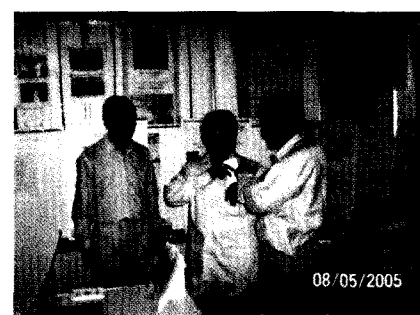


WHETHER IT
IS AN
INTERNATIONAL
EXHIBITION
OR
A LOCAL MELA
EXCEL
HAS ALWAYS
PARTICIPATED
WITH EQUAL
GUSTO
&
FERVOR

2005 - 2006
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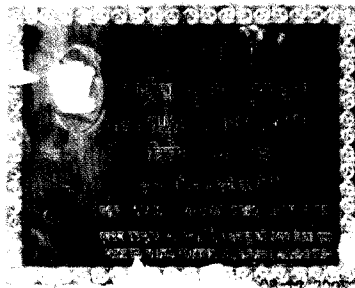
Excel participated in the Roha Festival organized jointly by Lions Club Roha, Roha Industrial Association & Roha Nagar Parishad. The Excel stall was inaugurated by Hon. Minister Shri Sunil Tatkare and was visited by Sarpanch Dhatav, senior journalists, eminent public figures from local industrial, political, social, arena. The stall exhibited and presented information on the company, its products and its operations to the rural community in and around the plant.



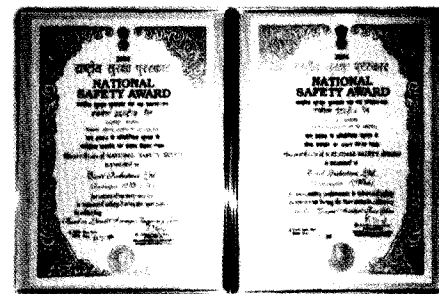


AWARDS & REWARDS

NATIONAL SAFETY AWARDS



Excel Lote Parshuram has been conferred the prestigious National Safety Award by Ministry of Labour, Govt of India, in recognition of good safety performance and accident prevention programmes. The award ceremony was held on September 17 2005 at New Delhi by Ministry of Labour & Employment.



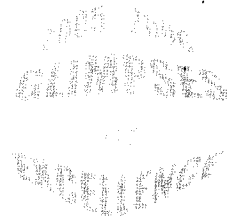
ENCON AWARD BY MEDA

Excel Roha has won the prestigious State level award in Energy Conservation from Maharashtra Energy Development Agency for the year 2004 for Excellence in Energy Management & Conservation. On May 13, 2005, the award was received from Mr. Vinay Kore, Hon. Minister of State for non-conventional energy resources.



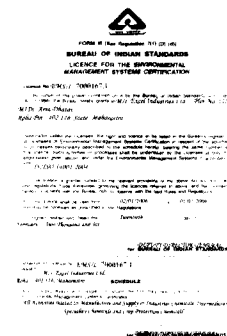
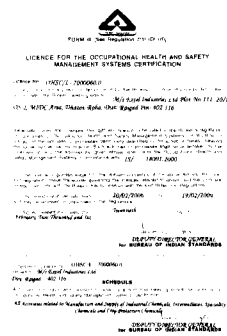
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"CUSTOMER SPECIAL"

Excel receives 'Supplier Excellence' certificate and a Gold medal for the year 2004; a maiden award from one of our major customers, Bayer Crop Science based on Bayer Supreme Evaluation of the suppliers. The stands for Supplier Evaluation and on criterion like safety & performance, systems to future requirements, support, logistics, Bayer as a SUPREME SUPPLIER.



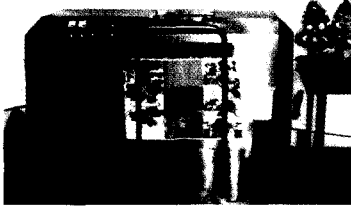
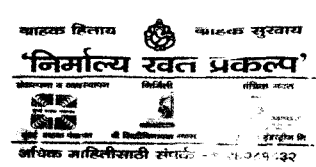
SYSTEMS THINKING

"EXCEL ROHA" becomes the Fifth Company to receive IS18001:2000 (Certification Audit of Occupational Health & Safety Management Systems) Certification from Bureau of Indian Standard in Western region. Through a combined audit conducted by BIS, on 14th and 15th February 2006 by six senior auditors, for IS/ISO 14001:2004 IS18001:2000, Company obtains EMS (renewal) & OHSMS Systems Certification. Company takes pride in the efforts, involvement, participation and team spirit of all in this process.





ENVIRONMENT & BIOTECH DIVISION



Organic Waste Converter (OWC) supplied to Siddhi Vinayak Temple is being successfully operated by the temple management under our technical guidance and support. This machine was inaugurated by Shri Jayant Rao Patil, Hon. Minister of Finance, Govt. of Maharashtra on 11th May, 2005.

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TRIBUTE TO MR. C.C.SHROFF FOUNDER - VISIONARY - TECHNOCRAT - INDUSTRIALIST



Homage was paid to Mr. C.C. Shroff, dear Papa to all of us, by way of naming the Chowk connecting S.V. Road and 44 D.P. Road opposite the company as C.C. Shroff Chowk and designating the road post on S.V. Road at Jogeshwari (W) as C.C. Shroff Road to his memories.

Event organised on his birth anniversary day on January 3, 2006, the Chowk was inaugurated by Mr. Dattaji Dalvi Mayor and Ms. Rajul Patel Corporator.

Attended by several dignitaries and employees of Excel and ECCL, the occasion was one of joy, reverence and nostalgia.



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45th Annual General Meeting
on Friday 28-07-2006 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 2005-06. 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
A. G. SHROFF
R. N. BHOGALE
H. N. MOTIWALLA
P. S. JHAVERI
DIPESH K. SHROFF
M. K. VADGAMA
M. B. PAREKH
V. R. GALKAR

COMPANY SECRETARY

SUNITA AGARWAL

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.
Tel.: 6646 4200
Fax: 6696 3514

R & T AGENT

Intime Spectrum Registry Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai 400 078.
Tel.: 2596 3838
Fax: 2594 6969

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-FIFTH 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 28th July, 2006 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, 2006, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. R. N. Bhogale who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. M. B. Parekh who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Dipesh K. Shroff who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

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. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 18th July, 2006 to Friday, the 28th July, 2006 (both days inclusive).
3. 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.
4. The facility for making nominations is now available for shareholders and fixed deposit holders in respect of the shares and fixed deposits held by them. Nomination form can be obtained from the Company's Registrar & Transfer Agents, M/s. Intime Spectrum Registry Ltd. or from the Company.
5. Additional information on Directors being reappointed as required under Clause 49(VI) of the Listing Agreement with the Stock Exchanges are as under:

At the ensuing Annual General Meeting, Mr. R. N. Bhogale, Mr. M. B. Parekh and Mr. Dipesh K. Shroff, Directors, retire by rotation and being eligible, offers themselves for reappointment. In pursuance of Corporate Governance Code, information of the aforesaid Directors is provided hereunder:

- a) Mr. R. N. Bhogale is the Director of the Company since 6th December, 2001. He is a member of Audit Committee and Remuneration Committee of the Company. He is a B. E. (Mech.). He is an Engineer entrepreneur with wide experience in auto component and kitchenware industry. He is also a Director on the Board of other Public Limited Company viz. Nirlep Appliances Ltd.
- b) Mr. M. B. Parekh is the Director of the Company since 25th March, 2005. He is a B. Chem. Engg. from UDCT. Also M.S. Chem Engg. from University of Wisconsin, USA. He is a Business Executive with wide experience in Chemicals Industry. He is also a Director on the Board of other Public Limited Companies viz. Vinyl Chemicals (India) Ltd., Kalva Marketing & Services Ltd., Fevicol Company Ltd. and Pidilite Industries Ltd.

- c) Mr. Dipesh K. Shroff is the Director of the Company since 3rd September, 2003. He has done Diploma in Civil Engineering. Completed Owners'/Presidents' Management Programme at Harvard Business School, Boston, USA. He is an Industrialist with vast experience in Chemicals and Agrochemical Industry. He is a member of Shareholders'/Investors' Grievance Committee of the Company. He is also a Director on the Board of other various Public Limited Companies viz. Agrocel Industries Ltd., Excel Crop Care Ltd., Excel Industries Euro N V, Belgium, Excel Industries (Australia) Pty Ltd., Hyderabad Chemical Supplies Ltd., Kamaljiyot Investments Ltd., Parul Chemicals Ltd., Shroff Engineering Ltd., Transpek Industry Ltd. Upexcel Ltd., etc.
6. 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.

The details of dividend declared/paid for the year 1998-99 onwards are given below:

Date of Declaration	Dividend for the year	Dividend Rs. Per Share	Due date of the proposed transfer to Investor Education & Protection Fund
30.07.1999	1998-99	7.50	10.09.2006
31.03.2000	1999-2000	7.50	10.07.2007
20.09.2001	2000-01	2.50	27.10.2008
28.10.2002	2001-02	3.00	03.12.2009
29.12.2003	2002-03	1.50	03.02.2011
30.07.2004	2003-04	1.00	04.09.2011
29.07.2005	2004-05	0.50	03.09.2012

Members, who have not encashed the Dividend Warrants for the year 1998-99 and/or any subsequent year(s) are requested to write to the Company for revalidation of Dividend Warrants before transfer by the Company of unclaimed amounts to the Investor Education and Protection Fund.

REQUEST TO THE MEMBERS:

- Members are requested to bring their copy of Annual Report to the Meeting.
- Members who have multiple folios in identical names or joint 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. Intime Spectrum Registry Ltd. 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, 26th May, 2006.

EXCEL INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Forty-Fifth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2006.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

	2005-06	(Rupees in lacs)	
		2004-05	
Gross Profit for the year was	6,46.24	4,39.07	
Less: Depreciation	<u>9,26.37</u>	<u>9,26.51</u>	
Leaving a net profit/(loss) before Extraordinary Items and Tax	(2,80.13)		(4,87.44)
Extraordinary Items	<u>—</u>		<u>(2,75.27)</u>
Leaving a net profit/(loss) subject to Taxation	(2,80.13)		(7,62.71)
Add/(less) Tax adjustment:			
Provision for Current Tax	(1.50)	(2.00)	
Deferred Tax Credit/(charge)	1,59.05	6,85.32	
Fringe Benefit Tax	<u>(49.50)</u>	<u>1,08.05</u>	<u>6,83.32</u>
Leaving a balance thereof	(1,72.08)		(79.39)
Add thereto/(reduce therefrom):			
Adjustments in respect of earlier years (Net)	80.62	(30.09)	
Excess Provision for Taxation for earlier years	1,22.03	98.04	
Debenture Redemption Reserve written back	<u>1,16.42</u>	<u>1,42.29</u>	<u>2,10.24</u>
	1,46.99		1,30.85
Add thereto:			
Balance brought forward from the previous year	8,89.22		8,20.55
Leaving a balance available for disposal of	<u>10,36.21</u>		<u>9,51.40</u>
Appropriations:			
Proposed Dividend	—		54.53
Tax on Dividend	—		7.65
	—		62.18
Carried forward to next year	<u>10,36.21</u>		<u>8,89.22</u>

2. DIVIDEND

The Board decided not to recommend any dividend for the year ended 31st March, 2006 in view of the loss incurred by the Company during the said year.