

Excel Industries Limited
46th Annual Report 2006 - 07





OUR ELDERS - OUR TORCHBEARERS

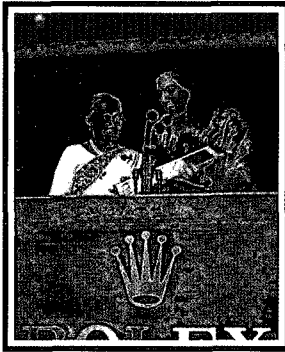
Heartfelt Respects & Congratulations to Mrs. Chandaben Shroff, founder member of *Shrujan* for getting the Rolex Award for Enterprise



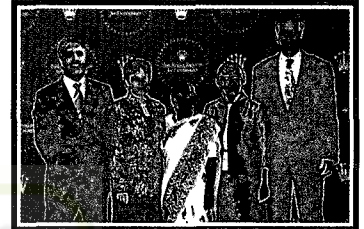
Mrs. Chandaben Shroff, wife of Mr. K.C. Shroff [Chairman Emeritus] fondly known as Kakiji by all, a septuagenarian, an institution in herself, was felicitated in a special ceremony at the Esplanade Concert Hall in Singapore on 26 October '06. Mrs. Shroff along with four other Laureates received US\$100,000 and a personally inscribed gold Rolex chronometer at the ceremony.



Chosen by the Swiss Watchmaker for outstanding achievements through innovative projects to change the world and make it a better place to live, Mrs. Shroff becomes the *first Indian laureate* to receive this Award for reviving and ensuring the survival of an exquisite art form; a local form of artistic expression, taking the Indian handicraft to the global market while empowering the women financially and help revitalize the local economy in Kutch, a corner of the Indian state of Gujarat.



Mrs. Shroff has spent more than half her life working with craftswomen in the region of Kutch. Starting 38 years ago with a group of 30 women, she through her single-minded undaunted purpose, inspiration and guidance, has created an institution *Shrujan*, which has catered to more than 3000 women across all castes to earn their livelihood in the hostile habitat that they exist. A cornerstone of Mrs. Shroff's vision has been an unswerving commitment to quality, that has come live in the form of "The Pride and Enterprise" that runs a mobile research centre displaying the exquisite work with its biography.



She has been instrumental-successful in bringing revolutionary changes in Social and Economic sectors, charting new benchmarks, changing the horizon of the Kutchi women and artisans, with a missionary zeal unmatched, thereby establishing a path for the younger generations to tread upon.

Seen here is Mrs. Mira Nair world renowned film director and the master of ceremonies for the function, presenting the award to Mrs Chandaben Shroff.



GREEN ECONOMY : FARMER-CATTLE-LAND-BUSINESS



Sugar beet cultivation in Kutch was initiated as a salinity resistant crop as well as a good material for cattle feed. Sown in the months of November - December it is available for harvesting in months from April - June. Since Green fodder availability is low during this season, sugar beet becomes a good alternate as a green fodder, providing good income to farmers during winter, when the land is normally idle.





EXCELLENCE IN ACTION

Excel along with other group companies held a stall displaying their international presence and strength at ChemSpec Exhibition, a platform to meet national and international customers - suppliers.

The exhibit, colossal and alluring, amply displayed our company strength, capabilities and astute strength of will.

Appreciated by one and all, the clients were well catered to.



KEEPING THE SPIRITS HIGH!!

Excel encourages employees to spruce up their 'Brains & Brawn' through activities like Quiz, Sports day, Learning & Development programmes & the likes.

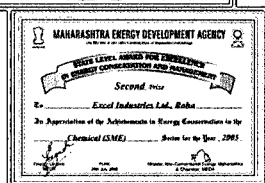
THE X FACTOR





EXCEL PLANTS GET A FILLIP : THE NEW COAL FIRED BOILERS

Coal fired Boilers were commissioned at Lote and Roha replacing the existing Oil fired Boilers due to increase in crude oil prices. The change of fuel is expected to result in significant reduction in cost of rising process steam.

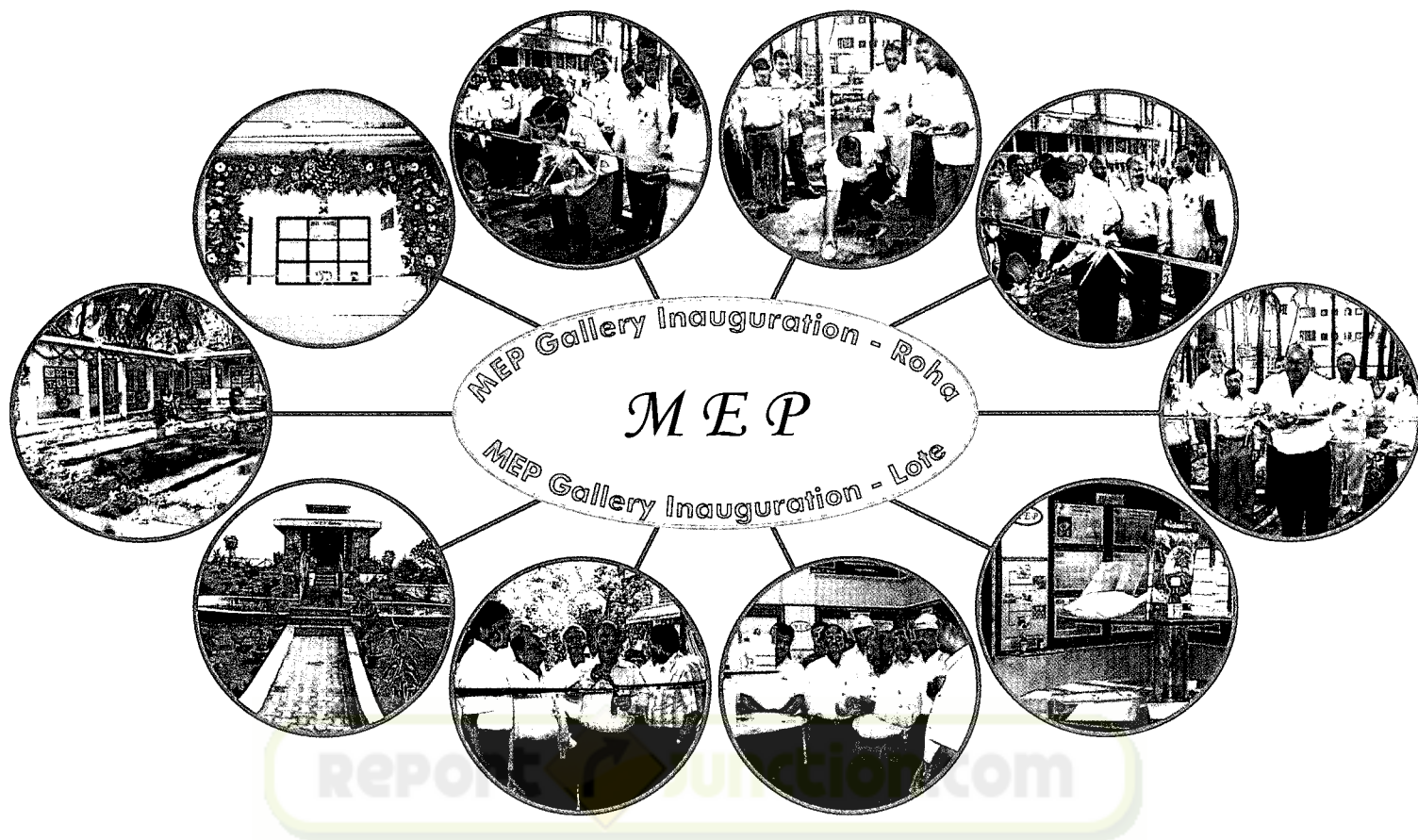


IT IS A HATTRICK : EXCEL HAS DONE IT AGAIN

Excel has retained the position & the title of previous year by receiving yet another award in the same category as in 2005, for the third consecutive year, the Energy Conservation Award conferred by Maharashtra Energy Development Agency [MEDA].

Excel Industries Ltd. Roha also receives ICC (Indian Chemical Council) award for excellence in Energy Conservation & Management for the year 2005-06 in the First Category.

The ENCON award was received from the Chairman of MEDA. Also present with other dignitaries was Mr. Vinay Kore (MLA) Hon. Minister of State for non-conventional energy resources.



MEP Gallery was inaugurated at both Roha & Lote sites illustrating the success stories of projects undertaken under the auspices of MEP (Manufacturing Excellence Programme)

Dignitaries like Shri D K Shukla (Jt. Executive President Technical Vikram ISPAT Salav) Shri Dilip Singh (V.P. Engineering Services Vikram ISPAT) Shri Niranjana Purandare (Head WCM Vikram ISPAT) Shri Ram Bhogale (Director Excel Industries Ltd.) were present for the Roha inauguration.

Seen here is Mr. Ashwin Shroff (Chairman & MD) inaugurating the Roha MEP gallery.

Mr. S.R.Potdar (Executive Director) inaugurated the Lote Gallery



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46th Annual General Meeting
on Thursday 26-07-2007 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 2006-07. 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

ATUL G. SHROFF

R. N. BHOGALE

H. N. MOTIWALLA

P. S. JHAVERI

DIPESH K. SHROFF

M. K. VADGAMA

M. B. PAREKH

V. R. GALKAR (*Resigned w.e.f. 19-12-2006*)

D. D. SINGH (*Appointed to fill in the casual vacancy caused due to resignation of Mr. V. R. Galkar. w.e.f. 25.01.2007— as Nominee Director of LIC*)

COMPANY SECRETARY

SUNITA AGARWAL

AUDITORS

S. V. GHATALIA & ASSOCIATES

Chartered Accountants

BANKERS

Bank of India

Syndicate Bank

State Bank of India

UTI Bank Limited

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Registry Limited,

C-13, Pannalal Silk Mills Compound,

Mumbai 400 078.

Tel : 2596 3838

REGISTERED OFFICE

184-87, Swami Vivekanand Road,

Jogeshwari (West), Mumbai 400 102.

FACTORIES

M.I.D.C. Area, Roha

M.I.D.C. Area, Lote Parashuram

Baherampura, Ahmedabad

EXCEL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the FORTY-SIXTH 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 Thursday, the 26th July, 2007 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, 2007, 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. Atul G. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. A. D. Mango who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. P. S. Jhaveri who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Mrs. Usha A. Shroff who retires by rotation and being eligible, offers herself for re-appointment.
7. 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 Monday, the 16th July, 2007 to Thursday, the 26th July, 2007 (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. Payment of the dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 30th July, 2007 to the Members whose names stand on the Company's Register of Members on Thursday, 26th July, 2007 and to the Beneficiary Holders as per the Beneficiary List on the close of business hours on 15th July, 2007 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.
5. 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 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.
6. Additional information on Directors being re-appointed as required under Clause 49(VI) of the Listing Agreement with the Stock Exchanges:

At the ensuing Annual General Meeting, Mr. Atul G. Shroff, Mr. A. D. Mango, Mr. P. S. Jhaveri and Mrs. Usha A. Shroff, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. In pursuance of Corporate Governance Code, information of the aforesaid Directors is provided hereunder:

- (a) Mr. Atul G. Shroff is a Director of the Company since 26th August, 1994. He is an Industrialist with wide business experience. He is Managing Director of Transpek Industry Limited. He is also a Director of Banco Products (India) Limited, Punjab Chemicals and Crop Protection Limited, Transmetal Limited, Oasis Agritech Ltd., Sanghai Forever Chemical Co. Ltd., Sayaji Iron & Engineering Co. Ltd. and Dinesh Mills Limited. He is also the Chairman of Shareholders' Grievance Committee of Banco Products (India) Limited as well as Shri Dinesh Mills Limited. He is the member of Share Transfer Committees of Transpek Industry Limited and Transmetal Limited.

- (b) Mr. A. D. Mango is the Director of the Company since 18th June, 1964 and he has a Bachelor of Philosophy degree and possesses wide experience in Chemicals and Agrochemicals Industry. Mr. Mango had been associated with various industries and companies, in different senior positions including Managing Director and Chairman.
- (c) Mr. P. S. Jhaveri is a Director of the Company since 28th October, 2002. He is a B. Com Graduate from University of Bombay and also holds Diploma in Business Management. Mr. Jhaveri is a Director on the Board of other various Public Limited Companies viz. Phthalo Colours & Chemicals (India) Limited, Indian Extractions Limited and Sadhana Nitro Chem Limited. He is the Chairman of Audit Committee of Phthalo Colours & Chemicals (India) Limited, a member of Share Transfer Committee of Indian Extractions Limited and also member of Remuneration Committee of Sadhana Nitro Chem Limited.
- (d) Mrs. Usha A. Shroff, a Director of the Company, since 13th September, 2000 is a Post Graduate from University of Mumbai with Cost Accounting. Mrs. Shroff is an Industrialist and possesses wide business experience. She holds directorship in Anshul Chemicals Limited, Agrocel Industries Limited, Divakar Chemicals Limited, Kamaljiyot Investments Limited, Excel Industries (Europe) N V Belgium, Good Rasayan Limited and Transmetal Limited. Mrs. Shroff is a Chairperson of Audit Committee and Member of Share Transfer Committee of Transmetal Limited.
7. 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 1999-2000 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
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 1999-2000 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, 25th May, 2007.

EXCEL INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Forty-Sixth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

	(Rupees in Lacs)	
	2006-07	2005-06
Gross Profit for the year was	11,25.10	6,46.24
Less: Depreciation	9,27.06	9,26.37
Leaving a net profit/(loss) before Tax	1,98.04	(2,80.13)
Provision for :		
Current Tax	(19.00)	(1.50)
Minimum Alternate Tax Entitlement	17.00	—
Deferred Tax	(33.24)	1,59.05
Fringe Benefit Tax	(31.00)	(49.50)
	1,31.80	(1,72.08)
Add thereto/(reduce therefrom)		
Adjustment in respect of earlier years (net)	(6.53)	80.62
Excess Provision for Taxation for earlier years	8.98	1,22.03
Debenture Redemption Reserve Written back	1,03.49	1,16.42
	2,37.74	1,46.99
Add thereto :		
Balance brought forward from the previous year	10,36.21	8,89.22
Leaving a balance available for Appropriation	12,73.95	10,36.21
Appropriations :		
Proposed Dividend	54.53	—
Tax on Dividend	9.27	—
Transfer to General Reserve	—	—
Carried forward to next year	12,10.15	10,36.21

2. DIVIDEND

Your Directors have recommended a Dividend of 10% (previous year – Nil) on the Equity Share Capital of Rs.545.28 lacs for the year ended 31st March, 2007.