

# **EXCEL INDUSTRIES LIMITED**

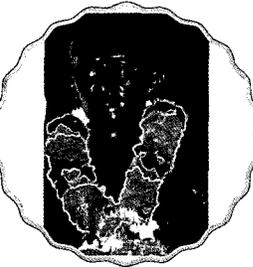
**48TH ANNUAL REPORT : 2008 - 2009**



# SALUTATIONS TO LATE SHRI C C SHROFF

## THE FAMILY

**THAT PRAYS TOGETHER; WORKS TOGETHER; EATS TOGETHER; PLAYS TOGETHER...  
STAYS TOGETHER; LIVES TOGETHER; THRIVES TOGETHER & HAPPILY SO...**



The 100th Birth Anniversary  
Of  
Founder & Architect Of Excel Industries,  
Late Shri Champraj C. Shroff, (Pujya Pappa To All Of Us)  
Was Celebrated With The Spirit Of Oneness  
Of Mind, Intellect & Soul

The Group Companies, Excel Crop Care Ltd., Transpek Ltd., Anshul  
Chemicals, Transmetal Ltd., Parul Chemicals, Agrocel, Our NGOs;  
Shrujan, Shroff Foundation Trust, VRTI, Self Help Centre, All Came  
Together To Celebrate As Well As Pay Respects To The Originator

**PAR EXCELLENCE - MOMENTS OF PRIDE**

**YET AGAIN EXCEL WINS  
THE ICC AWARD FOR EXCELLENCE  
IN ENERGY CONSERVATION & MANAGEMENT**



5<sup>TH</sup> year in succession, Excel Industries Limited, Roha is recognized for the total commitment and efforts put in Energy Conservation areas, natural resource savings and prevention of wastage, by various authorities at State and National levels.

The commitment begins with the top management and includes all the employees via the **ENCON policy** that has been embedded in its Manufacturing Excellence Programme since 2003.

Conferred upon by Indian Chemical Council for Excellence in Energy Conservation and Management for the year 2007, on 26<sup>th</sup> September 2008 and presented by the Hon'ble Governor of Maharashtra, S.C.Jamir at Mumbai, the award was received by Mr. Ashwin Shroff; Chairman and Managing Director with the ENCON team.



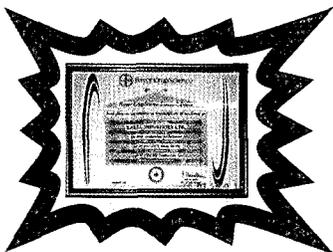
**THERE ARE NO TRAFFIC JAMS ALONG THE EXTRA MILE : FOR US THE CUSTOMER IS KING**

Our goal as a company is to give customer service that is not just the best, but legendary; alive with sincerity and integrity.



Well done is better than well said and this has been acknowledged by our esteemed customer Bayer Crop Science Limited, by giving the award for the third time for outstanding performance in the "Raw Material Suppliers" category for 2008 creating a **HATTRICK**

The selection was based on the Supplier Performance Evaluation and Management [**"SUPREME"**] tool, a scientific methodology evolved by Bayer for Vendor Evaluation on various criterion like Safety & Environment, Current Performance, Systems to Sustain Performance, Future requirements, Cooperative-Service-Support, Logistics. Bayer has recognized Excel as a **"SUPREME SUPPLIER"**, directly-indirectly appreciating the efforts, team work and every single function of the company.



The award along with the Certificate of Excellence was handed over at the "Baybuy Awards 2008 function" by Bayer Crop Science, India. Excel was represented by Mr. Ashwin Shroff, Chairman and Managing Director and Mr. B. Balachandran, Sr. Vice President Chemicals Division.

# CENTRE STAGE

## "...VISION - MISSION - REALIZATION..."

Around 75 alumni of South Indian Education Society honoured at the Platinum Jubilee Celebration of August, 2008, by Dr. A.P.J. Abdul Kalam Past Mr. Ashwin Shroff CMD Excel Industries Ltd. also significant and noteworthy accomplishments and Corporate Social Responsibilities.

Mr. Shroff shared the space with luminaries like Justice BN Srikrishna, Ketan Kothari (Director, (Retd.); Singers Shankar Mahadevan, Shreya Narayan to name a few along with several other and artists.



(SIES), who were distinguished achievers in life were the premier educational institute, on Friday 15 President of India.

an alumni of the institute, was felicitated, for his and contribution in the area of entrepreneurship

Dr. K. Kasturirangan, former Chairman ISRO; NAB), P. S.Narayanawamy D.G.P. Maharashtra Ghosal, actress Ashwini Bhave, Olympian Babu bureaucrats, academicians, corporate executives

## MORE THAN GREEN : BUSINESS-ECO LINKAGES COMMENDATION

Mr. Ashwin Shroff was re-nominated as the Chairman, Environment Committee at FICCI for the 3rd year in a row.

So he expressed on one of the occasion, "There is scope for more business. India can increase its share in CDM trade by playing a leadership role at the global level by working for a more enabling regime. Excel is a technology leader in waste management and has developed biodynamic products and processes to treat waste."



## LEADERSHIP FOOTPRINTS



Mr. Ashwin Shroff chaired the Technical session during the Two-day Conference on "Vision 2020 Indian Chemical Industry" in Mumbai. The conference was organized by ICC in cooperation with Chemical Week and Chemical & Petrochemical Manufactureres Association(CPMA)

## "SAFEGUARDING BUSINESS"

Mr. Ashwin Shroff delivering a key-note address in a seminar on "Anti Dumping and Safeguard Duties Measures" at Mumbai. Tracing the historical background of anti dumping measures for global trade, he highlighted suggestions on policy changes required for the industry while appealing the Govt. to investigate on dumping, safe guarding and countervailing measures.

The seminar organised by Indian Chemical Council had dignitaries like Mr. Ranjithkumar; Jt. Commissioner, Directorate General Safeguards, Mr. AK Gupta, renowned authority on Anti Dumping and other VIP and notable people from various industries.



## EXCELLENCE IS NOT AN EXCEPTION

"Navshakti" a publication of Free Press Journal Group of Companies with "NavShakti Sanman agriculture sector as well as in the areas of the Company, he humbly accepted the honour, value system the Company epitomized..



## IT IS A PREVAILING ATTITUDE

felicitated Mr. Ashwin Shroff, Chairman of Shroff Chinha" for the considerable contribution in the Corporate Social Responsibilities. Representing attributing the success to the fine and strong



## 25TH ANNIVERSARY - A MILESTONE ANNIVERSARY OF LOTE

Excel's Lote manufacturing site completed 25 years on April 14, 2008.

Lote site's Silver Jubilee has been a celebration of an *Idea*, a *Thought*, a *Dream*, a *Vision*, that had the propensity of growth for twenty-five long years.

The germination to the flourishing years have been commendable years for the Company.

Compliments to an able leadership and the leaders who have been instrumental in creating a leadership position of the company in the area, concurrently enriching many a lives.

A very special greetings to all the Lote colleagues who have given an able support to create this, not forgetting the ones who are not with us today, but were significant in helping the Company to reach where it is.

The dedication, love, hard work and the zeal to make this come through, is celebrated and cherished.



To commemorate the jubilee year, several programmes were organized throughout the year, such as workshops for school going children, to develop their learning abilities, seminar on advanced teaching techniques for teachers, medical camp for school children, musical evening by visually impaired children, plantation programmes, etc. More than 300 beneficiaries from Chiplun and surrounding areas participated in and benefitted from these exercises.

# EXCEL INDUSTRIES LIMITED

## CONTENTS

Board of Directors .. .. .	2
Notice .. .. .	3-7
Directors' Report .. .. .	8-15
Management Discussion and Analysis .. .. .	16-19
Corporate Governance Report .. .. .	20-29
Ten-Year Highlights .. .. .	30
Summarised Balance Sheet and Profit & Loss account .. .. .	31
Auditors' Report .. .. .	32-35
Balance Sheet .. .. .	36
Profit & Loss Account .. .. .	37
Cash Flow Statement .. .. .	38-39
Schedules 'A' to 'S' forming part of Accounts .. .. .	40-48
Schedule 'T': Notes on Accounts .. .. .	49-68
Balance Sheet Abstract and Company's General Business Profile .. .. .	69
Auditors' Report on Consolidated Financial Statements .. .. .	70-71
Consolidated Balance Sheet .. .. .	72
Consolidated Profit & Loss Account .. .. .	73
Consolidated Cash Flow Statement .. .. .	74-75
Schedules 'A' to 'S' forming part of Consolidated Accounts .. .. .	76-83
Schedule 'T': Notes on Consolidated Accounts .. .. .	84-97
Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company .. .. .	98
<b>KAMALJYOT INVESTMENTS LIMITED:</b>	
Directors' Report .. .. .	99-100
Compliance Certificate .. .. .	101-102
Auditors' Report .. .. .	103-105
Balance Sheet .. .. .	106
Profit & Loss Account .. .. .	107
Cash Flow Statement .. .. .	108
Schedules forming part of Accounts .. .. .	109-117
Additional Information as per Government's Notification .. .. .	118

**48th Annual General Meeting**  
on Monday 24-08-2009 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 2008-09. 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*

U. A. SHROFF, *Executive Vice Chairperson*

S. R. POTDAR, *Executive Director*

A. G. SHROFF

R. N. BHOGALE

H. N. MOTIWALLA

P. S. JHAVERI

D. K. SHROFF

M. K. VADGAMA

M. B. PAREKH

D. D. SINGH (*up to 4.9.2008*)

N. B. SATHE (*w.e.f. 24.10.2008*)

## **COMPANY SECRETARY**

V. K. PARMAR

## **AUDITORS**

S. V. GHATALIA & ASSOCIATES

*Chartered Accountants*

## **BANKERS**

Bank of India

State Bank of India

Axis Bank Limited

## **REGISTRARS & TRANSFER AGENTS**

Link Intime India Pvt. Ltd.

(Formerly Intime Spectrum Registry Limited)

C-13, Pannalal Silk Mills Compound, Bhandup (West),  
Mumbai 400 078.

Tel : 2596 3838, Fax : 2594 6969

## **REGISTERED OFFICE**

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

Tel : 6646 4200

## **FACTORIES**

M.I.D.C. Area, Roha, Maharashtra

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

Baherampura, Ahmedabad, Gujarat

## EXCEL INDUSTRIES LIMITED

### NOTICE

NOTICE is hereby given that the FORTY-EIGHTH 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 Monday, the 24th August, 2009 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, 2009, 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. M. B. Parekh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Dipesh K. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Atul G. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification, as an Ordinary Resolution, the following:

“RESOLVED THAT Messrs S. R. Batliboi & Company, Chartered Accountants, be and they are hereby appointed as Auditors of the Company, in place of the retiring Auditors, Messrs S. V. Ghatalia & Associates who have given to the Company a notice in writing of their unwillingness to be re-appointed and that Messrs S. R. Batliboi & Company shall hold office as Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration of the Auditors.”

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

“RESOLVED THAT Mr. N. B. Sathe, 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 ensuing Annual General Meeting 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 a Special Resolution, the following:

“RESOLVED THAT in partial modification of Resolution No. 8 passed at the Forty-Seventh Annual General Meeting of the Company held on 4th September, 2008 for the re-appointment of Mr. S. R. Potdar, Executive Director of the Company, and in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (as may be re-enacted or modified from time to time) and pursuant to a resolution passed by the Remuneration Committee of the 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 variation in the terms and conditions of reappointment of Mr. S. R. Potdar, Executive Director as explained in the Explanatory Statement and as set out in the draft Supplementary Agreement to be entered into between the Company and Mr. S. R. Potdar, placed before the meeting and duly initialled by the Chairman for the purpose of identification, which draft Supplementary Agreement be and is hereby approved with authority to the Board of Directors (or any Committee thereof) to make such changes therein as may be necessary and as are acceptable to Mr. S. R. Potdar.”

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY 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 Item No. 6 and the Special Business under Item Nos. 7 and 8 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 18th August, 2009 to Monday, the 24th August, 2009 (both days inclusive).
4. 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.
5. Payment of the dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 28th August, 2009 to the Members whose names stand on the Company's Register of Members on Monday, the 24th August, 2009 and to the Beneficiary Holders as per the Beneficiary List on the close of business hours on Monday, the 17th August, 2009 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.
6. 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 Link Intime India Private 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.
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 the Investor Education and Protection Fund.

The details of dividend declared/paid for the financial year 2001-2002 onwards are given below:

Date of Declaration	Dividend for the year	Dividend Rs. Per Share	Due date of the proposed transfer to the Investor Education & Protection Fund
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
26.07.2007	2006-07	0.50	31.08.2014
04.09.2008	2007-08	1.00	10.10.2015

Members who have not encashed the dividend warrants for the year 2001-2002 and/or any subsequent year(s) are requested to write to the Company for revalidation of dividend warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

## **REQUEST TO THE MEMBERS**

1. Members are requested to bring their copy of the Annual Report to the Meeting.
2. Members who have multiple folios in identical 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. Link Intime India Private Limited 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, 28th May, 2009.*

# EXCEL INDUSTRIES LIMITED

## ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 6.

The term of the statutory Auditors M/s. S. V. Ghatalia & Associates, Chartered Accountants, expires at the conclusion of the ensuing Forty-Eighth Annual General Meeting. M/s. S. V. Ghatalia & Associates, Chartered Accountants have given a notice in writing of their unwillingness to be reappointed at this Annual General Meeting.

It is proposed to appoint M/s. S. R. Batliboi & Company, Chartered Accountants as the statutory Auditors of the Company from the conclusion of the ensuing Forty-Eighth Annual General Meeting till the conclusion of the Forty-Ninth Annual General Meeting. M/s. S. R. Batliboi & Company, Chartered Accountants, have expressed their willingness to act as the statutory Auditors of the Company, if appointed and have further confirmed that the said appointment, if made, would be in conformity with the provisions of Section 224(1B) of the Act.

In view of the above and based on the recommendations of the Audit Committee, the Board of Directors has, at its Meeting held on 28th May, 2009 recommended the appointment of M/s. S. R. Batliboi & Company, Chartered Accountants, as the statutory Auditors in place of M/s. S. V. Ghatalia & Associates.

The Members' approval is being sought to the appointment of M/s. S. R. Batliboi & Company, Chartered Accountants, as the Auditors and to authorize the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

A copy of the notice received from M/s. S.V. Ghatalia & Associates expressing their unwillingness to continue as statutory Auditors of the Company is available for inspection by the members at the registered office of the Company on any working day, except Saturday, between 2:00 p.m. and 4:00 p.m. up to the date of the ensuing Forty-Eighth Annual General Meeting.

The Board commends the resolution for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

### Item No. 7

Mr. D. D. Singh, a nominee Director of LIC of India on the Board, had resigned with effect from 4th September, 2008. Subsequently, LIC of India proposed to appoint Mr. N. B. Sathe as its nominee on the Board of the Company. Accordingly, Mr. N. B. Sathe was appointed as an Additional Director of the Company on 24th October, 2008 under Article 11(f) of the Articles of Association of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. N. B. Sathe holds office as a Director of the Company only up to the date of the ensuing Annual General Meeting of the Company.

A Notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. N. B. Sathe as a candidate for the office of the Director of the Company. The requisite deposit of Rs. 500/- has also been received from the member.

Mr. N. B. Sathe is a Post Graduate (M.Com., CAIIB) and presently functioning as Executive Director (SBU-CLIA) with LIC of India, Mumbai. He has vast experience in banking, insurance and administration.

It would be in the interest of the Company to continue to receive the benefit of the experience and expertise of Mr. N. B. Sathe in the deliberations of the Board.

The Board commends his appointment for approval by the members.

Other than Mr. N. B. Sathe, none of the Directors of the Company is, in any way, concerned or interested in this resolution.

**Item No. 8**

Mr. S. R. Potdar was first appointed in the Company on 12th October, 1974 and has been serving in various capacities till now without a break in service. He was in regular employment till 2nd September, 2003 and was, with effect from 3rd September, 2003 appointed as the Executive Director ("ED") of the Company for a period of five years as approved by the Board of Directors and Members at the Forty-Second Annual General Meeting and accordingly, an Agreement was entered into between the Company and Mr. Potdar governing the terms of his appointment as the ED. In continuation of this appointment, he was reappointed on 3rd September 2008 for a further term of three years ending 2nd September, 2011 as approved by the Board of Directors and the Members at the Forty-Seventh Annual General Meeting and accordingly, a fresh Agreement was entered into between the Company and Mr. Potdar governing the terms of his reappointment as the ED. The remuneration and the perquisites to be paid to Mr. Potdar are defined in both the said appointments and he has been/is being paid as per the approved terms.

As per the terms of the appointment, certain components of the remuneration like the gratuity payable and leave accumulation and encashment are to be in accordance with the rules of the Company. The Company's prevailing rules in respect of these benefits allow the computation or accumulation based on the length of the service of the beneficiary in the Company. It was always the intention of the management to consider the tenure of service in the case of ED as uninterrupted from the first day he joined the Company's services and not to consider the change in the nature of appointment, on his being appointed as the ED, as a break in service. This fact was not specifically included in the resolutions approved by the Board of Directors and the Members at the relevant Annual General Meetings appointing him as ED and the Agreement is also silent on this issue. It is, therefore, proposed that the terms and conditions of his reappointment as the ED be varied to clarify that his services from 12th October, 1974 being the date he was first appointed in the Company, be treated as uninterrupted and be considered for the purpose of computation or accumulation of the benefits like gratuity payable, leave and leave encashment, superannuation and other pension benefits as may be applicable, while all other terms and conditions of his reappointment remain the same and that a Supplementary Agreement be entered into between the ED and the Company to incorporate such provision.

A draft of the Supplementary Agreement referred to in the resolution at Item No. 8 of the Notice will be open for inspection by the members at the registered office of the Company on any working day, except Saturday, between 2.00 p.m. and 4.00 p.m. up to the date of the ensuing Forty-Eighth Annual General Meeting.

The Board commends the resolution for approval by the members.

Mr. Potdar is concerned or interested in this resolution. None of the other Directors of the Company is, in any way, concerned or interested in this resolution.

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, 28th May, 2009.*

# EXCEL INDUSTRIES LIMITED

## DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Forty-Eighth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

### 1. FINANCIAL RESULTS

The salient features of the Company's working are:

	2008-09		(Rupees in Lacs)	2007-08
Gross Profit for the year was	<b>11,39.99</b>			15,44.97
Less: Depreciation	<b>10,02.91</b>			9,51.47
Leaving a net profit before Tax		<b>1,37.08</b>		5,93.50
<b>Provision for:</b>				
Current Tax	<b>(9.00)</b>			(62.00)
Minimum Alternate Tax Entitlement	<b>7.00</b>			60.00
Deferred Tax	<b>(25.52)</b>			(1,39.77)
Fringe Benefit Tax	<b>(28.50)</b>	<b>(56.02)</b>		(30.00)
		<b>81.06</b>		4,21.73
<b>Add thereto/(reduce therefrom):</b>				
Adjustment in respect of earlier years (net)	<b>(30.34)</b>			(29.26)
(Short)/Excess Provision for Taxation for earlier years	<b>(6.57)</b>			2.76
Debenture Redemption Reserve Written back	—	<b>(36.91)</b>		64.67
		<b>44.15</b>		38.17
				4,59.90
<b>Add thereto:</b>				
Balance brought forward from the previous year		<b>12,42.45</b>		12,10.15
Leaving a balance available for Appropriation		<b>12,86.60</b>		16,70.05
<b>Appropriations:</b>				
Proposed Dividend		<b>54.53</b>		1,09.06
Tax on Dividend		<b>9.27</b>		18.54
Transfer to General Reserve		<b>1,00.00</b>		3,00.00
		<b>1,63.80</b>		4,27.60
<b>Carried forward to next year</b>		<b>11,22.80</b>		12,42.45

### 2. DIVIDEND

Your Directors have recommended a Dividend of 10% amounting to Re. 0.50 per share of Rs. 5/- each as compared to a dividend of 20% (Re. 1/- per share) in the previous year.

### 3. OPERATIONS

During the year under review, the net sales increased from Rs. 215.65 crores to Rs. 231.19 crores, registering a growth of 7.21%. Exports also increased from Rs. 56.96 crores to Rs. 66.42 crores registering a growth of 16.61%. During the year under review, the Company had a profit before tax of Rs. 1.37 crores compared to Rs. 5.94 crores in the previous year, and had a profit after tax of Rs. 0.81 crores compared to Rs. 4.22 crores in the previous year.

### 4. NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The capacity of Polymer Additive Plant at the Company's Unit at Lote Parshuram has been increased from 600 TPA to 1,000 TPA by process modification and installation of few balancing equipment.

### 5. OUTLOOK

The current year has started with a widespread recession felt both in Indian and global markets. The markets are expected to be less volatile in terms of prices of both raw materials and the Company's products. The Company is working to regain the volumes of its main products in this year and given the current pricing pattern, hopes to achieve improved financial results.

### 6. AWARDS AND RECOGNITION

Your Directors are pleased to inform you that one of the major customers, Bayer Crop Science Ltd. has awarded the Company a Certificate of Excellence for the year 2008 in recognition of the Company's outstanding performance as a raw-material supplier.

### 7. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company continues to accord top priority to Environment, Health and Safety Systems and strives to improve the performance through safety audits, training programmes and safety management system.

### 8. QUALITY

The Company continues to maintain industry best standards in managing the quality of its products and services and has received appreciation and awards from its customers.

### 9. EDUCATION, LEARNING AND HUMAN DEVELOPMENT

Your Company sustains its endeavors on development of people with full commitment and continues its efforts to provide ample opportunities to acquire and upgrade skills and competences of its human resources. Special and keen interest is taken to impart learning opportunities company wide in various areas of operations, to ensure productive results in all functions of the Company, with equal emphasis on the manufacturing processes, sales, services and administrative functions. Several awards in past few years in the field of Energy Conservation, Safety, Environment Excellence, Customer service and satisfaction are testimony to these.

### 10. INSURANCE

The Company continues to carry adequate insurance cover for all its assets against foreseeable perils like fire, flood, earthquake, fidelity etc. The Company continues to maintain consequential Loss (Fire) Policy and the Liability Policy as per the provisions of Public Liability Act.

### 11. SUBSIDIARY COMPANY

Pursuant to Section 212 of the Companies Act, 1956, the Accounts of Kamaljyot Investments Limited, a subsidiary of the Company, are annexed.

## 12. FIXED DEPOSITS

The amount of fixed deposits from the public and loans from the shareholders at the end of the year under review aggregated to Rs. 976.75 lacs. 59 Depositors did not claim their deposits after the date on which the deposits became due for payment. The amount due on such deposits and remaining unclaimed as on 31st March, 2009, was Rs. 9.10 lacs. It has come down to Rs. 5.70 lacs as on the date of this Report.

## 13. DIRECTORS

Mr. M. B. Parekh, Mr. Dipesh K. Shroff and Mr. Atul G. Shroff, Directors, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment. The Board of Directors recommend their re-appointment.

Mr. D. D. Singh, a Nominee of LIC of India on the Board, had resigned with effect from 4th September, 2008. Subsequently, Mr. Nilesh B. Sathe, a Post Graduate (M.Com., CAIIB) and presently functioning as Executive Director (SBU-CLIA) with LIC of India, Mumbai and a Nominee of LIC of India was appointed as Additional Director on 24th October, 2008.

Mr. N. B. Sathe holds office as Director of the Company only up to the date of the ensuing Annual General Meeting. A Notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. N. B. Sathe as a candidate for the office of the Director of the Company. Mr. N. B. Sathe has vast experience in Banking, Insurance and Administration and therefore, it would be in the interest of the Company that the Board of Directors continues to avail of the benefit of his experience and expertise.

## 14. SOCIAL RESPONSIBILITY

Your Company continues to maintain the tradition of supporting activities and organizations contributing in urban & rural development and various socially relevant projects, through organizations like Shree Vivekananda Research & Training Institute (VRTI), Shrujan, Samarth Gram Vikas Trust, Self Help Centre, Shroff Family Trust, C. C. Shroff Charitable Hospital, and others through activities in the areas of Water Harvesting, Salinity Prevention and Mitigation, Agricultural Practices, Soil Reclamation, Animal Husbandry, Education, Health and Nutrition, Women empowerment, Handicrafts, Sustainable economy and Livelihood. Your Company continues to champion social justice and dignity for the poor, vulnerable and marginalized with the spirit of duty towards the community and humanity at large. VRTI has received a National Award in 2007-08 for water harvesting and conservation that is a testimony for the efforts put in the cause.

## 15. DIRECTORS' RESPONSIBILITY

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (d) they have prepared the annual accounts on a going concern basis.

## 16. CORPORATE GOVERNANCE

Your Company continues to practise the principles of good Corporate Governance during the year and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreement, Management

Discussion and Analysis, Corporate Governance Report and the Auditors' Certificate regarding compliance of the same are part of this Annual Report.

#### 17. HUMAN RESOURCES

The Company continuously monitors its human resource requirements to ensure that it has adequate human skills commensurate with its requirements.

The Company continuously strives to upgrade skills and competence of its human resources. Measures for safety, training, welfare and development of employees receive highest priority. Industrial relations continue to be cordial and harmonious.

Your Directors wish to place on record their appreciation of the sincere and devoted efforts of the employees and the management at all levels.

#### 18. OTHER INFORMATION

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, regarding employees, is furnished in the Annexures to this Report and forms part of this Report.

#### 19. AUDITORS

The term of statutory Auditors M/s. S. V. Ghatalia & Associates, Chartered Accountants, expires at the conclusion of the ensuing Forty-Eighth Annual General Meeting. M/s. S. V. Ghatalia & Associates, Chartered Accountants, had given a Notice in writing of their unwillingness to be reappointed at this Annual General Meeting. It is proposed to appoint M/s. S. R. Batliboi & Company, Chartered Accountants as the statutory Auditors of the Company from the conclusion of the ensuing Forty-Eighth Annual General Meeting until the conclusion of the Forty-Ninth Annual General Meeting. M/s. S. R. Batliboi & Company, Chartered Accountants, have also expressed their willingness to act as Statutory Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provision of Section 224(1B) of the Companies Act, 1956.

The Auditors have made certain comments in their report which are self explanatory. The Directors would further like to state in this regard as follows:

- (i) the accounts of Wexsam Limited, Hong Kong, jointly controlled entity, are under preparation and accordingly, the proportionate interest of the Company in the said jointly controlled entity has not been disclosed (refer Note No. 19 in Schedule 'T');
- (ii) the fixed assets register which was destroyed in the fire that took place on 22nd March, 2002 is yet to be reconstructed and there is a need for strengthening the regular programme of verification of fixed assets. The Company is now taking necessary steps to correct the same, and
- (iii) in the consolidated accounts, effect of investment has not been considered in respect of Transmetal Limited and Rom Vijay Bioo Tech Private Limited, associate companies and Wexsam Limited, Hong Kong, jointly controlled entity, due to non-availability of their audited accounts (refer Note No. 1(d) and 6 in the Schedule 'T').

#### 20. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the wholehearted co-operation received from the Company's Bankers and Financial Institutions during the year under review.

For and on behalf of the Board of Directors

A. C. SHROFF  
Chairman & Managing Director

Mumbai, 28th May, 2009.

4. *Expenditure on R & D for the year 2008-2009:*

	(Rs. in Lacs)
(a) Capital	50.67
(b) Recurring	160.73
(c) Total	211.40
(d) Total R & D expenditure as a percentage of total turnover	0.91%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. *Efforts in brief, made towards technology absorption, adaptation and innovation:*

- In-house development of process and engineering for specialty chemicals and pharmaceuticals.

2. *Benefits derived as a result of the above efforts:*

- In-house development of new processes and optimization of existing processes result in lower cost of production, improved quality, waste management and its subsequent disposal. This leads to improved cost economics.

3. *Technology imported during the last five years:*

- During the year under review, the Company has not imported any technology.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) *Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:*

- Expansion of export customer base for the range of polymer inputs.
- Development of new markets for mining and intermediate chemicals manufactured by the Company

(b) *Total foreign exchange earned and used:*

	(Rs. in Crores)
Used	75.61
Earned	66.57

For and on behalf of the Board of Directors

A. C. SHROFF  
*Chairman & Managing Director*

Mumbai, 28th May, 2009.

## ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 2009.

Name of the Employee	Designation/ Nature of duties	Remuneration Rupees	Qualifications	Experience Years	Date of Commencement of Employment	Age Years	Particulars of last employment
							Employer, last post and period for which post held
A. C. Shroff	Chairman & Managing Director	25,85,767	B.Sc.	43	01.09.1965	64	—
Usha A. Shroff	Executive Vice Chairperson	25,85,701	M.Com	33	22.01.2008	62	—
S. R. Potdar	Executive Director	31,38,649	B.Tech (Chem), PG.D.I.E	34	12.10.1974	56	—
*Dr. P. Ramesh Kumar	VP (R&D) Chemicals Divn.	3,42,895	M.Sc., Ph.D, Diploma in Business Management	18	01.09.1990	47	Professor-Wesly Degree College, Secunderabad 1989-1990

- Notes:
1. Remuneration mentioned above includes salary, allowances, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund but does not include contribution/provision towards Gratuity Fund.
  2. Asterisk against the name indicates that the employee was in service only for a part of the year.
  3. The employment of Mr. A. C. Shroff, Mrs. Usha A. Shroff and Mr. S. R. Potdar is contractual. The period of employment in respect of Mr. A. C. Shroff and Mrs. Usha A. Shroff is five years and is three years in respect of Mr. S. R. Potdar.
  4. None of the employees is related to each other except Mr. A. C. Shroff and Mrs. Usha A. Shroff.

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai: 28th May, 2009

# EXCEL INDUSTRIES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS REVIEW

#### 1.1 Business Segment – Chemicals Business Division

##### (a) Industry structure and development:

The industry went through severe disturbances during the year under review. The first half started well for most sectors with good demand and preparations for a monsoon predicted to be good. In the sector of Organophosphorous Chemicals, there was a reduced availability from China as the country had imposed severe restrictions on the production and transportation of chemicals on account of the Olympic Games scheduled in August 2008. The Indian producers were able to manufacture and sell profitably in the first quarter April – June 2008. Then there was the event related to the pricing of Yellow Phosphorus in May 2008, explained in detail in the following paragraph, which was the turning point. Most of the restrictions on the production and transportation of Chemicals in China were lifted post Olympic Games and consequently, the accumulated inventories were released for exports. There was unprecedented surge in the imports of all kinds of raw-materials and semiprocessed goods resulting in sharp reduction in the capacity utilization of the Indian Chemical Industry. The recession in the west resulted in cut back of imports from China and Korea by the US and Europe resulting in surplus inventories and India was found to be the dumping ground for these products. The very low import duty now operating in India also encouraged the consumers to resort to importing instead of securing their needs from the domestic industry. In the first half of the year, the domestic producers of various chemicals were compelled to import their raw-materials at high costs. The Indian Chemical industry found itself unable to compete with the reduced prices of imports of finished goods in the second half as its own productions were out of raw materials inventories carried at higher costs.. The industry suffered acute agony and in fact rushed to the Government seeking shelter under various relief measures. In the field of chemicals in which the Company operates, several applications were made for imposition of Anti-dumping duty, Safeguard duty and such other measures. Unfortunately, the speed at which the relief request has been considered by the Government is not satisfactory and the industry in general suffered throughout the year. Added to this was a general reduction in the demand and it did not pick up even till end of the year. There is a slight ray of hope in the first quarter of the current year and we may see improved utilization of capacity in the chemical industry in this year.

The Company depends on China for sourcing Yellow Phosphorus – one of its main raw-materials. Through its various policy interventions, the Govt. of China wanted to restrict the flow of phosphorus and related products like phosphoric acid and phosphatic fertilizers out of China. An export duty of 120% and levying of a floor price for export was imposed on export of yellow phosphorus which resulted in an increase of over 300% in the price. The Company had to reduce its imports not being sure whether the customers of the Company could afford the products based on these input prices. Ultimately, both the producing industry and consuming industry had to pass through extremely uncertain period and had to resort to real short term and dynamic decisions against a desired stable forecast and reasonable time planning. Even by the year end, the Chinese Government had reduced the export duty to only 75% and the price of phosphorus has come down to a level of 150% over the prices that prevailed in 2007-08. While this was happening, the products manufactured in China based on phosphorus without any duty were dumped in India and the Company had to face this competition. Seriously aggrieved, the Company supported its co-producer's application to the Government for imposition of antidumping duties. The Indian Government has taken a favorable final decision on this application but the actual imposition of Anti Dumping Duty is expected in this quarter.

There is no considerable improvement in the global demand for agrochemicals and polymers – the segments in which the Company is active. An early end to the recession prevailing in the west is necessary to buck up the performance of the industry here. The industry has adjusted itself by now to regain its competitiveness as the raw-materials can now be accessed at favourable prices but still awaits increased levels of demand. The domestic demands may show improvement early with the onset of normal monsoon but the global demand may only improve in the second half of the year.

(b) **Opportunities and Threats:**

As described in the previous years as well, competition from Chinese Exporters has been the main threat to the growth of volumes in the Company. It was understood that scattered, unorganized and not so environmentally responsible production in the Chinese chemical industry had enabled the Chinese producers to export at prices which could be termed as "dumping". The controls imposed by the Government for months prior to holding of Olympics Games 2008 and retained partially thereafter have begun to impact unorganized production of chemicals and certain closures or restructuring has been reported. This resulted in reduced availability of chemicals from China and consequently in increased prices. Normal monsoon leading to increased demands for agrochemical intermediates and partially improved prices may present the opportunity to the Indian industry to partially regain the grounds lost in 2008-09.

The polymer industry offered a chance to perform at reasonable level for the polymer input segment of the Company and the polymer industry is expected to perform better in 2009-10 based on current understanding of revival of demand for plastics.

(c) **Segment wise performance and outlook:**

The Company suffered significant reduction in its sales volumes in the agrochemical intermediates segment due to reasons explained above. However, the Company was able to improve its performance in the specialty sector through improved exports. The Phosphonates sector also suffered reduced volumes due to severe competition in Europe by Chinese exporters. For the first time, the Phosphonates were imported in India from China and the Company had to adjust its prices to a lower level as the imports were from producers in China using phosphorus without export duty. On the whole, the Company realized improved prices due to incidence of high cost of phosphorus but had to pay out heavily for securing its raw-materials.

(d) **Risks and concerns:**

The end product sectors like Organo-phosphorous Pesticides are unable to absorb the high cost of Phosphorus and have been losing against non-phosphorus products. The demands have sharply reduced since January 2009 and it may be sometime before any recovery is seen. The Company has maintained its capacities idle but ready and looks forward to an early revival of the demands. The Company also actively considers options to manufacture and market other products without significant modification of its plants and equipment.

## 1.2 Business Segment – Environment & Biotech Division

(a) **Industry structure and Development:**

The Solid Waste Management Industry continues to provide growth opportunity to the participants all over the country but at low margins. The environmental and public pressure on the civic bodies to close down dump yards in the proximity of populous settlements is ever increasing. The civic bodies cannot afford to haul the waste to a longer distance than at present nor can they find areas safe enough to start new dump yards. This has given a boost to the need for treatment and safe disposal of the waste as against dumping without treatment. As the transportation costs worsen, the awareness regarding the new technologies related to decentralized processing of the waste is increasing. Hence, the market for new technologies like the one offered by our Organic Waste Converter (OWC) is catching up and various Municipal Corporations in the country have launched Pilot Projects to install certain numbers of OWC and establish the advantage of decentralized processing. The private market for OWC is also growing by attracting various segments like hotels, townships, fish processing units and industrial canteens. The market is going through the process of understanding the advantages and suitability of individual technologies like OWC treatment, Vermiculture and Biogas units. The large scale technologies like Refuse derived fuel (RDF), methanation, composting and energy generation are also being widely adopted by authorities to address the public agitations against dumping. The Company has launched a new product by modifying the Soil Enricher which has been well received in the market.

(b) **Opportunities and Threats:**

Your Company is in unique position of being able to offer technologies for large scale centralized processing plants as well as to offer a system, in the form of OWC, for localized decentralized processing of organic waste. The compact

unit has good potential and can be marketed to bulk generators of organic waste as well as to civic authorities. All the real estate development projects of value greater than Rs. 50 crores have been mandated to incorporate their own waste disposal method and that the Civic Authorities will not cart away the waste generated by these townships. This provides large opportunity for our OWC as this is the most suitable technology in terms of cost, compactness and cleanliness. In terms of Soil Enricher and the modified product Phoscel, the opportunity is that large public and Private sector fertilizer companies have taken up the marketing and are targeting to sell several lakh tonnes every year. This will give a boost to the plants like the one run by the Company at Ahmedabad which have been suffering poor capacity utilization for several years.

The threat comes from alternate technologies like vermicomposting and biogas plants but at the scales of generation of organic wastes of few tonnes a day, the OWC is the most preferred one. The challenge can also come from the need to impose segregation of waste at the source itself because feeding of inappropriate waste to the OWC can adversely affect its operation and damage the image and acceptability.

**(c) Segment wise performance and outlook:**

During the year 2008-09, the Company experienced wider acceptability for its OWC system from diverse customers and the number of systems sold was 40% higher than in the previous year. The sales of accessories have also been increasing helping thereby to increase the unit realization of each machine sold. Efforts are also on to upgrade the fabrication capability to meet the growing demand. The Company has also received the Patent on the Design of the OWC machine in India and has also applied in a few other countries. The Company is in active dialogue with corporations in Maharashtra and territories of Goa and Himachal Pradesh have been identified for focussed development of the market in the year 2009-10.

**(d) Risks and Concerns:**

It has not been found easy to convince the civic authorities about the advantages of decentralized processing of organic waste and to get them to allot project funds to prove on a pilot basis. Pune, Bangalore and Delhi have come forward to install OWC machines and the Company hopes the others will follow sooner than later. The Company also has to guard its intellectual property in terms of design of OWC and endeavour to prevent copy cat machines from appearing in the market. Large scale projects are often getting entangled in legal and environmental objections and are taking unduly long periods to get established. The compost produced at Ahmedabad plant continues to be hauled over a large distance thereby reducing the realization to the Company.

**2. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place. Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The review includes adherence to the management policies, safeguarding the assets of the Company and ensuring preparation of timely and accurate financial information. The emphasis on internal control prevails across functions and processes, covering the entire range of activities. The Company has assigned internal audit function to M/s. Sharp & Tannan Associates, Chartered Accountants. A strong internal audit function and effective Audit Committee of the Board have strengthened the internal control within the organization.

**3. FINANCIAL PERFORMANCE AND ANALYSIS**

During the year under review, the net sales achieved were at Rs. 231.19 crores as compared to Rs. 215.65 crores in the previous year registering a growth of 7.21%. The exports of the Company which were at Rs. 56.96 crores in the previous year are Rs. 66.42 crores in the current year showing a growth of 16.61% over the previous year.

During the year under review, the Company had a profit before taxation of Rs. 1.37 crores as against profit before taxation of Rs. 5.94 crores in the previous year. The profit after tax for the year amounted to Rs. 0.81 crores as against profit after tax of Rs. 4.22 crores in the previous year.

**4. HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS**

Your Company continues to take care of its human resource needs ensuring the fulfillment of the requirement of appropriate and adequate human skills, knowledge and attitudes. Measures for safety, training, welfare and development of employees receive highest priority. Industrial relations continue to be cordial and harmonious. The Company has 1,013 employees as on 31st March, 2009.

**5. CAUTIONARY STATEMENT**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

# EXCEL INDUSTRIES LIMITED

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on the Code of Governance

Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in Clause No. 49 of the Listing Agreement of the Stock Exchanges.

The objective of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder value. The Company has professionals on its Board of Directors who get actively involved in the deliberations of the Board as well as Committees of Directors on all important policy matters.

### 2. Board of Directors

The Board of Directors comprises three Whole-time Directors and eight Non-Executive Directors.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership in committees of other companies. Composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships/memberships of committees of other companies are as under:

NAME	CATEGORY	NO. OF BOARD MEETINGS ATTENDED DURING 2008-09	ATTENDANCE AT LAST AGM	NO. OF DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES INCORPORATED IN INDIA	NO. OF OTHER BOARD COMMITTEES OF WHICH HE/SHE IS MEMBER/CHAIRPERSON
Mr. A. C. Shroff Chairman & Managing Director	Promoter — Executive	7	Yes	6	2
Mrs. Usha A. Shroff Executive Vice Chairperson	Promoter — Executive	7	Yes	6	3
Mr. S. R. Potdar Executive Director	Executive	7	Yes	1	Nil
Mr. Atul G. Shroff	Promoter — Non-Executive	3	Yes	5	5
Mr. R. N. Bhogale	Independent — Non-Executive	7	Yes	1	Nil
Mr. H. N. Motiwalla	Independent — Non-Executive	7	Yes	4	4
Mr. P. S. Jhaveri	Independent — Non-Executive	7	Yes	4	3
Mr. Dipesh K. Shroff	Promoter — Non-Executive	3	No	10	1
Mr. M. K. Vadgama	Independent — Non-Executive	3	No	Nil	Nil
Mr. M. B. Parekh	Independent — Non-Executive	3	Yes	4	Nil
Mr. D. D. Singh*	Independent — Non-Executive	—	No	—	—
Mr. N. B. Sathe**	Independent — Non-Executive	3	N.A.	Nil	Nil

\* Resigned as Director on 4th September, 2008 (Nominee of LIC of India)

\*\* Appointed as Director on 24th October, 2008 (Nominee of LIC of India)

The Company held meetings of its Board of Directors during the year on the following dates.

30th June, 2008                      17th July, 2008                      30th July, 2008                      4th September, 2008

24th October, 2008                      28th January, 2009                      31st March, 2009

**3. Particulars of the Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting**

<b>NAME OF THE DIRECTOR</b>	<b>MR. M. B. PAREKH</b>
Date of Birth	16-02-1944
Date of Appointment	25-03-2005
Expertise in specific functional areas	Business Executive with wide experience in Chemicals Industry and Consumer products.
Qualifications	Chem. Engg. from UDCT M. S. Chem. Engg. from University of Wisconsin, USA
Other Public Companies in which Directorship held	Fevicol Company Limited Kalva Marketing and Services Ltd. Pidilite Industries Limited Vinyl Chemicals (India) Ltd.
Other Public Companies in which membership of Committees of Directors held	Nil
No. of Shares held on 31st March, 2009	Nil

<b>NAME OF THE DIRECTOR</b>	<b>MR. DIPESH K. SHROFF</b>
Date of Birth	03-02-1960
Date of Appointment	03-09-2003
Expertise in specific functional areas	Industrialist with vast experience in Chemicals and Agrochemicals Industry and Agri commodities.
Qualifications	Diploma in Civil Engineering. Completed Owners'/Presidents' Management program at Harvard Business School, Boston, USA.
Other Public Companies in which Directorship held	Agrocel Industries Limited Excel Crop Care Ltd. Excel Industries (Australia) Pty. Ltd. Australia Excel Industries Euro N.V., Belgium Hyderabad Chemicals Limited Hyderabad Chemical Products Limited Kutch Crop Services Ltd. Oasis Agritech Limited Parul Chemicals Limited Shroffs Engineering Limited Transpek Industry Limited Transmetal Limited
Other Public Companies in which membership of Committees of Directors held	Member – Audit Committee – Transpek Industry Limited
No. of Shares held on 31st March, 2009	8,597

<b>NAME OF THE DIRECTOR</b>	<b>MR. ATUL G. SHROFF</b>
Date of Birth	23-12-1947
Date of Appointment	26-08-1994
Expertise in specific functional areas	Industrialist with wide business experience
Qualifications	SSC
Other Public Companies in which Directorship held	Banco Products (India) Ltd. Punjab Chemicals and Crop Protection Ltd. Shri Dinesh Mills Ltd. Transchem Agritech Limited Transpek Industry Ltd. Transpek Industry (Europe) Ltd.
Other Public Companies in which membership of Committees of Directors held	Chairman – Shareholders'/Investors' Grievance Committee of Banco Products (India) Ltd. – Shareholders'/Investors' Grievance Committee of Shri Dinesh Mills Ltd. Member – Shareholders'/Investors' Grievance Committee of Transpek Industry Ltd. – Audit Committee of Banco Products (India) Ltd. – Remuneration Committee of Shri Dinesh Mills Ltd.
No. of Shares held on 31st March, 2009	59,784

<b>NAME OF THE DIRECTOR</b>	<b>MR. NILESH B. SATHE</b>
Date of Birth	01-05-1957
Date of Appointment	24-10-2008
Expertise in specific functional areas	Vast experience in Banking, Insurance and Administration.
Qualifications	M. Com., CAIIB
Other Public Companies in which Directorship held	Nil
Other Public Companies in which membership of Committees of Directors held	Nil
No. of Shares held on 31st March, 2009	Nil

4. **No. of Shares held by Non-Executive Directors as on 31st March, 2009**

Name of the Director(s)	Shares Held (No.)
Mr. Atul G. Shroff	59,784
Mr. Dipesh K. Shroff	8,597

Other Non-Executive Directors do not hold any shares in the Company as on 31st March, 2009.

5. **Audit Committee**

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors, Cost Auditors and Internal Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal control systems, major accounting policies, practices and entries, compliances with Accounting Standards and Listing Agreement with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon and to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

The Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed in the Board meetings and taken note of.

The Company has complied with the requirements of Clause 49(II)(A) of the Listing Agreement as regards the composition of the Audit Committee.

The Audit Committee of the Board of Directors of the Company consists of five Directors and as on 31st March, 2009, comprised of the following five Members:

Mr. H. N. Motiwalla, Chairman	Independent, Non-Executive Director
Mrs. Usha A. Shroff, Member	Promoter, Executive Vice Chairperson
Mr. P. S. Jhaveri, Member	Independent, Non-Executive Director
Mr. R. N. Bhogale, Member	Independent, Non-Executive Director
Mr. M. K. Vadgama, Member	Independent, Non-Executive Director

The Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee met on the following dates during the last financial year.

30th June, 2008, 30th July, 2008, 4th September, 2008, 24th October, 2008, 21st November, 2008, 28th January, 2009 and 31st March, 2009.

Attendance at the Audit Committee Meetings during the last financial year was as follows:

NAME OF DIRECTORS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	7	7
Mrs. Usha A. Shroff	7	7
Mr. P. S. Jhaveri	7	7
Mr. R. N. Bhogale	7	6
Mr. M. K. Vadgama	7	2

Audit Committee meetings are also attended by senior finance and accounts executives and Internal Auditors, when required. Statutory Auditors and Cost Auditors of the Company are also invited to the meetings.

## 6. Remuneration Committee

### Terms of reference and composition:

The broad terms of reference of the Company's Remuneration Committee are to determine and recommend to the Board and the members remuneration payable to Whole-time Directors, to determine and advise the Board for the payment of annual increments and commission to the Whole-time Directors and to determine and recommend policy for retirement benefits payable to its Whole-time Directors.

The Remuneration Committee as on March 31, 2009 comprised of the following three Members:

Mr. H. N. Motiwalla, Chairman	Independent, Non-Executive Director
Mr. R. N. Bhogale, Member	Independent, Non-Executive Director
Mr. M. K. Vadgama, Member	Independent, Non-Executive Director

Meetings of the Remuneration Committee were held on 30th June, 2008 and 28th January, 2009. Attendance at the Remuneration Committee Meetings during the last financial year was as follows:

NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
Mr. H. N. Motiwalla	2
Mr. R. N. Bhogale	2
Mr. M. K. Vadgama	2

**Remuneration of Directors:**

The Non-Executive Directors are paid sitting fees for meetings of Directors and Committees of Directors and commission if any, as approved by the members.

The Company pays remuneration to its Chairman & Managing Director, Executive Vice Chairperson and Executive Director by way of salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Board, on the recommendations of the Remuneration Committee, approves annual increments to the Whole-time Directors. Commission of Whole-time Directors is range bound not exceeding 24 months salary and is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

Given below are the details of remuneration paid to the Directors during the financial year 2008-09.

DIRECTORS	SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (RUPEES)	SALARIES AND OTHER PERQUISITES (RUPEES)	TOTAL (RUPEES)
Mr. A. C. Shroff	N.A.	25,85,767	25,85,767
Mrs. Usha A. Shroff	N.A.	25,85,701	25,85,701
Mr. S. R. Potdar	N.A.	31,38,649	31,38,649
Mr. Atul G. Shroff	15,000	N.A.	15,000
Mr. R. N. Bhogale	75,000	N.A.	75,000
Mr. H. N. Motiwalla	95,000	N.A.	95,000
Mr. P. S. Jhaveri	70,000	N.A.	70,000
Mr. Dipesh K. Shroff	30,000	N.A.	30,000
Mr. M. K. Vadgama	45,000	N.A.	45,000
Mr. M. B. Parekh	15,000	N.A.	15,000
Mr. D. D. Singh	—	N.A.	—
Mr. N. B. Sathe	15,000	N.A.	15,000

The employment of the Chairman & Managing Director, Executive Vice Chairperson and Executive Director is contractual. The employment is for a period of five years in respect of the Chairman & Managing Director and Executive Vice Chairperson and is for a period of three years in respect of the Executive Director and terminable by either party giving 3 months notice.

Severance compensation is payable to the Whole-time Directors, if their office is terminated before the contractual period, subject to the provisions and limitations specified in Section 318 of the Companies Act, 1956. There are no stock options and performance linked incentive along with the performance criteria to the Directors.

The Company offers benefits to retiring Whole-time Directors as per a scheme in force duly approved by the shareholders. The quantum of benefits in each individual case is decided by the Board of Directors at their discretion.

## 7. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee looks into the Investors' complaints, if any, and redress the same expeditiously.

On 31st March, 2009 the Shareholders'/Investors' Grievance Committee comprised of the following five Members:

Mr. Dipesh K. Shroff, Chairman	Promoter, Non-Executive Director
Mrs. Usha A. Shroff, Member	Promoter, Executive Vice Chairperson
Mr. M. K. Vadgama, Member	Independent, Non-Executive Director
Mr. S. R. Potdar, Member	Executive Director
Mr. H. N. Motiwalla, Member	Independent, Non-Executive Director

Mr. V. K. Parmar, Company Secretary, is designated as the Compliance Officer.

During the year, 11 complaints were received from the investors, all of which were replied/resolved. There are no pending share transfers as on 31st March, 2009.

## 8. General Meetings

Location and time of the last three Annual General Meetings

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2005-06	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020.	Friday, 28th July, 2006	3.00 p.m.	Nil
2006-07	-do-	Thursday, 26th July, 2007	3.00 p.m.	Nil
2007-08	-do-	Thursday, 4th September, 2008	3.00 p.m.	2

None of the resolutions proposed to be passed at the ensuing 48th Annual General Meeting requires to be put through postal ballot.

## 9. Disclosures

### • Related Party Transactions:

Related Party Transactions under Clause 49 of the Listing Agreement are defined as the transactions of the Company of a material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Among the related party transactions are the contracts or arrangements made by the Company from time to time with companies in which the Directors are interested. All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the register is placed before the Board from time to time. There were no material transactions with related parties during the year 2008-09 that are prejudicial to the interest of the Company.

- **Statutory Compliance, Penalties and Strictures:**

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authorities on all matters related to capital markets during the last year. There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities relating to the above.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements. The Company does not have Whistle Blower Policy. No employee of the Company has been denied access to the Audit Committee of the Company.

## 10. General Shareholder Information

- **Means of Communication:**

— The quarterly and half-yearly results of the Company are generally published in the dailies viz. DNA (English) and Daily Sagar (Marathi) which have wide readership in Mumbai. The results are also posted on EDIFAR Website.

— The financial results are also displayed on the Company's Website: <http://www.excelind.co.in>

— Management Discussion and Analysis forms part of the Annual Report.

- **Annual General Meeting:**

Date and Time : Monday, the 24th August, 2009 at 3.00 p.m.

Venue : Rama Watumull Auditorium,  
Kishinchand Chellaram College,  
Dinshaw Wacha Road, Churchgate,  
Mumbai-400 020.

- Financial Year : Year ending March 31

- Dates of Book Closure : Tuesday, the 18th August, 2009 to Monday, the 24th August, 2009 (both days inclusive).

- Listing on Stock Exchanges : The Company's shares are listed on The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE)

- Dividend payment date : On or after 28th August, 2009

- **Stock Codes (for shares):**

The Stock Exchange, Mumbai (Physical Segment) : 650

The Stock Exchange, Mumbai (Demat Segment) : 500650

National Stock Exchange of India Limited : EXCELINDUS

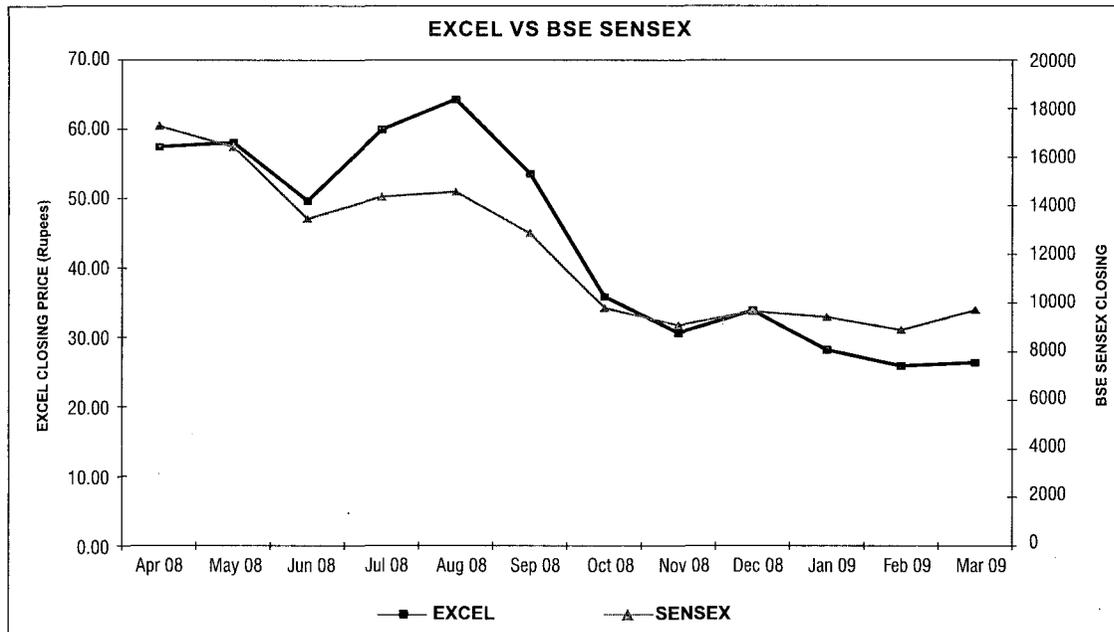
Demat ISIN Number in NSDL and CDSL : INE 369A01029

• **Market Price Data :**

	<b>Bombay Stock Exchange (in Rs.)</b>	
	<b>High</b>	<b>Low</b>
April-2008	61.45	50.15
May-2008	60.90	50.00
June-2008	60.00	48.00
July-2008	64.80	45.50
Aug-2008	69.25	59.55
Sept-2008	66.45	45.10
Oct-2008	56.30	31.15
Nov-2008	41.50	30.00
Dec-2008	42.50	30.10
Jan-2009	38.40	27.15
Feb-2009	30.75	25.10
Mar-2009	27.00	22.00

• **Share Price Movements :**

Share Price Movement for the period April, 2008 to March 2009 of Excel Industries Limited vs BSE Sensex.



**Share Transfer System :** The share transfer function is carried out by the Registrars and Transfer Agents-Link Intime India Pvt. Ltd. (Formerly Intime Spectrum Registry Limited). Share transfers in physical form can be lodged at their office at C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 (Tel: 2596 3838) or their Mumbai Office at 203 Davar House (Next to Central Camera Building), 197/199 D N Road, Fort, Mumbai 400 001. Tel.: 22694127.

Share transfers and other share related requests are considered for approval every fortnight by the Company's Officials who are authorized in this behalf.

- **Distribution of Shareholdings as on 31st March, 2009**

CATEGORY	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 500	13855	89.22	2002097	18.36
501 - 1000	914	5.89	671078	6.15
1001 - 2000	411	2.65	599041	5.49
2001 - 3000	125	0.80	312470	2.87
3001 - 4000	54	0.35	188654	1.73
4001 - 5000	39	0.25	180159	1.65
5001 - 10000	61	0.39	445932	4.09
Above 10000	70	0.45	6506199	59.66
Total	15529	100.00	10905630	100.00

- **Categories of Shareholders as on 31st March, 2009**

CATEGORY	NO. OF SHAREHOLDERS	VOTING STRENGTH %	NO. OF SHARES
Promoters	54	38.37	4184414
Life Insurance Corporation of India	1	9.29	1012799
Other Insurance Companies	1	1.11	121370
Individuals	15042	46.07	5024310
Companies	283	4.47	487869
Non-Resident Individuals	118	0.56	60709
Indian Banks and Mutual Funds	17	0.12	12550
Foreign Institutional Investors & Foreign Banks	13	0.01	1609
Total	15529	100.00	10905630

- **Dematerialisation of Shares and Liquidity:**

92.47% of the Company's share capital is held in dematerialised form as on 31st March, 2009. The Company's shares are regularly traded on The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE).

- **Factory Locations:**

(a) Plot No.112, M.I.D.C. Industrial Area,  
Dhatav, Roha,  
Dist. Raigad-402 116.

(c) Near Sewage Farm,  
Narol Sarkhej Octroi Naka,  
Baherampura, Ahmedabad-380 022.

(b) D-9, M.I.D.C., Lote Parshuram,  
Tal: Khed, Dist. Ratnagiri-415 722.

- **Address for correspondence:**  
Excel Industries Limited,  
184-87, Swami Vivekanand Road,  
Jogeshwari (West),  
Mumbai-400 102.  
Tel.: 6646 4200, 2678 4255 & 2678 8258  
Fax.: 6696 3514, 2678 3657
- **Address for correspondence for share related work:**  
LINK INTIME INDIA PVT. LTD.,  
(Formerly 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
- **E-mail Address for Investor Grievances:**  
grievance@excelind.com

**11. Managing Director's Declaration on Code of Conduct and Ethics:**

The Board of Directors of the Company has laid down Code of Conduct and Ethics (The Code) for the Company's Directors and Senior Employees. All the Directors and the Senior Employees covered by the code have affirmed compliance with the code on an annual basis.

For and on behalf of the Board of Directors

A. C. SHROFF  
*Chairman & Managing Director*

*Mumbai, 28th May, 2009.*

**AUDITORS' CERTIFICATE**

TO THE MEMBERS OF  
EXCEL INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by Excel Industries Limited, for the year ended on March 31 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.V. GHATALIA & ASSOCIATES,  
*Chartered Accountants.*

per SUDHIR.SONI  
*Partner.*

Membership No. 41870

*Mumbai,  
28th May, 2009.*

**EXCEL INDUSTRIES LIMITED**  
TEN-YEAR HIGHLIGHTS

(Rupees in lacs)										
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000
<b>I. CAPITAL ACCOUNTS</b>										
A. Share Capital	<b>545.28</b>	545.28	545.28	545.28	545.28	545.28	545.28	1090.56	1090.56	1090.56
B. Reserves	<b>9127.96</b>	9147.61	9007.41	8936.96	8906.39	9049.67	9122.35	13635.45	15626.57	15681.77
C. Shareholders' Funds (A+B)	<b>9673.24</b>	9692.89	9552.69	9482.24	9451.67	9594.95	9667.63	14726.01	16717.13	16772.33
D. Deferred Government Grants	—	—	—	—	—	—	—	105.29	112.61	—
E. Borrowings	<b>7523.50</b>	7358.85	7280.99	10622.07	10035.26	10295.44	11092.37	21230.43	19611.28	17420.60
F. Deferred Tax Liability (Net)	<b>1019.22</b>	993.70	919.55	886.31	1045.36	1836.60	1811.33	2670.22	—	—
G. Capital Employed (C+D+E+F)	<b>18215.96</b>	18045.44	17753.23	20990.62	20532.29	21726.99	22571.33	38731.95	36441.02	34192.93
H. Gross Block	<b>21474.10</b>	20721.74	19127.27	19014.61	17857.91	18192.06	17759.12	24672.04	20889.68	18928.02
I. Net Block	<b>10945.71</b>	10975.93	10408.27	10459.51	10641.02	11109.25	11607.68	16640.15	13621.05	12942.30
J. Debt-Equity Ratio	<b>0.78:1</b>	0.76:1	0.76:1	1.12:1	1.06:1	1.07:1	1.15:1	1.44:1	1.17:1	1.04:1
<b>II. REVENUE ACCOUNTS</b>										
A. Gross Revenue	<b>26963.53</b>	25412.91	22717.31	23543.59	25698.01	21102.42	21458.25	48828.95	43411.04	46438.47
B. Profit/(Loss) before Taxes	<b>137.08</b>	593.50	198.04	(280.13)	(487.44)	64.62	419.47	1090.11	486.81	2719.52
% of Gross Revenue	<b>0.51%</b>	2.34%	0.87%	-1.19%	-1.90%	0.31%	1.95%	2.23%	1.12%	5.86%
C. Profit/(Loss) after Taxes	<b>81.06</b>	421.73	131.80	(172.08)	(79.39)	31.95	316.37	725.11	441.81	2119.52
% of Gross Revenue	<b>0.30%</b>	1.66%	0.58%	-0.73%	-0.31%	0.15%	1.47%	1.49%	1.02%	4.56%
D. Return on Shareholders' Funds %	<b>0.84%</b>	4.35%	1.38%	-1.81%	-0.84%	0.33%	3.27%	4.92%	2.64%	12.64%
<b>III. EQUITY SHAREHOLDERS' EARNINGS</b>										
A. Earning per Equity Share ***	<b>Rs. 0.40</b>	3.62	1.23	(0.28)	(0.10)	0.46	1.59	5.38	1.79	19.44
B. Dividend per Equity Share ***	<b>Rs. 0.50</b>	1.00	0.50	—	0.50	1.00	1.50	3.00	2.50	*7.50
C. Equity Dividend	<b>Rs. 54.53</b>	109.06	54.53	—	54.53	109.06	163.58	327.17	272.64	**817.92
D. Net Worth per Equity Share****	<b>Rs. 88.70</b>	88.88	87.59	86.95	86.87	87.98	88.65	135.03	153.29	153.80
E. Market Rate as on 31st March	<b>Rs. 26.45</b>	53.15	41.17	58.90	60.05	74.10	64.45	65.90	59.80	151.00
* Interim dividend of Rs. 7.50 per share										
** Interim dividend of Rs. 8,17.92 lacs.										
*** Face Value of Equity Share - Rs. 5/- for FY 2002-03 and subsequent years, Rs. 10/- for earlier years.										

## EXCEL INDUSTRIES LIMITED

<b>SUMMARISED BALANCE SHEET</b>				
<b>As at 31st March</b>				
	2009		2008	
	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)
<b>WHAT THE COMPANY OWNED</b>				
1. FIXED ASSETS				
Gross Block	21596.16		21042.28	
Less: Depreciation	<u>10945.71</u>		<u>10066.35</u>	
		<b>10650.45</b>		10975.93
2. INTANGIBLE ASSETS		<b>132.11</b>		178.70
3. INVESTMENTS		<b>997.49</b>		1229.95
4. NET CURRENT ASSETS		<b>6435.91</b>		5660.86
		<u><b>18215.96</b></u>		<u>18045.44</u>
<b>WHAT THE COMPANY OWED</b>				
1. BORROWINGS		<b>7523.50</b>		7358.85
2. NET WORTH (Shareholders' Equity) Represented by				
(i) Share Capital	545.28		545.28	
(ii) Reserves	<u>9127.96</u>		<u>9147.61</u>	
		<b>9673.24</b>		9692.89
3. DEFERRED TAX LIABILITY (NET)		<b>1019.22</b>		993.70
		<u><b>18215.96</b></u>		<u>18045.44</u>
<b>SUMMARISED PROFIT AND LOSS ACCOUNT</b>				
<b>For the year ended 31st March</b>				
	2009		2008	
	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)
<b>WHAT THE COMPANY EARNED</b>				
From Sales		25119.90		23853.16
From Export Earnings	182.07		157.99	
From Other Sources	<u>1661.56</u>		<u>1401.76</u>	
		<b>1843.63</b>		1559.75
		<u><b>26963.53</b></u>		<u>25412.91</u>
<b>WHAT THE COMPANY SPENT</b>				
On Manufacturing Costs		21603.57		19999.42
On Employees		3258.59		2842.36
Interest on Loans		961.38		1026.16
Depreciation		1002.91		951.47
		<u><b>26826.45</b></u>		<u>24819.41</u>
OPERATING PROFIT		<u><b>137.08</b></u>		<u>593.50</u>

# EXCEL INDUSTRIES LIMITED

## AUDITORS' REPORT

TO  
THE MEMBERS OF  
EXCEL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Excel Industries Limited as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. *The Company has not disclosed proportionate interest in Jointly Controlled Entity viz. Wexsam Limited as required by AS 27 – 'Financial Reporting of Interests in Joint Ventures', issued by The Institute of Chartered Accountants of India. (Refer note no. 19 in Schedule 'T'). The said disclosure does not have any impact on the profit for the year and the reserves and surplus as at March 31, 2009.*
  - v. We are of the opinion, that the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except for our comment in paragraph 4 (iv) above.*
  - vi. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vii. *Except for our comment in paragraph 4(iv) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. V. GHATALIA & ASSOCIATES  
Chartered Accountants

(per SUDHIR SONI)  
Partner  
Membership No. 41870  
Place : Mumbai,  
Date : May 28, 2009

## EXCEL INDUSTRIES LIMITED

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in respect of additions made after April 1, 2002. *Substantial portion of the fixed assets records were destroyed in the fire that took place at the registered office of the Company at Mumbai on March 22, 2002. The Company is yet to reconstruct the fixed asset register in respect of additions made upto March 31, 2002. Accordingly we are unable to comment whether the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
- (b) Physical verification of the fixed assets is done by the management as per regular programme of verification, which in our opinion *needs to be strengthened having regard to the size of company and nature of assets.* As informed, no material discrepancies were noticed on such verification. *However, in view of non reconstruction of the fixed asset register as stated in clause (a) above, we are unable to comment on the discrepancies, if any.*
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted or taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses (iii) (a) to (iii) (g) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of certain transactions of purchases and sales of goods, materials or services and processing charges, we are unable to comment in respect thereof in the absence of similar transactions with other parties.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, or Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs duty, Excise duty, cess have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases of income-tax and service tax payments.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding on account of any dispute of Sales-tax, Wealth-tax, Income-tax, Service Tax, Custom Duty, Excise Duty, Cess etc. on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty Demands	3.92	Central Excise and Service Tax Appellate Tribunal, Mumbai.
		0.25	Revision Application Unit, New Delhi
		14.39	Additional Commissioner, Raigad
		0.86	Deputy Commissioner, Navi Mumbai
State Excise Act	Excise Duty Demands	109.75	Commissioner of State Excise, Mumbai

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. V. GHATALIA & ASSOCIATES

*Chartered Accountants*

(per SUDHIR SONI)

*Partner*

Membership No. 41870

Place : Mumbai,

Date : May 28, 2009

# EXCEL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>SOURCES OF FUNDS</b>				
1. SHAREHOLDERS' FUNDS:				
(a) Capital	'A'	5,45.28		5,45.28
(b) Reserves and Surplus	'B'	91,27.96		91,47.61
			<b>96,73.24</b>	<b>96,92.89</b>
2. LOAN FUNDS:				
(a) Secured Loans	'C'	47,84.75		56,33.22
(b) Unsecured Loans	'D'	27,38.75		17,25.63
			<b>75,23.50</b>	<b>73,58.85</b>
3. DEFERRED TAX LIABILITY (NET) (Refer Note No. 12 of Schedule 'T').			<b>10,19.22</b>	9,93.70
TOTAL			<b>182,15.96</b>	<b>180,45.44</b>
<b>APPLICATION OF FUNDS</b>				
1. FIXED ASSETS:	'E'			
(a) Gross Block		214,74.10		207,21.74
(b) Less: Depreciation		109,45.71		100,66.35
(c) Net Block		105,28.39		106,55.39
(d) Capital Work-in-Progress		1,22.06		3,20.54
			<b>106,50.45</b>	<b>109,75.93</b>
2. INTANGIBLE ASSETS	'F'		<b>1,32.11</b>	1,78.70
3. INVESTMENTS	'G'		<b>9,97.49</b>	12,29.95
4. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	'H'	36,18.27		32,58.31
(b) Sundry Debtors	'I'	55,55.91		63,75.75
(c) Cash and Bank Balances	'J'	1,85.66		1,48.67
(d) Interest accrued and due		1.51		5.97
(e) Other Current Assets	'K'	3,97.27		4,00.33
(f) Loans and Advances	'L'	17,88.96		15,82.84
		<b>115,47.58</b>		<b>117,71.87</b>
LESS: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities	'M'	39,99.30		49,59.24
(b) Provisions	'N'	11,12.37		11,51.77
		<b>51,11.67</b>		<b>61,11.01</b>
NET CURRENT ASSETS			<b>64,35.91</b>	<b>56,60.86</b>
TOTAL			<b>182,15.96</b>	<b>180,45.44</b>
NOTES ON ACCOUNTS	'T'			

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants.

per SUDHIR SONI  
Partner  
Membership No. 41870

Place : Mumbai,  
Date : 28th May, 2009

A. C. SHROFF  
Chairman & Managing Director

S. R. POTDAR  
Executive Director

Place : Mumbai,  
Date : 28th May, 2009

U. A. SHROFF  
Executive Vice Chairperson

KAILAS DABHOLKAR  
Vice President-Finance  
and Taxation

V. K. PARMAR  
Secretary

# EXCEL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>INCOME</b>				
Sale of Products		251,19.90		238,12.20
Less: Excise Duty (Refer Note No. 18 of Schedule 'T')		20,00.78		22,47.40
			<b>231,19.12</b>	<b>215,64.80</b>
Processing Charges			<b>9,63.29</b>	9,21.74
[Tax deducted at source: <b>Rs. 22.47 lacs</b> (Previous Year: Rs. 15.43 lacs)]				
Other Income from operations	'O'		<b>6,40.80</b>	4,16.18
Other Income	'P'		<b>2,39.54</b>	2,21.83
			<b>249,62.75</b>	<b>231,24.55</b>
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	'Q'	<b>232,32.48</b>		205,03.43
(Increase)/Decrease in Stocks	'R'	<b>(3,71.10)</b>		49.99
Depreciation/Amortisation		<b>10,02.91</b>		9,51.47
Interest	'S'	<b>9,61.38</b>		10,26.16
			<b>248,25.67</b>	<b>225,31.05</b>
<b>PROFIT BEFORE TAXATION</b>			<b>1,37.08</b>	5,93.50
Less: Provision for Taxation:				
Current Tax		<b>7.00</b>		60.00
Minimum Alternative Tax Entitlement		<b>(7.00)</b>		(60.00)
Wealth Tax		<b>2.00</b>		2.00
Deferred Tax		<b>25.52</b>		1,39.77
Fringe Benefit Tax		<b>28.50</b>		30.00
			<b>56.02</b>	1,71.77
<b>PROFIT AFTER TAXATION BUT BEFORE PRIOR PERIOD ADJUSTMENTS</b>			<b>81.06</b>	4,21.73
Add/(Less): (a) Prior Period Adjustments [Net of Tax <b>Rs. 26.91 lacs</b> (Previous Year: Rs. 25.94 lacs)]		<b>(30.34)</b>		(29.26)
(b) (Short)/Excess Provision for Taxation for earlier years		<b>(6.57)</b>		2.76
(c) Debenture Redemption Reserve written back		<b>—</b>		64.67
			<b>(36.91)</b>	38.17
<b>NET PROFIT</b>			<b>44.15</b>	4,59.90
Balance brought forward from previous year			<b>12,42.45</b>	12,10.15
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>			<b>12,86.60</b>	16,70.05
Less: Appropriations				
(a) Proposed Dividend		<b>54.53</b>		1,09.06
(b) Tax on Distributed Profits		<b>9.27</b>		18.54
(c) Transfer to General Reserve		<b>1,00.00</b>		3,00.00
			<b>1,63.80</b>	4,27.60
Balance carried to Balance Sheet			<b>11,22.80</b>	<b>12,42.45</b>
<b>EARNING PER SHARE</b>				
(Refer Note No. 13 of Schedule 'T')				
Basic and Diluted Earning Per Share (Rs.)			<b>0.40</b>	3.62
Face Value Per Share (Rs.)			<b>5.00</b>	5.00
<b>NOTES ON ACCOUNTS</b>	'T'			

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account  
As per our report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants.

per SUDHIR SONI  
Partner  
Membership No. 41870

Place : Mumbai,  
Date : 28th May, 2009

A. C. SHROFF  
Chairman & Managing Director

S. R. POTDAR  
Executive Director

Place : Mumbai,  
Date : 28th May, 2009

U. A. SHROFF  
Executive Vice Chairperson

KAILAS DABHOLKAR  
Vice President-Finance  
and Taxation

V. K. PARMAR  
Secretary

# EXCEL INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31st March, 2009 (Rs. in lacs)	For the year ended 31st March, 2008 (Rs. in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	<b>1,37.08</b>	5,93.49
Adjustments for:		
Depreciation	<b>9,56.32</b>	9,43.83
Amortisation of Intangible Assets	<b>46.59</b>	7.64
Assets written off	<b>20.47</b>	18.39
Provision for Diminution in value of investments written back	<b>(63.97)</b>	—
Provision for Diminution in value of investments	<b>27.26</b>	—
Provision for Doubtful Debts	<b>6,61.32</b>	1,52.63
Sundry Credit Balances written back	<b>(23.13)</b>	(5.70)
Bad Debts/Sundry Debit Balances Written Off	—	3.00
Loss/(Profit) on sale of Fixed Assets	<b>19.00</b>	(1.30)
Loss/(Profit) on sale of Investments	<b>63.97</b>	—
Contribution/Provision for Gratuity/Leave Encashments	<b>3,72.86</b>	2,60.71
Interest received	<b>(16.86)</b>	(29.34)
Interest paid	<b>9,61.38</b>	10,26.16
Dividend Received	<b>(1,16.77)</b>	(80.45)
Manufacturing Expenses Capitalised	<b>(69.87)</b>	(3,91.72)
Exchange Difference on loans taken	<b>(1,62.28)</b>	(19.40)
Excess Provision for depreciation	<b>(0.46)</b>	(0.08)
Short Provision for depreciation	—	0.30
Short/(Excess) Provision for other items (Net)	<b>(86.41)</b>	24.91
	<b>25,89.42</b>	19,09.58
Operating Profit before working capital changes	<b>27,26.50</b>	25,03.07
Adjustments for:		
Decrease/(Increase) in Sundry Debtors	<b>1,86.38</b>	(4,38.14)
Decrease/(Increase) in Inventories	<b>(3,59.96)</b>	38.94
Decrease/(Increase) in Other Current Assets	<b>(46.68)</b>	(1,31.07)
Decrease/(Increase) in Loans & Advances	<b>(1,54.85)</b>	(3,32.95)
Increase/(Decrease) in Current Liabilities & Provisions	<b>(11,36.46)</b>	3,04.12
	<b>(15,11.57)</b>	(5,59.10)
Cash generated from Operations	<b>12,14.93</b>	19,43.97
Interest paid	<b>9,29.75</b>	10,18.93
Direct taxes paid	<b>1,20.58</b>	(58.58)
	<b>10,50.33</b>	9,60.35
Cash flow before extraordinary items	<b>1,64.60</b>	9,83.62
Prior Period Adjustments (Other than Taxation)	<b>(30.34)</b>	(29.26)
Net cash from/(used in) Operating Activities (A)	<b>1,34.26</b>	9,54.36
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(6,18.20)</b>	(12,33.52)
Purchase of intangible assets	—	(1,16.26)
Sale of fixed assets	<b>18.23</b>	26.36
Sale of Investments	<b>2,05.20</b>	—
Interest received	<b>38.52</b>	1,26.36
Dividend received	<b>1,16.77</b>	80.45
Sundry Loans (given)/returned	<b>(56.00)</b>	10.00
Net Cash from/(used in) Investing Activities (B)	<b>(2,95.48)</b>	(11,06.61)

# EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd.)

	For the year ended 31st March, 2009 (Rs. in lacs)	For the year ended 31st March, 2008 (Rs. in lacs)
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds from borrowings	43,73.42	32,34.82
Repayment of borrowings	(40,46.49)	(31,37.56)
Dividend Paid	(1,10.18)	(61.66)
Tax on distributed Profits	(18.54)	(9.27)
Net cash from/(used in) Financing Activities (C)	1,98.21	26.33
Net increase in cash and cash equivalents (A+B+C)	36.99	(1,25.92)
Cash and cash equivalents at the beginning of the year	1,48.67	2,74.59
Cash and cash equivalents at the end of the year	1,85.66	1,48.67
<b>Components of cash and cash equivalents.</b>		
Cash on hand	0.27	2.54
Balances with Scheduled Banks:		
(i) In Unclaimed Dividend Accounts*	11.33	12.36
(ii) In Current Accounts	98.91	1,21.62
(iii) In Deposits	73.00	10.00
(iv) In Margin Money Accounts	2.15	2.15
	1,85.66	1,48.67

\*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

Note: Cash and cash equivalents at the end of the year are after adjustment of foreign exchange gain of **Rs. 4.14 lacs** (Previous Year: Rs. (-)1.39 lacs).

As per our attached report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants.

per SUDHIR SONI  
Partner  
Membership No. 41870

Place : Mumbai,  
Date : 28th May, 2009

A. C. SHROFF  
Chairman & Managing Director

S. R. POTDAR  
Executive Director

Place : Mumbai,  
Date : 28th May, 2009

U. A. SHROFF  
Executive Vice Chairperson

KAILAS DABHOLKAR  
Vice President-Finance  
and Taxation

V. K. PARMAR  
Secretary

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'A'	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>CAPITAL</b>		
Authorised:		
3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of Rs. 5/- each	<b>19,00.00</b>	19,00.00
8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of Rs. 10/- each	<b>85.00</b>	85.00
3,00,000 (Previous Year: 3,00,000) Unclassified Shares of Rs. 5/- each	<b>15.00</b>	15.00
	<b><u>20,00.00</u></b>	<u>20,00.00</u>
Issued, Subscribed and Paid-up:		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of Rs. 5/- each fully Paid-up (Of the above Equity Shares, 98,10,710 (Previous Year: 98,10,710) Equity Shares have been allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve]	<b>5,45.28</b>	5,45.28
<b>TOTAL</b>	<b><u>5,45.28</u></b>	<u>5,45.28</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>	<b>(Rs. in lacs)</b>	<b>As at 31st March, 2009 (Rs. in lacs)</b>
1. Capital Reserve:		
(a) Profit on repurchase of Debentures	<b>0.01</b>	0.01
(b) Government Grants/Subsidies	<b>70.00</b>	70.00
	<b>70.01</b>	70.01
2. Share Premium Account		
	<b>1,81.08</b>	1,81.08
3. General Reserve:		
Balance as per last Balance Sheet	<b>76,54.07</b>	74,81.50
Less: Provision for Retirement Benefits [Net of Deferred Tax of Nil (Previous Year: Rs. 65.62 lacs)]	<b>—</b>	1,27.43
	<b>76,54.07</b>	73,54.07
Add: Transferred from Profit and Loss Account	<b>1,00.00</b>	3,00.00
	<b>77,54.07</b>	76,54.07
4. Debenture Redemption Reserve:		
Balance as per last Balance Sheet	<b>—</b>	64.67
Less: Transferred to Profit and Loss Account	<b>—</b>	64.67
	<b>—</b>	—
5. Profit and Loss Account		
	<b>11,22.80</b>	12,42.45
<b>TOTAL</b>	<b><u>91,27.96</u></b>	<u>91,47.61</u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 'C'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>SECURED LOANS</b>			
1. Debentures:			
<b>Nil</b> (Previous Year: 15) privately placed <b>12.25%</b> Secured Redeemable Non-Convertible Debentures of Rs. 25,87,000/- each fully paid-up, redeemable in three equal annual instalments commencing from 21st May, 2005	—		1,29.35
Less: Redeemed during the year	—		1,29.35
<hr/>			
2. From Banks:			
(a) On Working Capital Demand Loan Accounts	9,99.97		9,99.97
(b) On Cash Credit Accounts	28,68.72		27,70.46
(c) On Term Loan Accounts	8,87.50		18,37.50
(d) Under Vehicle Finance	5.46		12.18
		<b>47,61.65</b>	<b>56,20.11</b>
(Refer Note Nos. 1, 2, 3, 4, and 5 given below)			
3. From Others:			
Under Vehicle Finance (Refer Note No. 2 given below)		<b>23.10</b>	13.11
TOTAL		<b>47,84.75</b>	<b>56,33.22</b>
 <i>Notes:</i>			
1. Loans from Banks on Cash Credit and Working Capital Demand Loan Accounts are secured by hypothecation of all tangible movable assets, both present and future, including stock of raw materials, finished goods, goods-in-process, stores, book debts etc. and is secured by a second charge on the fixed assets at Roha and Lote Parshuram.			
2. Term Loan under Vehicle Finance from HDFC Bank Limited amounting to <b>Rs. 5.46 lacs</b> (Previous Year: Rs. 12.18 lacs) and from Kotak Mahindra Prime Limited amounting to <b>Rs. 23.10 lacs</b> (Previous Year: Rs. 13.11 lacs) respectively are secured by hypothecation of the vehicles acquired by utilising the said loans.			
3. Term Loans from AXIS Bank Limited and Bank of India amounting to <b>Rs. 5,75.00 lacs</b> (Previous Year: Rs. 12,75.00 lacs) and <b>Rs. 3,12.50 lacs</b> (Previous Year: Rs. 5,62.50 lacs) respectively, are secured by a pari passu first charge on all movable fixed assets, both present and future, and is secured by a mortgage of immovable properties, both present and future, of its units situated at Roha and Lote Parshuram. The Term Loan from AXIS Bank Limited includes an amount of <b>Rs. 2,00.00 lacs</b> (Previous Year: Rs. 4,00.00 lacs) which is further secured by Equitable mortgage by way of deposit of Title Deeds in respect of immovable property of the Company situated at 917 - 918, Tulsiani Chambers, Mumbai.			
4. The aforesaid charges are exclusive of book debts and stocks which are charged in favour of the Company's bankers for securing borrowings for working capital requirements.			
5. The aforesaid charges on the assets at Roha and Lote Parshuram shall rank pari passu inter-se amongst AXIS Bank Limited and Bank of India.			

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'D'	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>UNSECURED LOANS</b>		
1. Fixed Deposits [Repayable within one year: <b>Rs. 4,70.98 lacs</b> (Previous Year: Rs. 38.37 lacs)]	<b>9,67.65</b>	7,43.83
2. Short Term Loans		
From Banks [Repayable within one year: <b>Rs. 13,46.10 lacs</b> (Previous Year: Rs. 4,81.80 lacs)]	<b>13,46.10</b>	4,81.80
3. Inter Corporate Deposits [Repayable within one year: <b>Rs. 4,25.00 lacs</b> (Previous Year: Rs. 5,00.00 lacs)]	<b>4,25.00</b>	5,00.00
<b>TOTAL</b>	<b>27,38.75</b>	<b>17,25.63</b>

SCHEDULE 'E'		(Rs. in lacs)									
FIXED ASSETS		GROSS BLOCK (AT COST OR VALUATION)				DEPRECIATION/AMORTISATION				NET BLOCK	
Sr. No.	Description of Assets	I	II	III	IV	V	VI	VII	VIII	IX	X
		As at 1st April, 2008	Additions during the year	Deductions during the year	As at 31st March, 2009	As at 1st April, 2008	Deductions/ Adjustments	Provided during the year	As at 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
I.	LAND — FREEHOLD	1,48.98	—	—	<b>1,48.98</b>	—	—	—	—	<b>1,48.98</b>	1,48.98
II.	LAND — LEASEHOLD	2,82.71	—	—	<b>2,82.71</b>	33.44	—	4.53-	<b>37.97</b>	<b>2,44.74</b>	2,49.27
III.	BUILDINGS (Refer Note No. 2 below)	21,55.75	34.39	—	<b>21,90.14</b>	5,43.97	—	57.10	<b>6,01.07</b>	<b>15,89.07</b>	16,11.78
IV.	PLANT AND MACHINERY	156,89.51	7,43.03	1,16.01	<b>163,16.53</b>	77,39.44	62.87	7,52.36	<b>84,28.93</b>	<b>78,87.60</b>	79,50.07
V.	DATA PROCESSING EQUIPMENTS	8,01.72	35.73	—	<b>8,37.45</b>	5,95.99	—	54.44	<b>6,50.43</b>	<b>1,87.02</b>	2,05.73
VI.	ELECTRICAL INSTALLATIONS	4,92.28	2.27	0.64	<b>4,93.91</b>	2,87.55	0.61	26.02	<b>3,12.96</b>	<b>1,80.95</b>	2,04.73
VII.	LABORATORY EQUIPMENTS	2,35.96	2.98	—	<b>2,38.94</b>	2,14.51	0.47@	5.72	<b>2,19.76</b>	<b>19.18</b>	21.45
VIII.	FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	6,64.42	31.42	—	<b>6,95.84</b>	4,78.52	—	34.33	<b>5,12.85</b>	<b>1,82.99</b>	1,85.90
IX.	VEHICLES	2,42.86	36.63	17.54	<b>2,61.95</b>	1,68.26	13.01	21.39	<b>1,76.64</b>	<b>85.31</b>	74.60
X.	TECHNICAL BOOKS	7.55	0.10	—	<b>7.65</b>	4.67	—	0.43	<b>5.10</b>	<b>2.55</b>	2.88
<b>TOTAL</b>		<b>207,21.74</b>	<b>8,86.55</b>	<b>1,34.19</b>	<b>214,74.10</b>	<b>100,66.35</b>	<b>76.96</b>	<b>9,56.32</b>	<b>109,45.71</b>	<b>105,28.39</b>	<b>106,55.39</b>
PREVIOUS YEAR		191,20.27	17,97.95	1,96.48	207,21.74	92,75.33	1,53.11@	9,44.13**	100,66.35		
CAPITAL WORK-IN-PROGRESS (Refer Note No. 3 below)										<b>1,22.06</b>	3,20.54
<b>TOTAL</b>										<b>106,50.45</b>	<b>109,75.93</b>

**NOTES:**

- 1.\* Amount written off in respect of Leasehold Land.
2. Buildings include cost of shares in Co-operative Housing Societies **Rs. 0.01 lac** (Previous Year: Rs. 0.01 lac).
3. Capital Work-in-Progress includes Advance for Capital Expenditure **Rs. 1,06.36 lacs** (Previous Year: Rs. 3,20.54 lacs).
- 4.\*\* Includes Short Provision for Depreciation for earlier years **NIL** (Previous Year: Rs. 0.30 lac).
- 5.@ Includes Excess Provision for Depreciation for earlier years written back **Rs. 0.46 lac** (Previous Year: Rs. 0.08 lac).

**EXCEL INDUSTRIES LIMITED**  
SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'F'

INTANGIBLE ASSETS

(Rs. in lacs)

SR. NO.	DESCRIPTION OF INTANGIBLE ASSETS	GROSS AMOUNT				AMORTISATION			NET AMOUNT		
		As at 1st April, 2008	Additions during the year	Deductions during the year	As at 31st March, 2009	As at 1st April, 2008	Deductions/ Adjustments	Provided during the year	As at 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
1.	Computer Software	1,86.34	—	—	<b>1,86.34</b>	7.64	—	46.59	<b>54.23</b>	<b>1,32.11</b>	1,78.70
2.	Trademarks	7.00	—	—	<b>7.00</b>	7.00	—	—	<b>7.00</b>	—	—
	TOTAL	1,93.34	—	—	<b>1,93.34</b>	14.64	—	46.59	<b>61.23</b>	<b>1,32.11</b>	1,78.70
	Previous Year	7.00	1,86.34	—	1,93.34	7.00	—	7.64	14.64		

SCHEDULE 'G'

INVESTMENTS (AT COST)

(Rs. in lacs)

As at 31st March, 2009  
(Rs. in lacs)

As at 31st March, 2008  
(Rs. in lacs)

LONG-TERM

1.	IN SUBSIDIARY COMPANY (Unquoted) (Trade Investments): 1,99,982 (Previous Year: 1,99,982) Equity Shares of Rs. 100/- each fully paid-up in Kamaljiyot Investments Limited		<b>1,99.98</b>	1,99.98
2.	TRADE INVESTMENTS :			
	Quoted			
(a)	1,00,000 (Previous Year: 1,00,000) Equity Shares of Rs. 5/- each fully paid-up in Excel Crop Care Limited	<b>0.40</b>		0.40
(b)	5,84,977 (Previous Year: 5,84,977) Equity Shares of Rs. 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited	<b>3,09.00</b>		3,09.00
	Unquoted			
(a)	8,88,750 (Previous Year: 8,88,750) Equity Shares of Rs. 10/- each fully paid-up in Transmetal Limited	<b>1,77.75</b>		1,77.75
(b)	10,67,450 (Previous Year: 10,67,450) Equity Shares of Rs. 10/- each fully paid-up in Transpek-Silox Industry Limited	<b>2,86.08</b>		2,86.08
(c)	4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong	<b>27.26</b>		27.26
			<b>8,00.49</b>	8,00.49
3.	OTHER THAN TRADE:			
	Quoted			
(a)	4,285 (Previous Year: 4,285) Equity Shares of Rs. 10/- each fully paid-up in TIL Limited	<b>1.53</b>		1.53
(b)	35,900 (Previous Year: 35,900) Equity Shares of Rs. 10/- each fully paid-up in Bank of India	<b>16.16</b>		16.16
(c)	Nil (Previous Year: 2,05,200) 6.75% Tax Free US 64 Bonds of Rs. 100/- each fully paid-up in Unit Trust of India	—		2,69.17
	Unquoted			
(a)	2,500 (Previous Year: 2,500) Equity Shares of Rs. 10/- each fully paid-up in The Saraswat Co-operative Bank Limited	<b>0.25</b>		0.25
(b)	50,000 (Previous Year: 50,000) Equity Shares of Rs. 10/- each fully paid-up in Biotech Consortium India Limited	<b>5.00</b>		5.00
(c)	Government Securities - National Saving Certificates	<b>1.34</b>		1.34
	[Face value Rs. 1.34 lacs] [Of the above, securities having face value of Rs. 1.10 lacs have been deposited with Government Authorities]		<b>24.28</b>	2,93.45
			<b>10,24.75</b>	12,93.92
	Less: Provision for Diminution in value of long-term Investments		<b>27.26</b>	63.97
	TOTAL		<b>9,97.49</b>	12,29.95

Notes:

1.	Aggregate of Quoted Investments:			
	Cost (Net of provision for diminution)		<b>3,27.09</b>	5,32.29
	Market Value		<b>9,85.01</b>	11,88.79
2.	Aggregate of Unquoted Investments:			
	Cost (Net of provision for diminution)		<b>6,70.40</b>	6,97.66

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'H'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>INVENTORIES</b>			
(Lower of cost or net realisable value)			
1. Stores and Spares (including Fuel)		3,09.42	2,53.51
2. Containers		71.82	66.30
3. Stock-in-Trade:			
(a) Finished Products	17,33.19		11,88.10
(b) Semi-finished Products	3,61.74		5,51.53
(c) Traded Goods	86.61		70.81
(d) Raw Materials [Including Stock-in-Transit Rs. 1,58.95 lacs (Previous Year: Rs. 4,17.34 lacs)]	10,55.49		11,28.06
		<u>32,37.03</u>	<u>29,38.50</u>
TOTAL		<u>36,18.27</u>	<u>32,58.31</u>
<b>SCHEDULE 'I'</b>			
<b>SUNDRY DEBTORS</b>			
Unsecured			
(a) Debts outstanding for a period exceeding six months:			
Considered Good	8,87.16		10,82.42
Considered Doubtful	10,15.81		3,57.99
	<u>19,02.97</u>		<u>14,40.41</u>
Less: Provision for Doubtful Debts	10,15.81		3,57.99
		8,87.16	10,82.42
(b) Other Debts:			
Considered Good		46,68.75	52,93.33
		<u>55,55.91</u>	<u>63,75.75</u>
TOTAL		<u>55,55.91</u>	<u>63,75.75</u>
<b>SCHEDULE 'J'</b>			
<b>CASH AND BANK BALANCES</b>			
1. Cash on hand		0.27	2.54
2. Balances With Scheduled Banks:			
(i) In Unclaimed Dividend Accounts	11.33		12.36
(ii) In Current Accounts	98.91		1,21.62
(iii) In Deposits	73.00		10.00
(iv) In Margin Money Accounts	2.15		2.15
		<u>1,85.39</u>	<u>1,46.13</u>
TOTAL		<u>1,85.66</u>	<u>1,48.67</u>
<b>SCHEDULE 'K'</b>			
<b>OTHER CURRENT ASSETS</b>			
1. Interest Receivable		4.58	14.00
2. Export Benefits Receivable		2,99.40	2,40.67
3. Income Tax Refund Receivable		85.94	1,26.26
4. Miscellaneous Receivables		5.59	19.40
5. Unamortised Premium on Forward Contract		1.76	—
		<u>3,97.27</u>	<u>4,00.33</u>
TOTAL		<u>3,97.27</u>	<u>4,00.33</u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'L'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>LOANS AND ADVANCES</b>			
Unsecured and Considered Good, if otherwise stated			
1. Loan to Subsidiary Company		2,15.00	1,59.00
2. Advances recoverable in cash or in kind or for value to be received			
— Considered Good	8,02.91		10,19.70
— Considered Doubtful	21.00		17.50
	<u>8,23.91</u>		<u>10,37.20</u>
Less: Provision for Doubtful Advances	21.00		17.50
		<u>8,02.91</u>	<u>10,19.70</u>
3. Minimum Alternative Tax Credit Entitlement		84.00	77.00
4. Balance with Excise Authorities		5,28.95	1,69.38
5. VAT Credit (Input) Receivable		5.90	8.69
6. Sundry Deposits		1,52.20	1,49.07
TOTAL		<u><u>17,88.96</u></u>	<u><u>15,82.84</u></u>
<b>SCHEDULE 'M'</b>			
<b>LIABILITIES</b>			
1. Acceptances		2,01.23	13,41.91
2. Sundry Creditors			
— total outstanding dues of Micro and Small Enterprises (Refer Note No. 7 of Schedule 'T')		—	—
— total outstanding dues of creditors other than Micro and Small Enterprises		32,72.50	32,80.96
3. Other Liabilities		1,23.74	90.60
4. Other Payables		2,38.30	1,72.62
5. Advances from Customers		90.69	27.15
6. Overdrawn Bank Balances		—	3.95
7. Investor Education and Protection Fund shall be credited by the following amounts, as and when due:			
(a) Unclaimed Dividend	11.10		12.22
(b) Unclaimed Matured Deposits	9.10		8.82
		<u>20.20</u>	<u>21.04</u>
8. Interest accrued but not due on Loans		52.64	21.01
TOTAL		<u><u>39,99.30</u></u>	<u><u>49,59.24</u></u>
<b>SCHEDULE 'N'</b>			
<b>PROVISIONS</b>			
1. Provision for Taxation [net of Advance tax <b>Rs. 16,98.92 lacs</b> (Previous Year: Rs. 16,23.99 lacs)]		3,58.21	4,51.52
2. Provision for Fringe Benefit Tax [net of Advance tax <b>Rs. 84.95 lacs</b> (Previous Year: Rs. 1,07.79 lacs)]		4.55	27.29
3. Proposed Dividend on Equity Shares		54.53	1,09.06
4. Provision for Tax on Distributed Profits		9.27	18.54
5. Provision for Gratuity (Refer Note No. 14 of Schedule 'T')		3,35.56	2,85.65
6. Provision for Other Retirement Benefits		3,50.25	2,59.71
TOTAL		<u><u>11,12.37</u></u>	<u><u>11,51.77</u></u>

## EXCEL INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'O'	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)	
OTHER INCOME FROM OPERATIONS			
1. Incentives on Exports	1,82.07	1,57.99	
2. Sales-tax/VAT Refund	41.07	—	
3. Diminution in the value of long-term investment written back	63.97	—	
4. (Short)/Excess Accruals written back (Net) (Refer Note No. 11 of Schedule 'T')	86.87	—	
5. Commission Received [Tax deducted at source: Nil (Previous Year: Nil)]	15.09	13.31	
6. Royalty Income [Tax deducted at source: Rs. 8.74 lacs (Previous Year: Rs. 7.27 lacs)]	69.99	64.20	
7. Sundry Credit Balances written back (Net)	23.13	5.70	
8. Profit on sale of Assets (Net)	—	9.63	
9. Miscellaneous Income	1,58.61	1,65.35	
TOTAL	<u>6,40.80</u>	<u>4,16.18</u>	
SCHEDULE 'P'			
		Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
OTHER INCOME			
1. Income from Long-Term Investments (Gross):			
(a) Interest on Investments on Other than Trade	2.31		13.85
(b) Dividend on Trade Investments	1,13.78		79.74
(c) Dividend on Other than Trade Investments	2.98		0.71
		<u>1,19.07</u>	<u>94.30</u>
2. Interest on Income Tax Refund		3.72	3.89
3. Interest on Loans, Deposits, etc. (Gross) [Tax deducted at source: Rs. 1.15 lacs (Previous Year: Rs. 1.00 lac)]		10.83	11.60
4. Rent [Tax deducted at source: Rs. 24.63 lacs (Previous Year: Rs. 25.79 lacs)]		1,05.92	1,12.04
TOTAL		<u>2,39.54</u>	<u>2,21.83</u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'Q'	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>MANUFACTURING AND OTHER EXPENSES</b>			
1. RAW MATERIALS CONSUMED:			
Opening Stock	11,28.06		11,54.55
Add: Purchases	123,32.54		110,57.24
	<u>134,60.60</u>		<u>122,11.79</u>
Less: Closing Stock	10,55.49		11,28.06
		<b>124,05.11</b>	<u>110,83.73</u>
2. PURCHASES OF TRADED GOODS		<b>4,95.38</b>	4,69.08
3. CONTAINERS AND PACKING MATERIALS CONSUMED		<b>5,70.14</b>	7,43.51
4. PERSONNEL EXPENSES			
(a) Salaries, Wages, Bonus and Other Benefits	24,30.64		21,90.42
(b) Contribution to Provident Fund and Other Funds	2,42.90		2,21.14
(c) Provision/Payment of Gratuity (Refer Note No.14 of Schedule 'T')	1,99.91		2,03.02
(d) Provision for Other Retirement Benefits	1,72.95		57.69
(e) Welfare Expenses	2,12.19		1,70.09
		<b>32,58.59</b>	<u>28,42.36</u>
5. OPERATING AND OTHER EXPENSES:			
(a) Stores and Spares Consumed	1,81.05		1,46.10
(b) Power and Fuel	16,38.78		16,83.47
(c) Repairs to Buildings	24.39		31.12
(d) Repairs to Machinery	6,89.80		6,58.14
(e) Other Repairs	81.39		55.59
(f) Processing Charges	3,50.94		2,73.62
(g) Rent	18.83		21.95
(h) Rates and Taxes	54.24		67.24
(i) Insurance Charges	48.05		70.83
(j) Commission on Sales to others	88.32		80.44
(k) Discount on Sales	21.88		39.68
(l) Travelling and Conveyance	1,22.02		1,25.81
(m) Charity and Donations	7.01		14.90
(n) Bad Debts/Sundry Debit Balances written off	—		3.00
(o) Provision for Doubtful Debts/Advances	6,61.32		1,52.63
(p) Loss on sale of Long Term Investments	63.97		—
(q) Assets written off	20.47		18.39
(r) Excise Duty Paid (Refer Note No.18 of Schedule 'T')	41.15		45.37
(s) Exchange Difference (Net)	2,51.37		20.04
(t) Provision for Diminution in the value of Long-term Investments	27.26		—
(u) Short accruals in respect of earlier years (Net) (Refer Note No.11 of Schedule 'T')	—		25.13
(v) Freight Outwards and Forwarding expenses	6,32.21		6,57.36
(w) Directors' Fees	3.60		3.04
(x) Loss on sale of Assets (Net)	60.78		—
(y) Other Expenses (Refer Note No.9.1 of Schedule 'T')	14,14.43		11,70.90
		<b>65,03.26</b>	<u>53,64.75</u>
TOTAL		<b>232,32.48</b>	<u>205,03.43</u>

## EXCEL INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'R'	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(INCREASE)/DECREASE IN STOCKS			
(a) Opening Stocks :			
Finished Products	11,88.10		11,59.69
Semi-finished Products	5,51.53		5,41.93
Traded Goods	70.81		1,58.81
		<b>18,10.44</b>	<b>18,60.43</b>
(b) Less: Closing Stocks			
Finished Products	17,33.19		11,88.10
Semi-finished Products	3,61.74		5,51.53
Traded Goods	86.61		70.81
		<b>21,81.54</b>	<b>18,10.44</b>
TOTAL		<b><u>(3,71.10)</u></b>	<b><u>49.99</u></b>
<p>SCHEDULE 'S'</p> <p>INTEREST</p> <p>1. On Debentures</p> <p>2. On Intercompany/Fixed deposits</p> <p>3. On Term loans with banks</p> <p>4. On Cash Credit/Working Capital Demand Loan Accounts</p> <p>5. Others</p> <p style="text-align: right;">TOTAL</p>			
		Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
		—	2.17
		1,68.14	99.41
		1,65.20	2,46.85
		4,37.53	5,00.15
		1,90.51	1,77.58
		<b><u>9,61.38</u></b>	<b><u>10,26.16</u></b>

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

### SCHEDULE 'T'

#### NOTES ON ACCOUNTS

#### 1 NATURE OF OPERATIONS:

Excel Industries Limited is engaged in manufacturing of Chemicals and Environmental products. Chemicals comprise of Industrial/Speciality chemicals and Pesticides Intermediates. Environmental products comprise of Soil Enricher, Bio - Pesticides and other Bio-products. The Company is also engaged in manufacturing activity on behalf of third parties.

#### 2. SIGNIFICANT ACCOUNTING POLICIES:

##### (a) Basis of Preparation:

The financial statements have been prepared to comply in all material respects in respect with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

##### (b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### (c) Fixed Assets and Depreciation:

###### (i) Fixed Assets:

Fixed Assets are stated at cost less depreciation/amortisation and provision for impairment, if any, except for the following:

- (a) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha are stated at their revalued amounts.
- (b) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

###### (ii) Depreciation and Amortisation:

- (a) Leasehold Land (at cost or revalued as the case may be) is amortised over the period of lease.
- (b) Other Fixed Assets:

1. In the case of following assets (which have been revalued) at Roha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

Description of Tangible Assets	* Rates (SL Method) (Range)	Schedule XIV Rates (SL Method)
Buildings	1.63% – 19.00%	1.63%
Plant & Machinery	5.28% – 47.50%	5.28%
Electrical Installations	5.28% – 31.67%	5.28%

\* Depreciation Rates on SL Method for the balance useful life as estimated by the valuer.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

### NOTES ON ACCOUNTS

2. In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai upto 30th September, 1981, on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
3. In respect of all other Fixed Assets, on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
4. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition.

(d) Impairment:

The carrying amounts of assets are reviewed for impairment at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(e) Intangible Assets and Amortisation:

(i) Intangible assets are stated at cost less accumulated amortisation.

(ii) Amortisation:

- (a) Computer software is amortised on a straight line basis proportionately over a period of four years.
- (b) Trademarks are amortised on a straight line basis proportionately over a period of five years.

(f) Inventories:

(i) Raw materials, containers, stores and spares

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

(ii) Finished goods and Work-in-progress

Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on absorption costing basis at actuals.

(iii) Traded Goods

Lower of cost and net realizable value. Cost is determined on a moving weighted average basis.

(iv) Work-in-progress in respect of Turnkey Projects is valued at cost

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Investments:

Long-term investments are carried at cost of acquisition. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the Profit and Loss Account.

(h) Export Benefits:

Duty free imports of raw materials under Advance License for Imports as per the Export and Import Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Entitlement Pass Book Scheme as per the Export and Import Policy in respect of exports made under the said Scheme is included under the head "Other Income from Operation" as "Incentives on Exports".

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

### NOTES ON ACCOUNTS

- (i) Retirement Benefits:
- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the fund is due. There are no obligations other than the contribution payable to the Provident Fund Trust.
  - (ii) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust.
  - (iii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
  - (iv) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
  - (v) Actuarial gains/losses are recognised immediately to the Profit and Loss Account and are not deferred.
  - (vi) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.
- (j) Foreign currency translations:
- (i) Initial Recognition  
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
  - (ii) Conversion  
Foreign currency monetary items are reported using the closing exchange rate on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
  - (iii) Exchange Differences  
Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
  - (iv) Forward Exchange Contracts  
The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.
- (k) Research Costs:  
Research costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

**EXCEL INDUSTRIES LIMITED**  
 SCHEDULE FORMING PART OF  
 THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'—(Contd.)

NOTES ON ACCOUNTS

- (l) Leases:
- (a) Where the Company is the lessee  
 Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.
- (b) Where the Company is the lessor  
 Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expenses in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.
- (m) Borrowing Costs:  
 Interest and other costs incurred for acquisition of qualifying assets, up to the date of commissioning/installation, are capitalised as part of the cost of the said assets.
- (n) Government Grants:  
 Government Capital Grants of the nature of promoters' contribution are credited to Capital Reserve and treated as part of Shareholders' Funds.
- (o) Accounting for Turnkey Projects:  
 Income in respect of Turnkey Projects is accounted on the completion of the said projects.
- (p) Revenue recognition:  
 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- Sale of Goods  
 Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes Excise Duty but does not include Sales Tax and VAT.
- Income from Services  
 Revenues from service contracts are recognised pro-rata over the period of the contract as and when services are rendered and are net of service tax.
- Interest  
 Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend  
 Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.
- Royalties  
 Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.
- Other Income  
 Certain items of income such as insurance claims, overdue interest from customers etc. are considered to the extent the amount is ascertainable/accepted by the parties.
- (q) Cash and Cash equivalents:  
 Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.
- (r) Provisions and contingent liabilities:  
 A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**EXCEL INDUSTRIES LIMITED**  
SCHEDULE FORMING PART OF  
THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

NOTES ON ACCOUNTS

Contingent liabilities are disclosed when the Company has a possible obligation and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(s) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(t) Segment Reporting Policies:

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(u) Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

NOTES ON ACCOUNTS

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961 and Wealth Tax is provided in accordance with the provisions of the Wealth Tax Act, 1957.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

	<b>As at 31st March, 2009 (Rs. in lacs)</b>	As at 31st March, 2008 (Rs. in lacs)
3. Contingent Liabilities:		
(a) Bills discounted	4,65.55	4,29.58
(b) Disputed income-tax liability (including interest) in respect of earlier years	12,05.14	11,22.80
(c) Disputed excise duty liability	1,29.16	1,84.20
(d) Disputed sales-tax liability	—	1,55.32
(e) Disputed Water Charges	18.49	16.69
(f) Guarantees given by Company's Bankers on behalf of the Company to third parties	21.33	61.51
(g) (i) Guarantees given by the Company in respect of loans transferred to Excel Crop Care Limited (ECCL) under the Scheme of Arrangement between the Company and ECCL	—	83,79.00
(ii) Of the above guarantees given, the amount outstanding as at 31st March	—	65,77.36
(h) (i) Claims against the Company not acknowledged as debts	27.46	13.46
(ii) Liability in respect of claim made by workers and contract labourers	<b>Amount not ascertainable</b>	Amount not ascertainable
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	66.35	1,45.46
5. Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on 30th September, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value, resulting in an increase of Rs. 15,94.81 lacs in the book value of fixed assets. The depreciation for the year includes an amount of <b>Rs. 47.53 lacs</b> (Previous Year: Rs. 66.65 lacs) on such revalued assets which has been computed on a Straight Line Basis over the balance useful life of the assets or Schedule XIV rates whichever is higher.		
6. Amounts capitalised and excluded from: Manufacturing and Other Expenses	69.87	3,91.72
7. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006", as at 31st March, 2009.		
8. The Company has entered into an agreement on 27th December, 2005 to develop its plot of land at Jogeshwari. On satisfactory completion of the entire transaction, the Company will secure 41% of the constructed area in return for the transfer of balance 59% rights in the land. The profit arising on the said transaction will crystallise on the completion of the entire development and will be accounted for in the books accordingly.		

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)				
<b>NOTES ON ACCOUNTS</b>						
9. Supplementary Statutory Information						
9.1 Auditors' Remuneration:						
As an Auditor:						
(i) Audit fees	8.00	7.25				
(ii) Tax audit fees	3.25	3.00				
In other Capacity:						
(iii) Fees for taxation matters	14.09	5.10				
(iv) Fees for certification and other matters	2.73	3.05				
(v) Out of pocket expenses	0.20	0.12				
9.2 (a) Managerial Remuneration to Chairman & Managing Director, Executive Vice-Chairperson and Executive Director:						
(i) Salaries	49.83	31.13				
(ii) Contribution to Provident and Other Funds	13.45	8.41				
(iii) Perquisites and other allowance	19.82	14.46				
	<b>83.10</b>	<b>54.00</b>				
<i>Note:</i>						
Managerial Remuneration as above does not include Leave Encashment and Gratuity benefits since the same are computed on the basis of actuarial valuation for all the employees and the amount attributable to the Managerial person cannot be ascertained separately.						
(b) Computation of Net Profit as per Section 349 read with Sections 309(5) and 198 of the Companies Act, 1956 has not been furnished as no commission is payable for the current year to the Chairman & Managing Director, Executive Vice-Chairperson, Executive Director and other Non-Executive Directors.						
9.3 Licensed Capacity, Installed Capacity and Production:						
Product	Current Year			Previous Year		
	Licensed Capacity (Tonnes)	Installed Capacity (Tonnes)	Production (Tonnes)	Licensed Capacity (Tonnes)	Installed Capacity (Tonnes)	Production (Tonnes)
I. Phosphorous and its Compounds:	45,700	35,000	16,708	45,700	35,000	28,716
II. Chemicals:	10,800	10,400	6,922	10,800	10,300	8,276
III. Organic Manure:	*31,700	12,000	1,975	*31,700	12,000	1,720
<i>Notes:</i>						
(a) Installed Capacity is as certified by the Chairman and Managing Director on which the Auditors have relied, being a technical matter.						
(b) Production includes quantities produced for internal consumption and job work.						
(c) Production excludes formulations produced out of captive/bought out technical grade materials.						
(d) Licensed Capacity includes capacity as acknowledged by the Directorate General of Technical Development/Secretariat for Industrial Approvals.						
(e) *Capacity being intimated to Secretariat for Industrial Approvals, for acknowledgement.						

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)									
NOTES ON ACCOUNTS									
9.4 Details of Opening and Closing Stocks of Finished Products:									
Class of Products:	Unit	Current Year				Previous Year			
		Opening Stock		Closing Stock		Opening Stock		Closing Stock	
		Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in lacs)
<b>I. Manufacturing Activity:</b>									
1. Phosphorous and its Compounds:	Tonnes	<b>667</b>	<b>3,59.28</b>	<b>1,002</b>	<b>11,16.15</b>	549	3,66.85	667	3,59.28
2. Chemicals:	Tonnes	<b>679</b>	<b>7,86.73</b>	<b>426</b>	<b>6,04.95</b>	262	3,90.67	679	7,86.73
	KL	—	—	—	—	133	43.29	—	—
3. Organic Manure:	Tonnes	<b>2,306</b>	<b>27.39</b>	<b>157</b>	<b>5.24</b>	6,339	1,73.47	2,306	27.39
4. Others:	Tonnes	<b>381</b>	<b>14.52</b>	<b>431</b>	<b>6.75</b>	1,790	1,12.30	381	14.52
	KL	<b>0.31</b>	<b>0.18</b>	<b>0.17</b>	<b>0.10</b>	65	73.11	0.31	0.18
		<u><b>11,88.10</b></u>		<u><b>17,33.19</b></u>		<u>11,59.69</u>		<u>11,88.10</u>	
<b>II. Trading Activity:</b>									
1. Bio Pesticides:	Tonnes	—	—	—	—	17	10.22	—	—
2. Chemicals:	Tonnes	<b>9</b>	<b>30.53</b>	<b>3</b>	<b>9.07</b>	3	13.77	9	30.53
3. Organic Manure:	Tonnes	—	—	—	—	529	13.11	—	—
4. Others:		<u><b>40.28</b></u>		<u><b>77.54</b></u>		<u>1,21.71</u>		<u>40.28</u>	
		<u><b>70.81</b></u>		<u><b>86.61</b></u>		<u>1,58.81</u>		<u>70.81</u>	
9.5 Turnover:									
Class of Products:	Unit	Current Year		Previous Year					
		Quantity	Amount (Rs. in lacs)	Quantity	Amount (Rs. in lacs)				
<b>I. Manufacturing Activity:</b>									
1. Phosphorous and its Compounds:	Tonnes	<b>9,085</b>	<b>137,00.34</b>	16,663	135,03.22				
2. Chemicals:	Tonnes	<b>6,295</b>	<b>98,84.79</b>	7,891	88,66.83				
3. Organic Manure/Culture:	Tonnes	<b>5,800</b>	<b>1,73.74</b>	6,171	1,93.45				
4. Others:	Tonnes	<b>13,992</b>	<b>5,85.00</b>	23,215	5,13.50				
	KL	—	<b>0.05</b>	66	51.40				
		<u><b>243,43.92</b></u>		<u>231,28.40</u>					
<b>II. Trading Activity:</b>									
1. Bio Pesticides:	Tonnes	—	—	9	3.65				
2. Chemicals:	Tonnes	<b>51</b>	<b>2,74.66</b>	49	2,61.49				
3. Organic Manure:	Tonnes	<b>1,936</b>	<b>32.51</b>	6,801	1,02.75				
4. Others:		<u><b>4,68.81</b></u>		<u>3,15.91</u>					
		<u><b>7,75.98</b></u>		<u>6,83.80</u>					
<b>TOTAL TURNOVER:</b>		<u><b>251,19.90</b></u>		<u>238,12.20</u>					

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)						
NOTES ON ACCOUNTS						
9.6 Raw Materials Consumed (excluding captively produced and consumed):						
Sr. No.	Item:	Unit	Current Year		Previous Year	
			Quantity	Amount (Rs. in lacs)	Quantity	Amount (Rs. in lacs)
1.	Inorganic Chemicals:					
	White Phosphorus:	Tonnes	2,306	63,17.02	4,063	37,12.37
	Others:	Tonnes	8,332	9,20.89	15,592	12,27.52
2.	Metal and Metal Powder:	Tonnes	192	1,44.46	250	1,35.36
3.	Minerals:	Tonnes	4,030	10,16.42	7,725	9,45.55
4.	Organic Chemicals:					
	Others:	Tonnes	2,846	21,06.88	10,463	33,45.92
		KL	4,039	9,08.96	770	2,12.01
5.	Others:	Tonnes	2,974	9,90.48	4,603	15,05.00
			124,05.11		110,83.73	
9.7 Purchases of Traded Goods:						
Sr. No.	Class of Products:	Unit	Current Year		Previous Year	
			Quantity	Amount (Rs. in lacs)	Quantity	Amount (Rs. in lacs)
1.	Chemicals:	Tonnes	46	1,85.00	58	2,21.47
2.	Organic Manure/Culture:	Tonnes	1,936	29.03	6,228	1,06.31
3.	Others:		—	2,81.35	—	1,41.30
				4,95.38		4,69.08
9.8 Consumption of Raw Materials, Components and Spare Parts:						
			Current Year		Previous Year	
			(Rs. in lacs)	Percentage	(Rs. in lacs)	Percentage
1.	Raw Materials:					
	Imported:		74,46.66	60.03	64,58.17	58.27
	Indigenous:		49,58.45	39.97	46,25.56	41.73
			124,05.11	100.00	110,83.73	100.00
2.	Components and Spare Parts:					
	Imported:		Nil	—	Nil	—
	Indigenous:		Nil	—	Nil	—

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.) NOTES ON ACCOUNTS	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
9.9 Value of Imports on C.I.F. basis:		
1. Raw Materials	70,21.31	45,27.99
2. Components and Spare Parts*	—	—
3. Capital Goods	25.75	15.20
4. Purchase of Traded Goods	1,36.08	1,21.62
*In giving the above information, the Company has taken the view that Components and Spare Parts as referred to in Clause 4-D(a) of Part II of Schedule VI cover only such items as go directly into production and those used as spares for repairs and maintenance of Plant and Machinery.		
9.10 Expenditure in Foreign Currency (on accrual basis):	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(a) Interest	1,11.01	25.62
(b) Container Rental Charges	86.20	52.98
(c) Freight Outwards	81.37	74.68
(d) Travelling and Conveyance	30.40	0.39
(e) Discount on Sales	19.21	18.34
(f) Bank Charges	5.93	6.64
(g) Commission on Export Sales	0.48	14.31
(h) Others	8.03	28.06
9.11 Earnings in Foreign Exchange (on accrual basis):	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(a) Exports of Goods on F.O.B. basis	65,26.04	55,34.52
(b) Commission	14.68	13.31
9.12 Remittance in Foreign Currency on account of Dividend:	Current Year	Previous Year
During the year, the Company has not remitted any amount in foreign currency on account of dividend. The details of dividend remitted in foreign currency, if any, by/on behalf of non-resident shareholders are not available with the Company. The details of dividend paid in respect of shares held by non-residents on repatriation basis are as under:		
(a) Number of Non-resident shareholders	118	83
(b) Number of Equity Shares held by them	57,897	42,192
(c) (i) Amount of dividend paid (Rs. in lacs)	0.58	0.21
(ii) Year to which dividend relates	2007-08	2006-07
10. Research and Development costs, as certified by the Management, debited to the Profit and Loss Account are as under:	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(a) Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	1,22.78	1,57.23
(b) Depreciation on Research and Development Equipment	37.95	13.02
	<b>1,60.73</b>	<b>1,70.25</b>
11. (Short)/Excess Accruals written back (Net) comprises of the following:	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(1) Raw Materials	(0.72)	(3.05)
(2) Export Incentives	5.17	0.67
(3) Excise Duty	0.04	2.73
(4) Depreciation	0.46	(0.22)
(5) Personnel Expenses	(3.22)	(33.13)
(6) Discount	82.38	—
(7) Others	2.76	7.87
	<b>86.87</b>	<b>(25.13)</b>

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.) NOTES ON ACCOUNTS	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
12. Break up of Deferred Tax Assets and Deferred Tax Liabilities:		
(a) Deferred Tax Assets		
(i) Liabilities Allowable on Payment basis	2,24.32	1,74.75
(ii) Provision for Doubtful Debts/Advances	3,52.41	1,27.63
(iii) Unabsorbed Business Loss	—	84.37
(iv) Unabsorbed Depreciation	2,37.99	4,46.73
(v) Unabsorbed Capital Loss	7.88	44.68
(vi) Others	43.12	—
	<b>8,65.72</b>	<b>8,78.16</b>
(b) Deferred Tax Liabilities		
(i) Depreciation	18,84.94	18,69.74
(ii) Others	—	2.12
	<b>18,84.94</b>	<b>18,71.86</b>
<p>The Company has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised. Further, unabsorbed capital loss has been recognised since the Company is in process of completing the transfer of capital assets which will result in capital gains. (Also refer Note No. 8 above)</p>		
	<b>Current Year (Rs. in lacs)</b>	Previous Year (Rs. in lacs)
13. Earning Per Share:		
(1) Profit after taxation	81.06	4,21.73
Add/(Less): Prior Period Adjustments (Net)	(30.34)	(29.26)
Add: Excess provision for taxation for earlier years	(6.57)	2.76
Profit attributable to Equity Shareholders (A)	<b>44.15</b>	3,95.23
	<b>Nos.</b>	Nos.
(2) Weighted average number of Equity Shares outstanding (B)	<b>10905630</b>	10905630
	<b>Rupees</b>	Rupees
(3) Earning per Share (A)/(B): (Basic and Diluted)	<b>0.40</b>	3.62
(4) Nominal Value of Equity Share:	<b>5.00</b>	5.00
14. Details of Employee Benefits – Gratuity:		
(I) Defined Benefit Plans		
<p>The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service then instead of 15 days, he/she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.</p>		
(a) The amounts recognised in the statement of Profit and Loss Account are as follows:		
Defined Benefit Plan	<b>Current Year Gratuity (Rs. in lacs)</b>	Previous Year Gratuity (Rs. in lacs)
Current Service cost	63.98	61.77
Interest cost on benefit obligation	85.75	76.58
Expected return on plan assets	(78.46)	(69.75)
Net actuarial (gain)/loss recognised during the year	<b>1,28.64</b>	1,34.42
Amount included under the head personnel expenses in Schedule 'Q' Manufacturing and Other Expenses.	<b>1,99.91</b>	2,03.02
Actual return on plan assets	<b>76.77</b>	69.75

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON ACCOUNTS

(b) The amounts recognised in the Balance Sheet are as follows:

	<b>As at 31st March, 2009 Defined Benefit Plan-Gratuity (Funded) (Rs. in lacs)</b>	<b>As at 31st March, 2008 Defined Benefit Plan-Gratuity (Funded) (Rs. in lacs)</b>
Present value of funded obligation	12,98.21	11,43.33
Less: Fair value of plan assets	9,62.65	8,57.68
Net Liability included under the head Provision for Gratuity, in Schedule 'N' – Provisions	<b>3,35.56</b>	<b>2,85.65</b>

(c) Changes in the present value of the defined benefit obligation:

	<b>As at 31st March, 2009 Gratuity (Rs. in lacs)</b>	<b>As at 31st March, 2008 Gratuity (Rs. in lacs)</b>
Opening defined benefit obligation	11,43.33	9,63.12
Interest cost	85.75	76.58
Current service cost	63.98	61.77
Benefits paid	(1,18.28)	(92.37)
Actuarial (gains)/loss on obligation	1,23.43	1,34.23
Closing defined benefit obligation	<b>12,98.21</b>	<b>11,43.33</b>

(d) Changes in the fair value of plan assets are as follows:

	<b>As at 31st March, 2009 Gratuity (Rs. in lacs)</b>	<b>As at 31st March, 2008 Gratuity (Rs. in lacs)</b>
Opening fair value of plan assets	8,57.68	7,85.49
Expected return	78.46	69.75
Contributions made by employer during the year	1,50.00	95.00
Benefits paid	(1,18.28)	(92.37)
Actuarial gains/(loss)	(5.21)	(0.19)
Closing fair value of plan assets	<b>9,62.65</b>	<b>8,57.68</b>

(e) Expected contribution to defined benefit plan for the year 2009-10

<b>Gratuity (Rs. in lacs)</b>	<b>Gratuity (Rs. in lacs)</b>
<b>2,25.00</b>	<b>1,75.00</b>

(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	<b>Current Year</b>	<b>Previous Year</b>
Insurer Managed Funds (Life Insurance Corporation of India)	84.00%	83.00%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	16.00%	17.00%
	<b>100.00%</b>	<b>100.00%</b>

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

(g) The principal actuarial assumptions at the Balance Sheet date.

	<b>Gratuity Current Year</b>	<b>Gratuity Previous Year</b>
Discount rate	7.5%	8%
Expected rate of return on plan assets	9%	8%
Expected rate of salary increase	5%	5%
Mortality table	<b>LIC (1994-96) Ultimate</b>	<b>LIC (1994-96) Ultimate</b>
Proportion of employees opting for early retirement	<b>5% to 1%</b>	<b>5% to 1%</b>

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
2. The disclosure in respect of status of defined benefit obligation of the previous three years has not been provided as the Company has adopted revised AS-15 in the previous financial year.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON ACCOUNTS

(h) Experience adjustments for current and previous year for gratuity	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
On plan assets	Nil	Nil
On plan liabilities	Nil	Nil
(II) Defined Contribution Plans		
— Provident Fund is a defined contribution scheme established under a State Plan.		
— Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.		
Defined Contribution Plan	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Provident Fund	1,78.93	1,62.93
Superannuation Fund	59.38	53.86

15. Segment Information

1. Information About Primary Business Segments:

Particulars	Current Year (Rs. in lacs)			Previous Year (Rs. in lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
<b>REVENUE:</b>						
External Revenue:	238,28.79	7,82.13	246,10.92	221,01.18	8,12.33	229,13.51
Un-allocated revenue :			3,51.83			2,11.04
Total Revenue:			249,62.75			231,24.55
<b>RESULT:</b>						
Segment result:	24,98.41	5.98	25,04.39	25,68.14	(3,70.13)	21,98.01
Un-allocated expenditure net of un-allocated income:			14,36.27			6,07.61
Interest Expenses:			9,61.38			10,26.16
Profit before taxation but after prior period adjustments:			1,06.74			5,64.24
Provision for Taxation:						
Current			7.00			60.00
Minimum Alternative Tax Entitlement			(7.00)			(60.00)
Wealth Tax			2.00			2.00
Deferred			25.52			1,39.77
Fringe Benefit Tax			28.50			30.00
Profit/(Loss) after tax:			50.72			3,92.47
<b>OTHER INFORMATION:</b>						
Segment Assets:	193,78.88	8,57.65	202,36.53	192,58.67	19,64.33	212,23.00
Un-allocated Assets:			30,91.10			29,33.45
Total Assets:			233,27.63			241,56.45
Segment Liabilities:	(53,95.09)	(74.54)	(54,69.63)	(57,81.37)	(2,60.54)	(60,41.91)
Un-allocated Liabilities:			(81,20.96)			(82,94.05)
Total Liabilities:			(135,90.59)			(143,35.96)
Segment Capital expenditure:	8,25.30	27.05	8,52.35	17,17.16	12.80	17,29.96
Un-allocated Capital expenditure:			34.20			2,54.33
Segment Depreciation and Amortisation:	8,51.60	42.94	8,94.54	8,36.53	46.97	8,83.50
Un-allocated Depreciation and Amortisation:			1,08.37			67.97
Segment Non-cash expenses other than Depreciation and Amortisation:	1,20.47	—	1,20.47	67.81	1,01.95	1,69.76
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			6,25.29			1.26

2. Information About Secondary Business Segments:

	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:	183,20.77	66,41.98	249,62.75	174,28.26	56,96.29	231,24.55
Carrying amount of Assets:	214,90.30	18,37.33	233,27.63	236,54.15	5,02.30	241,56.45
Capital Expenditure:	8,86.55	—	8,86.55	19,84.29	—	19,84.29

3. Notes:

- The Company is organised into two business segments namely:
  - Chemicals – Comprising of Industrial and Speciality Chemicals and Pesticides Intermediates.
  - Environment – Comprising of Soil enricher, Bio - pesticides and other Bio products.
- Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.
- Segment Revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

### NOTES ON ACCOUNTS

16. Related Party disclosures as required by Accounting Standard (AS) - 18 "Related Party Disclosures", issued by The Institute of Chartered Accountants of India, are given below:

**(a) Relationships:**

**1. Subsidiary Company:**

Kamalijot Investments Limited

**2. Associate Companies:**

Transmetal Limited  
RomVijay Bioo Tech Private Limited

**3. Joint Venture Company:**

Wexsam Limited, Hong Kong

**4. Enterprises over which Key Management Personnel and their relatives have significant influence:**

Agrocel Industries Limited  
Anshul Specialty Molecules Limited  
C. C. Shroff Research Institute  
C. C. Shroff Self Help Centre  
Dipkanti Investments & Financing Private Limited  
Excel Crop Care Limited  
Excel Industries - Europe NV  
Good Rasayan Limited  
Hyderabad Chemical Supplies Limited  
Hyderabad Chemical Products Limited  
Mumukshu Finance & Services Private Limited  
Pritami Investments Private Limited  
Samarth Gram Vikas Trust  
Shrodip Investments Private Limited  
Shroff Family Charitable Trust  
Shroff Foundation Trust  
Shrujan  
Transpek Industry Limited  
Utkarsh Chemicals Private Limited  
Parul Chemicals Limited  
Vivekanand Research & Training Institute

**5. Key Management Personnel and their Relatives:**

**(a) Key Management Personnel:**

Shri G. Narayana  
Shri Ashwin C. Shroff  
Shri Dipesh K. Shroff  
Shri Atul G. Shroff  
Smt. Usha A. Shroff  
Shri S. R. Potdar

**(b) Relatives:**

Shri Kantisen C. Shroff  
(Late) Smt. Shanti Govindji Shroff  
Smt. Shruti Atul Shroff  
Kum. Vishwa Atul Shroff  
Smt. Chetna Praful Saraiya  
Shri Praful Manilal Saraiya  
Smt. Hiral Tushar Dayal  
Shri Tushar Charandas Dayal  
Smt. Chanda Kantisen Shroff  
Smt. Preeti Dipesh Shroff  
Smt. Anshul Amrish Bhatia  
Shri Ravi Ashwin Shroff  
Shri Hrishit Ashwin Shroff  
Shri Dilip G. Bhatia  
Shri Pradeep Gattu

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'—(Contd.)

NOTES ON ACCOUNTS

(b) The following transactions were carried out with the related parties in the course of business:

(Rs. in lacs)

Sr. No.	Nature of Transactions	Subsidiary Company	Associate Companies	Other Enterprises	Key Mgmt. Personnel	Relatives of Key Mgmt. Personnel	Total
<b>(1)</b>	<b>INCOME</b>						
<b>(a)</b>	<b>Sales</b>						
	Excel Crop Care Limited	— (—)	— (—)	29,45.30 (29,98.69)	— (—)	— (—)	29,45.30 (29,98.69)
	Others	— (—)	1,47.54 (0.10)	2,69.57 (2,14.98)	— (—)	— (—)	4,17.11 (2,15.08)
	<b>Total</b>	— (—)	1,47.54 (0.10)	32,14.87 (32,13.67)	— (—)	— (—)	33,62.41 (32,13.77)
<b>(b)</b>	<b>Rent</b>						
	Excel Crop Care Limited	— (—)	— (—)	99.00 (1,06.20)	— (—)	— (—)	99.00 (1,06.20)
	<b>Total</b>	— (—)	— (—)	99.00 (1,06.20)	— (—)	— (—)	99.00 (1,06.20)
<b>(c)</b>	<b>Processing Charges</b>						
	Excel Crop Care Limited	— (—)	— (—)	9,20.19 (7,69.82)	— (—)	— (—)	9,20.19 (7,69.82)
	<b>Total</b>	— (—)	— (—)	9,20.19 (7,69.82)	— (—)	— (—)	9,20.19 (7,69.82)
<b>(d)</b>	<b>Royalty</b>						
	Excel Crop Care Limited	— (—)	— (—)	69.99 (57.14)	— (—)	— (—)	69.99 (57.14)
	<b>Total</b>	— (—)	— (—)	69.99 (57.14)	— (—)	— (—)	69.99 (57.14)
<b>(e)</b>	<b>Dividend Received</b>						
	Transmetal Limited	— (—)	10.67 (13.33)	— (—)	— (—)	— (—)	10.67 (13.33)
	Transpek-Silox Industry Limited	— (—)	— (—)	74.72 (48.03)	— (—)	— (—)	74.72 (48.03)
	Others	— (—)	— (—)	5.00 (3.75)	— (—)	— (—)	5.00 (3.75)
	<b>Total</b>	— (—)	10.67 (13.33)	79.72 (51.78)	— (—)	— (—)	90.39 (65.11)
<b>(f)</b>	<b>Reimbursement of expense/salary incurred on behalf</b>						
	Excel Crop Care Limited	— (—)	— (—)	25.78 (26.00)	— (—)	— (—)	25.78 (26.00)
	<b>Total</b>	— (—)	— (—)	25.78 (26.00)	— (—)	— (—)	25.78 (26.00)

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

NOTES ON ACCOUNTS

(Rs. in lacs)

Sr. No.	Nature of Transactions	Subsidiary Company	Associate Companies	Other Enterprises	Key Mgmt. Personnel	Relatives of Key Mgmt. Personnel	Total
<b>(2)</b>	<b>EXPENSES</b>						
<b>(a)</b>	<b>Purchase of Goods/others</b>						
	Excel Crop Care Limited	— (—)	— (—)	2,48.15 (—)	— (—)	— (—)	2,48.15 (—)
	Anshul Specialty Molecules Limited	— (—)	— (—)	1,04.35 (2.00)	— (—)	— (—)	1,04.35 (2.00)
	Others	— (—)	— (—)	2.57 (1.80)	— (—)	— (—)	2.57 (1.80)
	<b>Total</b>	— (—)	— (—)	<b>3,55.07</b> (3.80)	— (—)	— (—)	<b>3,55.07</b> (3.80)
<b>(b)</b>	<b>Processing Charges</b>						
	Good Rasayan Limited	— (—)	— (—)	36.36 (33.36)	— (—)	— (—)	36.36 (33.36)
	<b>Total</b>	— (—)	— (—)	<b>36.36</b> (33.36)	— (—)	— (—)	<b>36.36</b> (33.36)
<b>(c)</b>	<b>Remuneration</b>						
	Shri Ashwin C. Shroff	— (—)	— (—)	— (—)	25.86 (25.16)	— (—)	25.86 (25.16)
	Smt. Usha A. Shroff	— (—)	— (—)	— (—)	25.86 (4.83)	— (—)	25.86 (4.83)
	Shri S. R. Potdar	— (—)	— (—)	— (—)	31.39 (24.00)	— (—)	31.39 (24.00)
	Shri Pradeep Ghattu	— (—)	— (—)	— (—)	— (—)	7.31 (9.11)	7.31 (9.11)
	<b>Total</b>	— (—)	— (—)	— (—)	<b>83.11</b> (53.99)	<b>7.31</b> (9.11)	<b>90.42</b> (63.10)
<b>(d)</b>	<b>Directors' Sitting Fees</b>						
	Dipesh K. Shroff	— (—)	— (—)	— (—)	0.30 (0.31)	— (—)	0.30 (0.31)
	Usha A. Shroff	— (—)	— (—)	— (—)	— (0.05)	— (—)	— (0.05)
	Atul G. Shroff	— (—)	— (—)	— (—)	0.15 (0.08)	— (—)	0.15 (0.08)
	<b>Total</b>	— (—)	— (—)	— (—)	<b>0.45</b> (0.44)	— (—)	<b>0.45</b> (0.44)
<b>(e)</b>	<b>Charity &amp; Donation</b>						
	Shrujan	— (—)	— (—)	— (5.00)	— (—)	— (—)	— (5.00)
	Samarth Gram Vikas Trust	— (—)	— (—)	— (1.00)	— (—)	— (—)	— (1.00)
	<b>Total</b>	— (—)	— (—)	— (6.00)	— (—)	— (—)	— (6.00)
<b>(f)</b>	<b>Retirement Benefits</b>						
	Shri K. C. Shroff	— (—)	— (—)	— (—)	— (—)	3.60 (3.60)	3.60 (3.60)
	Shri G. Narayana	— (—)	— (—)	— (—)	16.26 (16.55)	— (—)	16.26 (16.55)
	<b>Total</b>	— (—)	— (—)	— (—)	<b>16.26</b> (16.55)	<b>3.60</b> (3.60)	<b>19.86</b> (20.15)

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

NOTES ON ACCOUNTS

(Rs. in lacs)

Sr. No.	Nature of Transactions	Subsidiary Company	Associate Companies	Other Enterprises	Key Mgmt. Personnel	Relatives of Key Mgmt. Personnel	Total
<b>3.</b>	<b>FINANCE/OTHERS</b>						
<b>(a)</b>	<b>Loans/Advance given</b>						
	Kamaljiyot Investments Limited	56.00	—	—	—	—	56.00
		(—)	(—)	(—)	(—)	(—)	(—)
	<b>Total</b>	56.00	—	—	—	—	56.00
		(—)	(—)	(—)	(—)	(—)	(—)
<b>(b)</b>	<b>Dividend Paid</b>						
	Ashwin C. Shroff	—	—	—	0.86	—	0.86
		(—)	(—)	(—)	(0.43)	(—)	(0.43)
	Atul G. Shroff	—	—	—	0.59	—	0.59
		(—)	(—)	(—)	(0.29)	(—)	(0.29)
	Kantisen C. Shroff	—	—	—	—	0.53	0.53
		(—)	(—)	(—)	(—)	(0.27)	(0.27)
	Ravi A. Shroff	—	—	—	—	0.56	0.56
		(—)	(—)	(—)	(—)	(0.28)	(0.28)
	Dilip G. Bhatia	—	—	—	—	1.04	1.04
		(—)	(—)	(—)	(—)	(0.48)	(0.48)
	Anshul Specialty Molecules Limited	—	—	18.90	—	—	18.90
		(—)	(—)	(9.45)	(—)	(—)	(9.45)
	Utkarsh Chemicals Private Limited	—	—	10.34	—	—	10.34
		(—)	(—)	(3.88)	(—)	(—)	(3.88)
	Others	—	0.32	6.27	0.17	1.54	8.30
		(—)	(0.16)	(3.18)	(0.09)	(0.74)	(4.17)
	<b>Total</b>	—	0.32	35.51	1.62	3.67	41.12
		(—)	(0.16)	(16.51)	(0.81)	(1.77)	(19.25)
<b>(c)</b>	<b>Transfer of Book Debts</b>						
	Excel Crop Care Limited	—	—	—	—	—	—
		(—)	(—)	(2,69.16)	(—)	(—)	(2,69.16)
	<b>Total</b>	—	—	—	—	—	—
		(—)	(—)	(2,69.16)	(—)	(—)	(2,69.16)
<b>(d)</b>	<b>Sale of Fixed Assets</b>						
	Excel Crop Care Limited	—	—	2.94	—	—	2.94
		(—)	(—)	(—)	(—)	(—)	(—)
	<b>Total</b>	—	—	2.94	—	—	2.94
		(—)	(—)	(—)	(—)	(—)	(—)
<b>4.</b>	<b>OUTSTANDINGS AS AT THE BALANCE SHEET DATE</b>						
<b>(a)</b>	<b>Amounts Receivable/Recoverable in kind (Net)</b>						
	Excel Crop Care Limited	—	—	7,68.03	—	—	7,68.03
		(—)	(—)	(11,73.87)	(—)	(—)	(11,73.87)
	Others	—	52.35	77.48	—	—	1,29.83
		(—)	(0.10)	(1,25.84)	(—)	(—)	(1,25.94)
	<b>Total</b>	—	52.35	8,45.51	—	—	8,97.86
		(—)	(0.10)	(12,99.71)	(—)	(—)	(12,99.81)

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

NOTES ON ACCOUNTS

(Rs. in lacs)

Sr. No.	Nature of Transactions	Subsidiary Company	Associate Companies	Other Enterprises	Key Mgmt. Personnel	Relatives of Key Mgmt. Personnel	Total
<b>(b)</b>	<b>Advance/Loans Recoverable</b>						
	Kamaljyot Investments Limited	2,15.00 (1,59.00)	— (—)	— (—)	— (—)	— (—)	2,15.00 (1,59.00)
	<b>Total</b>	<b>2,15.00</b> (1,59.00)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (—)	<b>2,15.00</b> (1,59.00)
<b>(c)</b>	<b>Amount Payable (Net)</b>						
	Anshul Specialty Molecules Limited	— (—)	— (—)	3.51 (—)	— (—)	— (—)	3.51 (—)
	Good Rasayan Limited	— (—)	— (—)	21.51 (8.74)	— (—)	— (—)	21.51 (8.74)
	Agrocel Industries Limited	— (—)	— (—)	7.52 (18.86)	— (—)	— (—)	7.52 (18.86)
	Others	— (—)	— (—)	0.12 (0.88)	— (—)	— (—)	0.12 (0.88)
	<b>Total</b>	<b>—</b> (—)	<b>—</b> (—)	<b>32.66</b> (28.48)	<b>—</b> (—)	<b>—</b> (—)	<b>32.66</b> (28.48)
<b>5.</b>	<b>GUARANTEE GIVEN IN RESPECT OF LOANS TAKEN BY THIRD PARTY</b>						
<b>(a)</b>	<b>Amount of Guarantee</b>						
	Excel Crop Care Limited	— (—)	— (—)	— (83,79.00)	— (—)	— (—)	— (83,79.00)
	<b>Total</b>	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (83,79.00)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (83,79.00)
<b>(b)</b>	<b>Balance as on Date of Balance Sheet</b>						
	Excel Crop Care Limited	— (—)	— (—)	— (65,77.36)	— (—)	— (—)	— (65,77.36)
	<b>Total</b>	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (65,77.36)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (65,77.36)
<b>6</b>	<b>GUARANTEE GIVEN BY THIRD PARTY IN RESPECT OF LOANS TAKEN BY THE COMPANY</b>						
<b>(a)</b>	<b>Amount of Guarantee</b>						
	Excel Crop Care Limited	— (—)	— (—)	— (75,00.00)	— (—)	— (—)	— (75,00.00)
	<b>Total</b>	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (75,00.00)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (75,00.00)
<b>(b)</b>	<b>Balance as on Date of Balance Sheet</b>						
	Excel Crop Care Limited	— (—)	— (—)	— (50,97.66)	— (—)	— (—)	— (50,97.66)
	<b>Total</b>	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (50,97.66)	<b>—</b> (—)	<b>—</b> (—)	<b>—</b> (50,97.66)

(Figures in brackets relate to the Previous Year)

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T'— (Contd.)

### NOTES ON ACCOUNTS

17. Foreign exchange derivatives and exposures outstanding as at the Balance Sheet date:

Nature of Instrument	Currency	As at March	As at March	As at March	As at March
		31, 2009	31, 2009	31, 2008	31, 2008
		(in Rs. lacs)	Foreign Currency Value (in lacs)	(in Rs. lacs)	Foreign Currency Value (in lacs)
(a) Forward contract – Buy for Hedging Purpose	USD	—	8.76	—	—
(b) Un-hedged Foreign Currency Exposure on:					
(i) Payables	GBP	21.34	0.30	25.69	0.32
	USD	5,24.50	10.29	7,16.13	18.43
	AUSD	—	—	4.87	0.13
(ii) Receivables	EUR	1,34.24	1.99	1,36.91	2.17
	USD	16,84.08	33.09	3,50.52	8.80
(iii) Loans	USD	9,09.38	17.84	4,81.80	12.09
(iv) Interest/Other Expenses	USD	—	—	35.65	0.89
(v) Bank Balances	USD	19.01	0.37	14.87	0.37

18. Excise duty on sales amounting to **Rs. 20,00.78 lacs** (Previous Year: Rs 22,47.40 lacs) has been reduced from sales in Profit & Loss Account and excise duty on increase/decrease in stock amounting to **Rs. 41.15 lacs** (Previous Year: Rs 45.37 lacs) has been considered as expense in Schedule 'Q'.

19. The Company's proportionate interest in jointly controlled entity is as under:

Name of the entity	Wexsam Limited	
	As at March 31, 2009 (in lacs)	As at March 31, 2008 (in lacs)
Country of Incorporation	Hong Kong	
Percentage Ownership interest	33.33%	
Assets	*	18.96
Liabilities	*	0.30
Income	*	0.05
Expenses	*	1.48

\* In respect of Wexsam Limited, Hong Kong, the accounts for the year ending March 31 2009 are under preparation and accordingly, the proportionate interest of the Company in the said jointly controlled entity has not been disclosed.

20. Details of Loan given to Subsidiary Company:

	<b>As at March 31, 2009 (in lacs)</b>
<b>Kamaljiyot Investments Limited</b>	<b>2,15.00</b>
Balance as at 31st March, 2009	
(Previous Year: Rs. 1,59 lacs)	
Maximum amount outstanding during the year <b>Rs. 2,15 lacs</b> (Previous Year: Rs. 1,59 lacs)	
There is no repayment schedule in respect of this loan.	

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON ACCOUNTS

21. Operating Leases

Office premises and godowns are obtained on operating leases for various tenors. None of the operating leases are renewable. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
(i) Lease payments for the year	18.83	21.95
(ii) Sub-lease payments received during the year	Nil	Nil
(iii) Minimum lease payments as at 31st March		
(a) Not later than one year	8.13	13.11
(b) Later than one year but not later than five years	14.52	6.54
(c) Later than five years	Nil	Nil

The company has leased out its office premises and other assets on operating leases for various tenors. There is no escalation clause in the lease agreements/arrangements. There are no restrictions imposed by lease agreements/arrangements.

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
There are no uncollectible minimum lease payments receivable at the Balance Sheet date. (Previous Year: Nil)		
Future Minimum Lease payments		
(a) Not later than one year	91.80	99.00
(b) Later than one year but not later than five years	3,67.20	3,96.00
(c) Later than five years	Nil	Nil

22. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants.

per SUDHIR SONI  
Partner  
Membership No. 41870

Place : Mumbai,  
Date : 28th May, 2009

A. C. SHROFF  
Chairman & Managing Director

S. R. POTDAR  
Executive Director

Place : Mumbai,  
Date : 28th May, 2009

U. A. SHROFF  
Executive Vice Chairperson

KAILAS DABHOLKAR  
Vice President-Finance  
and Taxation

V. K. PARMAR  
Secretary

# EXCEL INDUSTRIES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:		
(a) Registration No.:		11807
(b) State Code:		11
(c) Balance Sheet Date:		31-03-2009
II. Capital raised during the year:		(Rs. in Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds:		(Rs. in Thousands)
--	--	--------------------

(a) Total Liabilities	1,821,596
(b) Total Assets	1,821,596
(c) Sources of Funds:	
(i) Paid-up Capital	54,528
(ii) Reserves and Surplus	912,796
(iii) Secured Loans	478,475
(iv) Unsecured Loans and Deferred Payment Liabilities	273,875
(v) Deferred Tax Liability (Net)	101,922
(d) Application of Funds:	
(i) Net Fixed Assets	1,065,045
(ii) Intangible Assets	13,211
(iii) Investments	99,749
(iv) Net Current Assets	643,591
(v) Miscellaneous Expenditure	Nil
(vi) Accumulated Losses	Nil

IV. Performance of the Company:	
(a) Turnover (Gross Revenue)	2,496,275
(b) Total Expenditure	2,482,567
(c) Profit Before Tax	13,708
(d) Profit After Tax	8,106
(e) Earning Per Share: (Rs.)	0.40
(f) Dividend Rate %	10%

V. Generic names of Three Principal Products:

I.T.C. Code	Name of the Product
(i) 2920.90.90	DIETHYL THIO PHOSPHORYL CHLORIDE
(ii) 2813.90.90	PHOSPHOROUS PENTASULPHIDE
(iii) 2942.00.90	HYDROXY ETHYLENE DIPHOSPHONIC ACID

A. C. SHROFF <i>Chairman &amp; Managing Director</i>	U. A. SHROFF <i>Executive Vice Chairperson</i>
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S. R. POTDAR <i>Executive Director</i>	KAILAS DABHOLKAR <i>Vice President-Finance and Taxation</i>	V. K. PARMAR <i>Secretary</i>
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Place : Mumbai,  
Date : 28th May, 2009

# EXCEL INDUSTRIES LIMITED

## AUDITORS' REPORT

TO,  
THE BOARD OF DIRECTORS,  
EXCEL INDUSTRIES LIMITED

1. We have audited the attached consolidated balance sheet of Excel Industries Group, as at March 31, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Excel Industries' management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 18.96 lacs as at March 31, 2008, the total revenue of Rs. 0.05 lac for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Excel Industries' management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, *except for our comments in paragraph 5 below.*
5. *Effect of investment in associate companies on the financial position and operating results of the Group, as required by Accounting Standard (AS) 23, 'Accounting for Investment in Associates in Consolidated Financial Statement' and effect of proportionate interest in Jointly Controlled Entity on the financial position and operating results of the Group, as required by AS 27 – 'Financial Reporting of Interests in Joint Ventures' have not been considered in the consolidated financial statements. (Refer Note No. 1(d) and 6 in Schedule 'T'). We are unable to comment on the impact if the non-inclusion of effect of investment in associate companies and proportionate interest in joint venture on the financial statement and operating results of the group. Our audit report on the consolidated financial statement for the year ended March 31, 2008 was qualified in respect of effect of investment in associate companies on the financial statement and operating results of the group.*
6. *Except for the matter stated in paragraph 5 above, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our*

information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Excel Industries' Group as at March 31, 2009;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S. V. GHATALIA & ASSOCIATES,  
*Chartered Accountants*

per SUDHIR SONI  
*Partner*  
Membership No. 41870

*Mumbai,*  
*28th May, 2009*

# EXCEL INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>SOURCES OF FUNDS</b>				
1. SHAREHOLDERS' FUNDS:				
(a) Capital	'A'	5,45.28		5,45.28
(b) Reserves and Surplus	'B'	91,87.22		92,31.04
			<b>97,32.50</b>	<b>97,76.32</b>
2. LOAN FUNDS:				
(a) Secured Loans	'C'	47,84.75		56,33.22
(b) Unsecured Loans	'D'	27,38.75		17,25.63
			<b>75,23.50</b>	<b>73,58.85</b>
3. DEFERRED TAX LIABILITY (NET) (Refer Note No. 16 of Schedule 'T')			<b>10,19.29</b>	9.93.79
<b>TOTAL</b>			<b>182,75.29</b>	<b>181,28.96</b>
<b>APPLICATION OF FUNDS</b>				
1. FIXED ASSETS:	'E'			
(a) Gross Block		214,76.56		207,24.21
(b) Less: Depreciation		109,45.93		100,66.49
(c) Net Block		105,30.63		106,57.72
(d) Capital Work-in-Progress		1,22.06		3,20.54
			<b>106,52.69</b>	<b>109,78.26</b>
2. INTANGIBLE ASSETS	'F'		<b>1,32.11</b>	1,94.75
3. INVESTMENTS	'G'		<b>12,55.38</b>	14,11.33
4. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	'H'	36,18.27		32,58.31
(b) Sundry Debtors	'I'	55,55.91		63,75.75
(c) Cash and Bank Balances	'J'	1,88.94		1,56.01
(d) Interest accrued and due		1.51		5.97
(e) Other Current Assets	'K'	4,03.58		4,12.94
(f) Loans and Advances	'L'	15,97.49		14,45.87
		<b>113,65.70</b>		<b>116,54.85</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS:</b>				
(a) Liabilities	'M'	40,20.13		49,60.25
(b) Provisions	'N'	11,10.46		11,49.98
		<b>51,30.59</b>		<b>61,10.23</b>
<b>NET CURRENT ASSETS</b>			<b>62,35.11</b>	<b>55,44.62</b>
<b>TOTAL</b>			<b>182,75.29</b>	<b>181,28.96</b>
NOTES ON ACCOUNTS	'T'			
<p>The schedules referred to above and notes to accounts form an integral part of the Balance Sheet. As per our report of even date.</p> <p>For S. V. GHATALIA &amp; ASSOCIATES, <i>Chartered Accountants.</i></p> <p>per SUDHIR SONI <i>Partner</i> Membership No. 41870</p> <p style="text-align: center;">A. C. SHROFF <i>Chairman &amp; Managing Director</i></p> <p style="text-align: center;">S. R. POTDAR <i>Executive Director</i></p> <p style="text-align: center;">U. A. SHROFF <i>Executive Vice Chairperson</i></p> <p style="text-align: center;">KAILAS DABHOLKAR <i>Vice President-Finance and Taxation</i></p> <p style="text-align: right;">V. K. PARMAR <i>Secretary</i></p> <p>Place : Mumbai, Date : 28th May, 2009</p> <p style="text-align: center;">Place : Mumbai, Date : 28th May, 2009</p>				

# EXCEL INDUSTRIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>INCOME</b>				
Sale of Products		251,19.90		238,12.20
Less : Excise Duty		20,00.78		22,47.40
			<b>231,19.12</b>	215,64.80
Processing Charges			9,63.29	9,21.74
Other Income from Operations	'O'		6,40.80	4,16.18
Other Income	'P'		2,47.19	2,35.85
			<b>249,70.40</b>	231,38.57
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	'Q'	232,71.84		205,09.91
(Increase)/Decrease in Stocks	'R'	(3,71.10)		49.99
Depreciation/Amortisation		10,02.99		9,52.55
Interest	'S'	9,61.38		10,26.16
			<b>248,65.11</b>	225,38.61
<b>PROFIT BEFORE TAXATION</b>				
			<b>1,05.29</b>	5,99.96
Less : Provision for Taxation:				
Current Tax		7.40		61.20
Minimum Alternative Tax Entitlement		(7.00)		(60.00)
Wealth tax		2.00		2.00
Deferred Tax		25.52		1,39.78
Fringe Benefit Tax		28.50		30.00
			<b>56.42</b>	1,72.98
<b>PROFIT AFTER TAXATION BUT BEFORE PRIOR PERIOD ADJUSTMENTS</b>				
			<b>48.87</b>	4,26.98
Add/(Less):				
(a) Prior Period Adjustments (Net)		(30.34)		(29.26)
(b) (Short)/Excess Provision for Taxation for earlier years		(6.57)		3.23
(c) Share of Loss in Associate Company		(0.59)		—
(d) Debenture Redemption Reserve written back		—		64.67
			<b>(37.50)</b>	38.64
<b>NET PROFIT</b>				
			<b>11.37</b>	4,65.62
Balance brought forward from previous year		12,69.25		12,31.23
Less: Reduction in Reserves on non-consideration of proportionate interest in Joint Venture		(5.83)		
			<b>12,75.08</b>	
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>				
			<b>12,86.45</b>	16,96.85
Less: Appropriations				
(a) Proposed Dividend		54.53		1,09.06
(b) Tax on Distributed Profits		9.27		18.54
(c) Transfer to General Reserve		1,00.00		3,00.00
			<b>1,63.80</b>	4,27.60
Balance carried to Balance Sheet			<b>11,22.65</b>	12,69.25
<b>EARNING PER SHARE</b>				
Consolidated Basic and Diluted Earning Per Share (Refer Note No. 13 in Schedule 'T')			<b>0.10</b>	3.68
Face Value per share (Rs.)			<b>5.00</b>	5.00
<b>NOTES ON ACCOUNTS</b>				
The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account. As per our report of even date.				
For S. V. GHATALIA & ASSOCIATES, Chartered Accountants.				
per SUDHIR SONI Partner Membership No. 41870		A. C. SHROFF Chairman & Managing Director	U. A. SHROFF Executive Vice Chairperson	V. K. PARMAR Secretary
		S. R. POTDAR Executive Director	KAILAS DABHOLKAR Vice President-Finance and Taxation	
Place : Mumbai, Date : 28th May, 2009		Place : Mumbai, Date : 28th May, 2009		

# EXCEL INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	(Rs. in lacs)	For the year ended 31st March, 2009 (Rs. in lacs)	(Rs. in lacs)	For the year ended 31st March, 2008 (Rs. in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extraordinary Items		<b>1,05.29</b>		5,99.96
Adjustments for :				
Depreciation/Amortisation of Intangible Assets	<b>10,02.99</b>		9,52.55	
Sundry Debit Balances Written Off	—		3.00	
Loss/(Profit) on sale of Fixed Assets	<b>19.00</b>		(1.30)	
Loss/(Profit) on sale of Investments	<b>63.97</b>		(2.08)	
Contribution/Provision for Gratuity/Leave Encashments	<b>3,72.86</b>		2,60.71	
Assets written off	<b>20.47</b>		18.39	
Provision for Doubtful Debts	<b>6,61.32</b>		1,52.63	
Sundry Credit Balances written back	<b>(23.13)</b>		(3.00)	
Provision for Diminution in value of long-term investments (Net)	<b>65.49</b>		4.66	
Provision for Diminution in value of investments written back	<b>(63.97)</b>		—	
Interest received	<b>(19.14)</b>		(37.01)	
Dividend Received	<b>(1,22.13)</b>		(84.71)	
Manufacturing Expenses Capitalised	<b>(69.87)</b>		(3,91.72)	
Interest paid	<b>9,61.38</b>		10,26.16	
Exchange Difference relating to Investing/Financing activities	<b>(1,62.28)</b>		(19.40)	
Exchange Difference relating to Foreign Currency Translation Reserve	<b>(2.78)</b>		(1.61)	
Reduction in Reserves on non-consideration of interest in Joint Venture	<b>5.83</b>		—	
Share of Loss in Associate Company	<b>0.59</b>		—	
Excess Provision for depreciation	<b>(0.46)</b>		(0.08)	
Short Provision for depreciation	—		0.30	
Short/(Excess) Provision for other items (Net)	<b>(86.41)</b>		24.91	
		<b>26,23.73</b>		19,02.40
Operating Profit before working capital changes		<b>27,29.02</b>		25,02.36
Adjustments for:				
Trade and other receivables & Loans & Advances	<b>(31.96)</b>		(9,18.01)	
Inventories	<b>(3,59.96)</b>		38.94	
Trade Payables & other liabilities	<b>(11,16.63)</b>		3,03.62	
		<b>(15,08.55)</b>		(5,75.45)
Cash generated from Operations:		<b>12,20.47</b>		19,26.91
Interest paid	<b>9,29.75</b>		10,18.93	
Direct taxes paid	<b>1,12.51</b>		(56.84)	
		<b>10,42.26</b>		9,62.09
Cash flow before extraordinary items		<b>1,78.21</b>		9,64.82
Prior Period Adjustments (Other than Taxation)		<b>(30.34)</b>		(29.26)
Net cash from Operating Activities	(A)	<b>1,47.87</b>		9,35.56

**EXCEL INDUSTRIES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd.)**

CONSOLIDATED CASH FLOW STATEMENT (Contd.)	(Rs. in lacs)	For the year ended 31st March, 2009 (Rs. in lacs)	(Rs. in lacs)	For the year ended 31st March, 2008 (Rs. in lacs)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(6,18.20)		(13,49.79)
Sale of fixed assets		34.27		27.77
Purchase of Investments		(88.05)		(1,90.78)
Sale of Investments		2,05.20		1,33.99
Sundry Loans returned/(given)		(1.52)		72.00
Interest received		33.02		1,35.52
Dividend received		1,22.13		84.71
Net Cash used in Investing Activities	(B)	(3,13.15)		(10,86.58)
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Proceeds from borrowings (Net)		3,26.93		97.26
Dividend Paid		(1,10.18)		(61.66)
Tax on distributed Profits		(18.54)		(9.27)
Net cash used Financing Activities	(C)	1,98.21		26.33
Net increase in cash and cash equivalents	(A+B+C)	32.93		(1,24.69)
Cash and cash equivalents at the beginning of the year		1,56.01		2,80.70
Cash and cash equivalents at the end of the year		1,88.94		1,56.01
<b>Components of cash and cash equivalents.</b>				
1. Cash on hand		0.27		2.54
2. Bank Balances in India:				
With Scheduled Banks:				
(i) In Unclaimed Dividend Accounts*		11.33		12.36
(ii) In Current Accounts		1,02.19		1,36.05
(iii) In Fixed Deposits Accounts		73.00		—
(iv) In Margin Money Accounts		2.15		2.15
3. Bank Balances outside India:		—		2.91
		1,88.94		1,56.01

\*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached Report of even date

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants.

per SUDHIR SONI  
Partner  
Membership No. 41870

Place : Mumbai,  
Date : 28th May, 2009

A. C. SHROFF  
Chairman & Managing Director

S. R. POTDAR  
Executive Director

Place : Mumbai,  
Date : 28th May, 2009

U. A. SHROFF  
Executive Vice Chairperson

KAILAS DABHOLKAR  
Vice President-Finance  
and Taxation

V. K. PARMAR  
Secretary

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'A'	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>CAPITAL</b>		
Authorised:		
3,80,00,000 Equity Shares of Rs. 5/- each	<b>19,00.00</b>	19,00.00
8,50,000 11% Cumulative Redeemable Preference Shares of Rs.10/- each	<b>85.00</b>	85.00
3,00,000 Unclassified Shares of Rs. 5/- each	<b>15.00</b>	15.00
	<u><b>20,00.00</b></u>	<u>20,00.00</u>
Issued, Subscribed and Paid-up:		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of Rs. 5/- each fully paid-up	<b>5,45.28</b>	5,45.28
<b>TOTAL</b>	<u><b>5,45.28</b></u>	<u>5,45.28</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>	<b>(Rs. in lacs)</b>	<b>As at 31st March, 2008 (Rs. in lacs)</b>
1. Capital Reserve:		
(a) Profit on repurchase of Debentures	<b>0.01</b>	0.01
(b) Capital Redemption Reserve	<b>0.02</b>	0.02
(c) Government Grants/Subsidies	<b>70.00</b>	70.00
	<u><b>70.03</b></u>	<u>70.03</u>
2. Share Premium Account	<b>1,81.08</b>	1,81.08
3. General Reserve:		
Balance as per last Balance Sheet	<b>77,04.07</b>	75,31.50
Less: Provision for Retirement Benefits [Net of Deferred Tax of Nil (Previous Year: Rs. 65.62 lacs)]	<u>—</u>	<u>1,27.43</u>
	<b>77,04.07</b>	74,04.07
Add: Transferred from Profit and Loss Account	<b>1,00.00</b>	3,00.00
	<u><b>78,04.07</b></u>	<u>77,04.07</u>
4. Debenture Redemption Reserve:		
Balance as per last Balance Sheet	<u>—</u>	64.67
Less: Transferred to Profit and Loss Account	<u>—</u>	64.67
	<u>—</u>	<u>—</u>
5. Foreign Currency Translation Reserve Account:		
Balance as per last Balance Sheet	<b>(2.78)</b>	(1.17)
Add: Arisen during the year	<u>—</u>	(1.61)
Less: Reduction in Reserves on non-consideration of Joint Venture	<b>(2.78)</b>	<u>—</u>
	<u>—</u>	(2.78)
6. Share of Retained Earnings in Associate Company:	<b>9.39</b>	9.39
7. Profit and Loss Account	<b>11,22.65</b>	12,69.25
<b>TOTAL</b>	<u><b>91,87.22</b></u>	<u>92,31.04</u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'C'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>SECURED LOANS</b>			
1. <i>Debentures:</i>			
Nil (Previous Year:15) privately placed <b>12.25%</b> Secured Redeemable Non-Convertible Debentures of Rs. 25,87,000 each fully paid-up	—		1,29.35
<i>Less:</i> Redeemed during the year	—		1,29.35
2. <i>From Banks:</i>			
(a) On Working Capital Demand Loan Accounts	<b>9,99.97</b>		9,99.97
(b) On Cash Credit Accounts	<b>28,68.72</b>		27,70.46
(c) On Term Loan Accounts	<b>8,87.50</b>		18,37.50
(d) Under Vehicle Finance	<b>5.46</b>		12.18
(Refer Note Nos. 1, 2, 3, 4, and 5 given below)		<b>47,61.65</b>	56,20.11
3. <i>From Others:</i>			
(a) Under Vehicle Finance (Refer Note No. 2 given below)		<b>23.10</b>	13.11
TOTAL		<b>47,84.75</b>	56,33.22
<b>Notes:</b>			
1. Loans from Banks on Cash Credit and Working Capital Demand Loan Accounts are secured by hypothecation of all tangible movable assets, both present and future, including stock of raw materials, finished goods, goods-in-process, stores, book debts etc. and is secured by a second charge on the fixed assets at Roha and Lote Parshuram.			
2. Term Loan under Vehicle Finance from HDFC Bank Limited amounting to <b>Rs. 5.46 lacs</b> (Previous Year: Rs. 12.18 lacs) and from Kotak Mahindra Prime Limited amounting to <b>Rs. 23.10 lacs</b> (Previous Year: Rs. 13.11 lacs) respectively are secured by hypothecation of the vehicles acquired by utilising the said loans.			
3. Term Loans from AXIS Bank Limited and Bank of India amounting to <b>Rs. 5,75.00 lacs</b> (Previous Year: Rs. 12,75.00 lacs) and <b>Rs. 3,12.50 lacs</b> (Previous Year: Rs. 5,62.50 lacs) respectively, are secured by a <i>pari passu</i> first charge on all movable fixed assets, both present and future, and is secured by a mortgage of immovable properties, both present and future, of its units situated at Roha and Lote Parshuram. The Term Loan from AXIS Bank Limited includes an amount of <b>Rs. 2,00.00 lacs</b> (Previous Year: Rs. 4,00.00 lacs) which is further secured by Equitable mortgage by way of deposit of Title Deeds in respect of immovable property of the Company situated at 917 - 918, Tulsiani Chambers, Mumbai.			
4. The aforesaid charges are exclusive of book debts and stocks which are charged in favour of the Company's bankers for securing borrowings for working capital requirements.			
5. The aforesaid charges on the assets at Roha and Lote Parshuram shall rank <i>pari passu</i> inter-se amongst AXIS Bank Limited and Bank of India.			
<b>SCHEDULE 'D'</b>			
<b>UNSECURED LOANS</b>			
1. Fixed Deposits [Repayable within one year: <b>Rs. 4,70.98 lacs</b> (Previous Year: Rs. 38.37 lacs)]		<b>9,67.65</b>	7,43.83
2. Short Term Loans:			
(a) From Banks	<b>13,46.10</b>		4,81.80
(b) From Companies	<b>4,25.00</b>		5,00.00
TOTAL		<b>17,71.10</b>	9,81.80
		<b>27,38.75</b>	17,25.63

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### SCHEDULE 'E'

#### FIXED ASSETS

(Rs.in lacs)

Sr. No.	Description of Assets	GROSS BLOCK (AT COST OR VALUATION)				DEPRECIATION/AMORTISATION				NET BLOCK	
		As on 1st April, 2008	Additions during the year	Deductions during the year	As on 31st March, 2009	As on 1st April, 2008	Deductions/ Adjustments	Provided during the year	As on 31st March, 2009	As on 31st March, 2009	As on 31st March, 2008
I	LAND-FREEHOLD	1,48.98	—	—	1,48.98	—	—	—	—	1,48.98	1,48.98
II	LAND-LEASEHOLD (***)	2,84.71	—	—	2,84.71	33.44	—	4.53 *	37.97	2,46.74	2,51.27
III	BUILDINGS	21,55.75	34.39	—	21,90.14	5,43.97	—	57.10	6,01.07	15,89.07	16,11.78
IV	PLANT AND MACHINERY	156,89.51	7,43.03	1,16.01	163,16.53	77,39.44	62.87	7,52.36	84,28.93	78,87.60	79,50.07
V	DATA PROCESSING EQUIPMENTS	8,02.19	35.73	—	8,37.92	5,96.13	—	54.52	6,50.65	1,87.27	2,06.06
VI	ELECTRICAL INSTALLATIONS	4,92.28	2.27	0.64	4,93.91	2,87.55	0.61	26.02	3,12.96	1,80.95	2,04.73
VII	LABORATORY EQUIPMENTS	2,35.96	2.98	—	2,38.94	2,14.51	0.47	5.72	2,19.76	19.18	21.45
VIII	FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	6,64.42	31.42	—	6,95.84	4,78.52	—	34.33	5,12.85	1,82.99	1,65.90
IX	VEHICLES	2,42.86	36.63	17.54	2,61.95	1,68.26	13.01	21.39	1,76.64	85.31	74.60
X	TECHNICAL BOOKS	7.55	0.10	—	7.64	4.67	—	0.43	5.10	2.54	2.88
	<b>TOTAL</b>	<b>207,24.21</b>	<b>8,86.55</b>	<b>1,34.19</b>	<b>214,76.56</b>	<b>100,66.49</b>	<b>76.96 @</b>	<b>9,56.40</b>	<b>109,45.93</b>	<b>105,30.63</b>	<b>106,57.72</b>
	PREVIOUS YEAR :	191,81.87	17,97.97	1,98.29	207,81.55	92,77.20	1,54.92 @	9,44.21 **	92,77.20	1,22.06	3,20.54
	CAPITAL WORK-IN-PROGRESS (Refer Note No. 3 below)									<b>106,52.69</b>	<b>109,78.26</b>
									<b>TOTAL</b>		

**NOTES:**

- 1\* Amount written off in respect of Leasehold Land.
- 2 Buildings include cost of shares in Co-operative Housing Societies Rs. 0.01 lac (Previous Year: Rs. 0.01 lac).
- 3 Capital Work-in-Progress includes Advance for Capital Expenditure Rs. 1,06.36 lacs (Previous Year: Rs. 3,20.54 lacs).
- 4\*\* Includes Short Provision for Depreciation for earlier years Nil (Previous Year: Rs. 0.30 lac).
- 5@ Includes Excess Provision for Depreciation for earlier years written back Rs. 0.46 lac (Previous Year: Rs. 0.08 lac).
- 6\*\*\* Includes Rs. 2 lacs (Previous Year: Rs. 2 Lacs) being 50% share of interest in Joint Venture.

### SCHEDULE 'F'

#### INTANGIBLE ASSETS

(Rs. in lacs)

SR. NO.	DESCRIPTION OF INTANGIBLE ASSETS	GROSS AMOUNT				AMORTISATION					NET AMOUNT		
		As on 1st April, 2008	Additions during the year	Deductions during the year	Foreign Exchange Adjustment	As at 31st March, 2009	As on 1st April, 2008	Deductions/ Adjustments	Provided during the year	Foreign Exchange Adjustment	Upto 31st March, 2009	As on 31st March, 2009	As on 31st March, 2008
1	Computer Software	1,86.34	—	—	—	1,86.34	7.64	—	46.59	—	54.23	1,32.11	1,78.70
2	Trademarks	7.00	—	—	—	7.00	7.00	—	—	—	7.00	—	—
3	Technical Know How	20.06	—	20.06	—	—	4.01	4.01	—	—	—	—	16.05
	<b>TOTAL</b>	<b>2,13.40</b>	<b>—</b>	<b>20.06</b>	<b>—</b>	<b>1,93.34</b>	<b>18.65</b>	<b>4.01</b>	<b>46.59</b>	<b>—</b>	<b>61.23</b>	<b>1,32.11</b>	<b>1,94.75</b>
	PREVIOUS YEAR	28.72	1,86.34	—	(1.66)	2,13.40	10.26	—	8.64	(0.25)	18.65	—	—

### SCHEDULE 'G'

#### INVESTMENTS (AT COST)

(Rs. in lacs)

**As at 31st March, 2009**  
(Rs. in lacs)

As at 31st March, 2008  
(Rs. in lacs)

#### LONG-TERM

1. IN GOVERNMENT SECURITIES (Unquoted)		<b>1.34</b>	1.34
2. IN SHARES:			
(a) Quoted	<b>6,78.80</b>		6,15.74
(b) Unquoted	<b>7.25</b>		7.25
	<b>6,86.05</b>		6,22.99
3. IN ASSOCIATE COMPANIES			
Unquoted		<b>2,71.55</b>	2,47.14
[Includes goodwill of Rs. 54.30 lacs (Previous Year: Rs. 36.39 lacs)]			
4. OTHER INVESTMENTS:			
(a) Quoted	—		2,69.17
(b) Unquoted	<b>3,81.76</b>		3,54.50
	<b>3,81.76</b>		6,23.67
	<b>10,69.15</b>		12,48.00
Less: Provision for Diminution in value of Investments		<b>85.32</b>	83.81
<b>TOTAL</b>		<b>12,55.38</b>	14,11.33

**Notes:**

1. Aggregate of Quoted Investments:
 

Cost (Net of provision for diminution)	<b>5,93.48</b>	8,01.10
Market Value	<b>11,90.81</b>	14,06.71
2. Aggregate of Unquoted Investments:
 

Cost	<b>6,61.90</b>	6,10.23
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# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'H'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>SCHEDULE 'H'</b>			
<b>INVENTORIES</b>			
(Lower of cost or net realisable value)			
1. Stores and Spares (including Fuel)		3,09.42	2,53.51
2. Containers		71.82	66.30
3. Stock-in-Trade:			
(a) Finished Products	17,33.19		11,88.10
(b) Semi-Finished Products	3,61.74		5,51.53
(c) Traded Goods	86.61		70.81
(d) Raw Materials [Including Stock-in-Transit <b>Rs. 1,58.95 lacs</b> (Previous Year: Rs. 4,17.34 lacs)]	10,55.49		11,28.06
		<u>32,37.03</u>	<u>29,38.50</u>
TOTAL		<u><u>36,18.27</u></u>	<u><u>32,58.31</u></u>
<b>SCHEDULE 'I'</b>			
<b>SUNDRY DEBTORS</b>			
Unsecured			
(a) Debts outstanding for a period exceeding six months:			
Considered Good	8,87.16		10,82.42
Considered Doubtful	10,15.81		3,57.99
	<u>19,02.97</u>		<u>14,40.41</u>
Less: Provision for Doubtful Debts	10,15.81		3,57.99
		<u>8,87.16</u>	<u>10,82.42</u>
(b) Other Debts			
Considered Good		46,68.75	52,93.33
TOTAL		<u><u>55,55.91</u></u>	<u><u>63,75.75</u></u>
<b>SCHEDULE 'J'</b>			
<b>CASH AND BANK BALANCES</b>			
1. Cash on hand		0.27	2.54
2. Bank Balances in India:			
With Scheduled Banks:			
(i) In Unclaimed Dividend Accounts	11.33		12.36
(ii) In Current Accounts (*)	1,02.19		1,36.05
(iii) In Fixed Deposit Accounts	73.00		—
(iv) In Margin Money Accounts	2.15		2.15
		<u>1,88.67</u>	<u>1,50.56</u>
3. Bank Balances outside India		—	2.91
TOTAL		<u><u>1,88.94</u></u>	<u><u>1,56.01</u></u>
* Includes <b>Rs. 0.02 lac</b> (Previous Year: Rs. 0.03 lac) being 50% share of interest in Joint Venture			
<b>SCHEDULE 'K'</b>			
<b>OTHER CURRENT ASSETS</b>			
1. Interest Receivable		4.58	14.00
2. Export Benefits Receivable		2,99.40	2,40.67
3. Income Tax Refund Receivable		85.94	1,26.26
4. Miscellaneous Receivables		5.59	19.40
5. Share Application Money		6.31	12.61
6. Unamortised Premium on Forward Contract		1.76	—
TOTAL		<u><u>4,03.58</u></u>	<u><u>4,12.94</u></u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'L'	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
<b>LOANS AND ADVANCES</b>			
Unsecured and Considered Good			
1. Advances recoverable in cash or in kind or for value to be received (*)			
Considered Good	8,02.92		10,19.73
Considered Doubtful	21.00		17.50
	8,23.92		10,37.23
Less: Provision for Doubtful Advances	21.00		17.50
		8,02.92	10,19.73
2. Sundry Loans		23.52	22.00
3. Minimum Alternative Tax Credit Entitlement		84.00	77.00
4. Balance with Excise Authorities		5,28.95	1,69.38
5. Sundry Deposits		1,52.20	1,49.07
6. VAT Credit (Input) Receivable		5.90	8.69
TOTAL		15,97.49	14,45.87
* Includes <b>Rs. 0.30 lac</b> (Previous Year: Rs. 0.26 lac) being 50% share of interest in Joint Venture			
<b>SCHEDULE 'M'</b>			
<b>LIABILITIES</b>			
1. Acceptances	(Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
2. Sundry Creditors		2,01.25	13,41.94
3. Other Liabilities		32,73.31	32,81.94
4. Other Payables		1,23.74	90.60
5. Advances from Customers		2,38.30	1,72.62
6. Overdrawn Bank Balances		90.69	27.15
7. Overdrawn Bank Balances		—	3.95
7. Investor Education and Protection Fund shall be credited by the following amounts, as and when due:			
(a) Unclaimed Dividend	11.10		12.22
(b) Unclaimed Matured Deposits	9.10		8.82
		20.20	21.04
8. Interest accrued but not due on Loans		52.64	21.01
9. Advance against Proposed Sale of Shares		20.00	—
TOTAL		40,20.13	49,60.25
<b>SCHEDULE 'N'</b>			
<b>PROVISIONS</b>			
1. Provision for Taxation less payment of taxes		3,56.30	4,49.73
2. Provision for FBT less payment of taxes		4.55	27.29
3. Proposed Dividend on Equity Shares		54.53	1,09.06
4. Provision for Tax on Distributed Profits		9.27	18.54
5. Provision for Gratuity		3,35.56	2,85.65
6. Provision for Retirement benefits		3,50.25	2,59.71
TOTAL		11,10.46	11,49.98

## EXCEL INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'O'	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
OTHER INCOME FROM OPERATIONS		
1. Incentives on Exports	1,82.07	1,57.99
2. Sales Tax/VAT Refund	41.07	—
3. Diminution in the value of long-term investment written back	63.97	—
4. (Short)/Excess Accruals written back (Net)	86.87	—
5. Commission Received	15.09	13.31
6. Royalty Income	69.99	64.20
7. Sundry Credit Balances written back (Net)	23.13	5.70
8. Profit on sale of Asset (Net)	—	9.63
9. Miscellaneous Income	1,58.61	1,65.35
TOTAL	<u>6,40.80</u>	<u>4,16.18</u>
SCHEDULE 'P'		
OTHER INCOME		
1. Income from Long-Term Investments (Gross)	1,24.44	98.56
2. Interest on Income Tax Refund	3.72	3.89
3. Interest on Loans, Deposits, etc. (Gross)	13.11	19.28
4. Rent	1,05.92	1,12.04
5. Profit on sale of Long term Investments (Net)	—	2.08
TOTAL	<u>2,47.19</u>	<u>2,35.85</u>

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'Q'	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>MANUFACTURING AND OTHER EXPENSES</b>			
1. RAW MATERIALS CONSUMED:			
Opening Stock	11,28.06		11,54.55
Add: Purchases	123,32.54		110,57.24
	134,60.60		122,11.79
Less: Closing Stock	10,55.49		11,28.06
		124,05.11	110,83.73
2. PURCHASES OF TRADED GOODS		4,95.38	4,69.08
3. CONTAINERS AND PACKING MATERIALS CONSUMED		5,70.14	7,43.51
4. PERSONNEL EXPENSES:			
(a) Salaries, Wages, Bonus and Other Benefits	24,30.64		21,90.42
(b) Contribution to Provident Fund and Other Funds	2,42.90		2,21.14
(c) Provision/Payment of Gratuity	1,99.91		2,03.02
(d) Provision for other retirement benefits	1,72.95		57.69
(e) Welfare Expenses	2,12.19		1,70.09
		32,58.59	28,42.36
5. OPERATING AND OTHER EXPENSES:			
(a) Stores and Spares Consumed	1,81.05		1,46.10
(b) Power and Fuel	16,38.77		16,83.47
(c) Repairs to Buildings	24.39		31.12
(d) Repairs to Machinery	6,89.80		6,58.14
(e) Other Repairs	81.39		55.59
(f) Processing Charges	3,50.94		2,73.62
(g) Rent	18.83		21.95
(h) Rates and Taxes (*)	54.23		67.24
(i) Insurance Charges	48.05		70.83
(j) Commission on Sales to other than sole selling agents	88.32		80.44
(k) Discount on Sales	21.88		39.68
(l) Travelling and Conveyance	1,22.02		1,25.81
(m) Charity and Donations	7.01		14.90
(n) Bad Debts/Sundry Debit Balances written off	—		3.00
(o) Provision for Doubtful Debts/Advances	6,61.32		1,52.63
(p) Loss on sale of Long Term Investments	63.97		—
(q) Assets written off	20.47		18.39
(r) Excise Duty Paid	41.15		45.37
(s) Exchange Difference (Net)	2,51.37		20.04
(t) Provision for Diminution in value of Long-term Investments	65.49		4.66
(u) Short accruals in respect of earlier years (Net)	—		25.13
(v) Freight Outwards and Forwarding Expenses	6,32.21		6,57.36
(w) Directors Fees	3.60		3.04
(x) Loss on sale of Assets (Net)	60.78		—
(y) Other Expenses	14,15.58		11,72.72
		65,42.62	53,71.23
TOTAL		232,71.84	205,09.91
* Includes Rs. 0.04 lac (Previous Year: Rs. 0.04 lac) being 50% share of interest in Joint Venture			

## EXCEL INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'R' (INCREASE)/DECREASE IN STOCKS	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(a) Opening Stock :			
Finished Products	11,88.10		11,59.69
Semi-finished Products	5,51.53		5,41.93
Traded Goods	70.81		1,58.81
		18,10.44	18,60.43
(b) Less: Closing Stock:			
Finished Products	17,33.19		11,88.10
Semi-finished Products	3,61.74		5,51.53
Traded Goods	86.61		70.81
		21,81.54	18,10.44
		(3,71.10)	49.99
SCHEDULE 'S'		Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
INTEREST			
1. On Debentures		—	2.17
2. On Intercompany/Fixed Deposits		1,68.14	99.41
3. On Term Loan with Banks		1,65.20	2,46.85
4. On Cash Credit/Working Capital Demand Loan Accounts		4,37.53	5,00.15
5. Others		1,90.51	1,77.58
		9,61.38	10,26.16

## EXCEL INDUSTRIES LIMITED

### SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

#### SCHEDULE 'T'

#### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

##### 1. Consolidation:

- (a) The consolidated financial statements comprise of the financial statements of Excel Industries Limited (hereinafter referred to as "the holding company") and its subsidiary company (hereinafter referred to as "the group"). The details of subsidiary company considered for consolidation together with proportion of share holding held by the group is as follows:

Name of the Subsidiary	Country of Incorporation	% of Group Holding
Kamaljyot Investments Limited	India	100%

- (b) Consolidated financial statements have been prepared in the same format as adopted by the holding company, to the extent possible, as required by Accounting Standard (AS) 21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules, 2006.

- (c) For the purpose of preparation of consolidated financial statements, the investment of the group in its associate company is accounted for using the Equity Method. The investment in Excel Bio Resources Private Limited an associate company has been considered for consolidation together with proportion of share holding held by the group is as under:

Name of the Associate	Country of Incorporation	% of Group Holding
Excel Bio Resources Private Limited	India *	49.02%

\* From 17th March, 2009

- (d) For the purpose of consolidation, the Group has not followed Accounting Standard (AS) 23 'Accounting for Investment in Associates in Consolidated Financial Statements' in respect of associate companies viz. Transmetal Limited and RomVijay Bioo Tech Private Limited and accounting standard (AS) 27 'Financial Reporting of Interest in Joint Ventures' in respect of Wexsam Limited, Hong Kong. (Also Refer Note No. 6 below)
- (e) The group has 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest in the said entity as per the latest available Balance Sheet as at 31st March, 2009 have been considered for preparation of the aforesaid consolidated financial statements.
- (f) The financial statement of the subsidiary and associate company drawn upto the same reporting date viz. year ended 31st March, 2009 has been used for the purpose of consolidation.
- (g) Translation of the financial statements of jointly controlled foreign entity for incorporation in the consolidated financial statements has been done by using the following exchange rates:
- (i) Assets and liabilities have been translated by using the rates prevailing as on the date of the Balance Sheet.
  - (ii) Income and expense items have been translated by using the average rate of exchange.
  - (iii) Exchange difference arising on translation of financial statements as specified above is recognised in the Foreign Currency Translation Reserve.

##### 2. Significant Accounting Policies:

The significant accounting policies followed by the group in the consolidated financial statements are stated hereunder. In case, the uniform policy is not followed by each company in the group, the same, as disclosed in the audited accounts of the said company, has been reproduced, if material.

##### (a) System of Accounting:

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

##### (b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

### SCHEDULE 'T' — (Contd.)

#### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

(c) Fixed Assets and Depreciation:

Excel Industries Limited:

(i) Fixed Assets:

Fixed Assets are stated at cost less depreciation/amortisation and provision for impairment, if any, except for the following:

- (a) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha are stated at their revalued amounts.
- (b) Assets at Mumbai installed up to March 31, 2002 are stated at cost as estimated by an approved valuer.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(ii) Depreciation and Amortisation:

- (a) Leasehold Land (at cost or revalued as the case may be) is amortised over the period of lease.

(b) Other Fixed Assets:

Depreciation has been provided:

1. In the case of following assets (which have been revalued) at Roha, depreciation has been provided on straight line (SL) basis over the balance useful life of the assets as estimated by the approved valuer or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever are higher.

Description of Tangible Assets	* Rates (SL Method) (Range)	Schedule XIV Rates (SL Method)
Buildings	1.63% - 19.00%	1.63%
Plant & Machinery	5.28% - 47.50%	5.28%
Electrical Installations	5.28% - 31.67%	5.28%

\* Depreciation Rates on SL Method for the balance useful life as estimated by the valuer.

2. In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai up to 30th September, 1981, on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rate specified in the Schedule XIV to the Companies Act, 1956.
3. In respect of all other Fixed Assets, on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
4. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition.

(d) Impairment:

The carrying amounts of assets are reviewed for impairment at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(e) Intangible assets and Amortisation:

Excel Industries Limited:

- (i) Intangible assets are stated at cost less accumulated amortisation.

(ii) Amortisation:

- (a) Computer software is amortised on a straight line basis proportionately over a period of four years.
- (b) Trade marks are amortised on a straight line basis proportionately over a period of five years.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

Wexsam Limited:

"Intangible assets represent expenditure on acquisition of the right to use technical know-how for use in manufacturing processes. The expenditure is capitalised and amortised using the straight-line method over the estimated useful lives of 20 years. Intangible assets are not revalued as there is no active market for these assets.

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount."

(f) Inventories:

Excel Industries Limited:

- |       |  |   |
|-------|--|---|
| (i)   | Raw materials, containers, stores and spares                       | Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis. |
| (ii)  | Finished goods and Work-in-progress                                | Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on absorption costing basis at actuals.  |
| (iii) | Traded Goods   | Lower of cost and net realizable value. Cost is determined on a moving weighted average basis.  |
| (iv)  | Work-in-progress in respect of Turnkey Projects is valued at cost. | Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.  |

(g) Investments:

Long-term investments are carried at cost of acquisition. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the Profit and Loss Account.

(h) Export Benefits:

Excel Industries Limited:

Duty free imports of raw materials under Advance Licence for Imports as per the Export and Import Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Entitlement Pass Book Scheme as per the Export and Import Policy, in respect of exports made under the said Scheme is included under the head 'Incentives on Exports'.

(i) Retirement Benefits:

Excel Industries Limited:

- |       |   |
|-------|---|
| (i)   | Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the fund is due. There are no obligations other than the contribution payable to the Provident Fund Trust. |
| (ii)  | Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust.    |
| (iii) | Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.   |
| (iv)  | Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.   |
| (v)   | Actuarial gains/losses are recognised immediately to the Profit and Loss Account and are not deferred.  |
| (vi)  | Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.   |

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

(j) Foreign Exchange Transactions:

Excel Industries Limited:

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are reported using the closing exchange rate on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) Forward Exchange Contracts:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(k) Research Costs:

Research costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

(l) Leases:

(a) Where the Company is the lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(b) Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expenses in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

(m) Borrowing Costs:

Interest and other costs incurred for acquisition of qualifying assets, up to the date of commissioning/ installation, are capitalised as part of the cost of the said assets.

(n) Government Grants:

Excel Industries Limited:

Government Capital Grants of the nature of promoters' contribution are credited to Capital Reserve and treated as part of Shareholders' Funds.

(o) Accounting for Turnkey Projects:

Excel Industries Limited:

Income in respect of Turnkey Projects is accounted on the completion of the said projects.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

(p) Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes Excise Duty but does not include Sales Tax and VAT.

Income from Services

Revenues from service contracts are recognised pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Royalties

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Other Income

Certain items of income such as insurance claims, overdue interest from customers etc. are considered to the extent the amount is ascertainable/accepted by the parties.

(q) Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Provisions and contingent liabilities:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when the Company has a possible obligation and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(s) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(t) Segment Reporting Policies:

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

### SCHEDULE 'T' — (Contd.)

#### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

(u) Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961 and Wealth Tax is provided in accordance with the provisions of the Wealth Tax Act, 1957.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

	As at 31st March, 2009 (Rs. in lacs)	As at 31st March, 2008 (Rs. in lacs)
3. Contingent Liabilities:		
(a) Bills discounted	4,65.55	4,29.58
(b) Disputed income-tax liability (including interest) in respect of earlier years	12,05.14	11,22.80
(c) Disputed excise duty liability	1,29.16	1,84.20
(d) Disputed sales-tax liability	—	1,55.32
(e) Disputed Water Charges	18.49	16.69
(f) Guarantees given by holding company's Bankers on behalf of the holding company to third parties	21.33	61.51
(g) (i) Guarantees given by the holding company in respect of loans transferred to Excel Crop Care Limited (ECCL) under the Scheme of Arrangement between the holding company and ECCL	—	83,79.00
(ii) Of the above guarantees given, the amount outstanding as at 31st March	—	65,77.36
(h) (i) Claims against the holding company not acknowledged as debts	27.46	13.46
(ii) Liability in respect of claim made by workers and contract labourers	<b>Amount not ascertainable</b>	Amount not ascertainable
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	66.35	1,45.46

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

5. Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on 30th September, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value, resulting in an increase of Rs.15,94.81 lacs in the book value of fixed assets. The depreciation for the year includes an amount of **Rs. 47.53 lacs** (Previous Year: Rs.66.65 lacs) on such revalued assets which has been computed on a Straight Line Basis over the balance useful life of the assets or Schedule XIV rates whichever is higher.

6. Associate Companies:

While preparing the Consolidated Financial Statements, the Group has not recognised the effect of investments in below mentioned associate companies on the financial position and the operating results of the group. Investments of the group in the aforesaid associate companies included in the Consolidated Financial Statements are as under:

	Country of Incorporation	% of Group Holding		
Associate Companies:				
1. Transmetal Limited	India	20.92%	<b>1,87.50</b>	1,87.50
2. RomVijay Bioo Tech Private Limited	India	24.00%	<b>50.25</b>	50.25

7. The holding company has entered into an agreement on 27th December, 2005 to develop its plot of land at Jogeshwari. On satisfactory completion of the entire transaction, the holding company will secure 41% of the constructed area in return for the transfer of balance 59% rights in the land. The profit arising on the said transaction will crystallise on the completion of the entire development and will be accounted for in the books accordingly

		Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
8. Amounts capitalised and excluded from:			
Manufacturing and Other Expenses		<b>69.87</b>	3,91.72
9. Research and Development costs, as certified by the Management, debited to the Profit and Loss Account are as under:			
(a) Revenue expenses debited to Research and Development Expenses Account and other heads of accounts		<b>1,22.78</b>	1,57.23
(b) Depreciation on Research and Development Equipment		<b>37.95</b>	13.02
		<b><u>1,60.73</u></b>	<u>1,70.25</u>
10. Remuneration to Directors of the holding company:			
To Chairman & Managing Director, Executive Vice-Chairperson and Executive Director:			
(i) Salaries		<b>49.83</b>	31.13
(ii) Contribution to Provident and Other Funds		<b>13.45</b>	8.41
(iii) Perquisites and other allowance		<b>19.82</b>	14.46
		<b><u>83.10</u></b>	<u>54.00</u>
11. Consolidated Earning Per Share:			
(1) Profit/(Loss) after tax:		<b>48.89</b>	4,26.98
(Less) : Prior Period Adjustments (Net):		<b>(30.34)</b>	(29.26)
Add/(Less) : Excess/(Short) provision for taxation for the earlier years:		<b>(6.57)</b>	3.23
Add: Share of Profits in associate companies		<b>(0.59)</b>	—
Profit/(Loss) attributable to Equity Shareholders	(A)	<b><u>11.39</u></b>	<u>4,00.95</u>
		<b>Nos.</b>	Nos.
(2) Weighted average number of Equity Share Outstanding	(B)	<b>1,09,05,630</b>	1,09,05,630
		<b>Rupees</b>	Rupees
(3) Earning per Share (Basic & Diluted)	(A)/(B)	<b>0.10</b>	3.68
(4) Nominal Value of Equity Share		<b>5.00</b>	5.00

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

### SCHEDULE 'T' — (Contd.)

#### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

#### 12. Details of Employee Benefits - Gratuity:

##### (i) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. If an employee completes more than 25 years of service then instead of 15 days, he/she will get gratuity on retirement at 22 days last drawn salary. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

##### (a) The amounts recognised in the statement of Profit and Loss Account are as follows:

###### (i) Defined Benefit Plan

Current Service cost

Interest cost on benefit obligation

Expected return on plan assets

Net actuarial (gain)/loss recognised during the year

Amount included under the head personnel expenses in Schedule 'Q' Manufacturing and Other Expenses

Actual return on plan assets

**Current Year**

**Gratuity**

**(Rs. in lacs)**

**63.98**

**85.75**

**(78.46)**

**1,28.64**

**1,99.91**

**76.77**

**Previous Year**

**Gratuity**

**(Rs. In lacs)**

**61.77**

**76.58**

**(69.75)**

**1,34.42**

**2,03.02**

**69.75**

##### (b) The amounts recognised in the Balance Sheet are as follows:

Present value of funded obligation

Less: Fair value of plan assets

Net Liability included under the head Provision for Gratuity, in Schedule 'N' -Provisions

**As at 31st  
March, 2009**

**Defined Benefit  
Plan-Gratuity**

**(Funded)**

**(Rs. in lacs)**

**12,98.21**

**9,62.65**

**3,35.56**

**As at 31st  
March, 2008**

**Defined Benefit  
Plan-Gratuity**

**(Funded)**

**(Rs. In lacs)**

**11,43.33**

**8,57.68**

**2,85.65**

##### (c) Changes in the present value of the defined benefit obligation:

Opening defined benefit obligation

Interest cost

Current service cost

Benefits paid

Actuarial (gains)/loss on obligation

Closing defined benefit obligation

**As at 31st  
March, 2009**

**Gratuity**

**(Rs. in lacs)**

**11,43.33**

**85.75**

**63.98**

**(1,18.28)**

**1,23.43**

**12,98.21**

**As at 31st  
March, 2008**

**Gratuity**

**(Rs. In lacs)**

**9,63.12**

**76.58**

**61.77**

**(92.37)**

**1,34.23**

**11,43.33**

##### (d) Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets

Expected return

Contributions made by employer during the year

Benefits paid

Actuarial gains/(loss)

Closing fair value of plan assets

**As at 31st  
March, 2009**

**Gratuity**

**(Rs. in lacs)**

**8,57.68**

**78.46**

**1,50.00**

**(1,18.28)**

**(5.21)**

**9,62.65**

**As at 31st  
March, 2008**

**Gratuity**

**(Rs. In lacs)**

**7,85.49**

**69.75**

**95.00**

**(92.37)**

**(0.19)**

**8,57.68**

## EXCEL INDUSTRIES LIMITED

### SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'I' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

	As at 31st March, 2009 Gratuity (Rs. in lacs)	As at 31st March, 2008 Gratuity (Rs. In lacs)
(e) Expected contribution to defined benefit plan for the year 2009-10	<b>2,25.00</b>	1,75.00
(f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	<b>Current Year</b>	Previous Year
Insurer Managed Funds (Life Insurance Corporation of India)	<b>84.00%</b>	83.00%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	<b>16.00%</b>	17.00%
	<b>100.00%</b>	100.00%
<p>The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.</p>		
(g) The principal actuarial assumptions at the Balance Sheet date	<b>Current Year Gratuity</b>	Previous Year Gratuity
Discount rate	<b>7.5%</b>	8%
Expected rate of return on plan assets	<b>9%</b>	8%
Expected rate of salary increase	<b>5%</b>	5%
Mortality table	<b>LIC (1994-96) Ultimate</b>	LIC (1994-96) Ultimate
Proportion of employees opting for early retirement	<b>5% to 1%</b>	5% to 1%
<p>Notes</p> <ol style="list-style-type: none"> <li>1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.</li> <li>2. The disclosure in respect of status of defined benefit obligation of the previous three years has not been provided as the Company has adopted revised AS-15 in the previous financial year.</li> </ol>		
(h) Experience adjustments for current and previous year for gratuity	<b>Current Year (Rs. in lacs)</b>	Previous Year (Rs. In lacs)
On plan assets	<b>Nil</b>	Nil
On plan liabilities	<b>Nil</b>	Nil
(II) Defined Contribution Plans		
— Provident Fund is a defined contribution scheme established under a State Plan.		
— Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.		
Defined Contribution Plan	<b>Current Year (Rs. in lacs)</b>	Previous Year (Rs. In lacs)
Provident Fund	<b>1,78.93</b>	1,62.93
Superannuation Fund	<b>59.38</b>	53.86

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

### 13. Segment Information

#### Information About Primary Business Segments:

Particulars	Current Year (Rs. in lacs)			Previous Year (Rs. in lacs)		
	Chemicals	Environment	Total	Chemicals	Environment	Total
<b>REVENUE:</b>						
External Revenue	238,28.79	7,82.13	246,10.92	221,01.18	8,12.33	229,13.51
Un-allocated Revenue:			3,59.48			2,25.06
Total Revenue			249,70.40			231,38.57
<b>RESULT:</b>						
Segment result	24,98.41	5.98	25,04.39	26,88.88	(3,70.13)	23,18.75
Un-allocated expenditure net of un-allocated income			14,68.06			7,21.89
Interest Expenses			9,61.38			10,26.16
Profit/(Loss) before taxation but after prior period adjustments			74.95			5,70.70
Provision for Taxation						
Current			7.40			61.20
Minimum Alternative Tax Entitlement			(7.00)			1,39.78
Wealth Tax			2.00			2.00
Fringe Benefit Tax			28.50			30.00
Deferred			25.52			(60.00)
Profit/(Loss) after taxation			18.53			3,97.72
<b>OTHER INFORMATION:</b>						
Segment Assets	193,78.88	8,57.65	202,36.53	192,58.67	19,64.33	212,23.00
Un-allocated Assets			31,69.35			30,16.19
Total Assets			234,05.88			242,39.19
Segment Liabilities	(53,95.09)	(74.54)	(54,69.63)	(57,81.37)	(2,60.54)	(60,41.91)
Un-allocated Liabilities			(82,03.75)			(84,20.96)
Total Liabilities			(136,73.38)			(144,62.87)
Segment Capital expenditure	8,25.30	27.05	8,52.35	17,17.16	12.80	17,29.96
Un-allocated Capital expenditure			34.20			2,54.33
Segment Depreciation and Amortisation	8,51.60	42.94	8,94.54	8,36.53	46.97	8,83.50
Un-allocated Depreciation and Amortisation			108.45			69.05
Segment Non-cash expenses other than Depreciation and Amortisation	1,20.47	—	1,20.47	67.81	1,01.95	1,69.76
Un-allocated Non-cash expenses other than Depreciation and Amortisation			6,25.29			1.26

#### Information About Secondary Business Segments:

	Domestic	Exports	Total	Domestic	Exports	Total
Revenue	183,28.42	66,41.98	249,70.40	171,42.28	59,96.29	231,38.57
Carrying amount of Assets	215,68.55	18,37.33	234,05.88	237,36.89	5,02.30	242,39.19
Capital Expenditure	8,86.55	—	8,86.55	19,84.29	—	19,84.29

#### Notes:

- The Company is organised into two business segments namely:
  - Chemicals – Comprising of Industrial and Speciality Chemicals and Pesticides Intermediates.
  - Environment – Comprising of Soil enricher, Bio - pesticides and other Bio products.
- Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.
- Segment Revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of segments and amounts allocated on a reasonable basis.

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

14. Related Party disclosures as required by Accounting Standard (AS) -18  
"Related Party Disclosures", issued by The Institute of Chartered Accountants of India, are given below:

**(a) Relationships:**

**1. Associate Companies:**

Transmetal Limited  
RomVijay Bioo Tech Private Limited  
Excel Bio Resources Private Limited

**2. Enterprises over which key Management Personnel and their relatives have significant influence:**

Agrocel Industries Limited  
Anshul Specialty Molecules Limited  
C.C. Shroff Research Institute  
C.C. Shroff Self Help Centre  
Dipkanti Investments & Financing Private Limited  
Excel Crop Care Limited  
Excel Industries - Europe NV  
Good Rasayan Limited  
Hyderabad Chemical Supplies Limited  
Hyderabad Chemical Products Limited  
Mumukshu Finance & Services Private Limited  
Pritami Investments Private Limited  
Samarth Gram Vikas Trust  
Shrodip Investments Private Limited  
Shroff Family Charitable Trust  
Shroff Foundation Trust  
Shrujan  
Transpek Industry Limited  
Utkarsh Chemicals Private Limited  
Parul Chemicals Limited  
Vivekanand Research & Training Institute

**3. Key Management Personnel and their Relatives:**

**(a) Key Management Personnel:**

Shri G.Narayana  
Shri Ashwin C. Shroff  
Shri Dipesh K. Shroff  
Shri Atul G. Shroff  
Smt. Usha A. Shroff  
Shri Kantisen C. Shroff  
Shri S. R. Potdar

**(b) Relatives:**

Shri Kantisen C. Shroff  
(Late) Smt. Shanti Govindji Shroff  
Smt. Shruti Atul Shroff  
Kum. Vishwa Atul Shroff  
Smt. Chetna Praful Saraiya  
Shri Praful Manilal Saraiya  
Smt. Hiral Tushar Dayal  
Shri Tushar Charandas Dayal  
Smt. Chanda Kantisen Shroff  
Smt. Preeti Dipesh Shroff  
Smt. Anshul Amrishi Bhatia  
Shri Ravi Ashwin Shroff  
Shri Hrishit Ashwin Shroff  
Shri Dilip G. Bhatia  
Shri Pradeep Gattu

## EXCEL INDUSTRIES LIMITED

### SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

(b) **The following transactions were carried out with the related parties in the ordinary course of business :**

Nature of Transactions	Current Year (Rs. in lacs)		Previous Year (Rs. in lacs)	
	Associate Companies	Other Related Concerns *	Associate Companies	Other Related Concerns *
<b>(1) Sales</b>				
Goods (Net of rebates and discounts)	—	29,45.30		29,98.69
Others	1,47.54	2,69.57	0.10	2,14.98
<b>(2) Purchases</b>				
Goods	—	3,52.50	—	2.00
Others	—	2.57	—	1.80
<b>(3) Income</b>				
Processing Charges	—	9,20.19	—	7,69.82
Interest	—	2.28	0.14	7.41
Dividend	11.05	84.71	13.81	55.44
Rent	—	99.00	—	1,06.20
Royalty	—	69.99	—	57.14
<b>(4) Reimbursement</b>				
Received	—	25.78	—	26.00
<b>(5) Expenditure</b>				
Processing Charges	—	36.36	—	33.36
Donation	—	—	—	6.00
<b>(6) Finance/Other's</b>				
Transfer of Book Debts	—	—	—	2,69.16
Loan returned	—	5.00	11.00	48.00
Sale of Fixed Assets	—	2.94	—	—
<b>(7) Investment in Equity Shares bought back</b>	—	—	—	—
<b>(8) Dividend Paid</b>	0.32	35.51	0.16	16.51
<b>(9) Outstanding as at the Balance Sheet Date</b>				
(a) Debtors	52.35	8,45.51	0.10	12,99.71
(b) Loans given (Refer Note Below)	—	17.00	—	22.00
(c) Liability for Purchases	—	32.66	—	26.72
(d) (i) Guarantees in respect of loans taken by the Company	—	—	—	75,00.00
(ii) Balance of outstanding loans for which the said guarantees taken	—	—	—	50,97.66
(e) (i) Guarantees given by the Company	—	—	—	83,79.00
(ii) Loans outstanding of the above guarantees given	—	—	—	65,77.36

\* Enterprises over which key Management Personnel and their relatives have significant influence

(c) **Transactions with Key Management Personnel and their Relatives:**

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Remuneration	90.42	63.10
Directors' Sitting Fees	0.45	0.44
Retirement benefits	19.86	20.15
Dividend paid	5.29	2.58

## EXCEL INDUSTRIES LIMITED

### SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)					
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:					
		Current Year (Rs. in lacs)		Previous Year (Rs. in lacs)	
Note: Loans and advances in the nature of loans to :		<b>Amount Outstanding at the year end</b>	<b>Maximum Outstanding during the year</b>	Amount Outstanding at the year end	Maximum Outstanding during the year
<b>(a) Companies in which Directors of the holding company are Shareholder/ Member or Companies in which Directors of the holding company are Director/Chairman</b>					
(i) Loan Given					
Agrocel Industries Limited		17.00	22.00	22.00	70.00
Transmetal Limited		—	—	—	11.00
(ii) Loan Taken					
Anshul Specialty Molecules Limited		—	—	—	—
15. Foreign exchange derivatives and exposures outstanding as at the Balance Sheet date:					
<b>Name of Instrument</b>	<b>Currency</b>	<b>As at 31st March, 2009</b>	<b>As at 31st March, 2009</b>	<b>As at 31st March, 2008</b>	<b>As at 31st March, 2008</b>
		<b>(Rs. in lacs)</b>	<b>(in lacs)</b>	<b>(Rs. in lacs)</b>	<b>Foreign Currency Value (in lacs)</b>
(a) Forward contract - Buy for Hedging Purpose	USD	—	8.76	—	—
(b) Un-hedged Foreign Currency Exposure on:					
(i) Payables	GBP	21.34	0.30	25.69	0.32
	USD	5,24.50	10.29	7,16.13	18.43
	AUD	—	—	4.87	0.13
(ii) Receivables	EUR	1,34.24	1.99	1,36.91	2.17
	USD	16,84.08	33.09	3,50.52	8.80
(iii) Loans	USD	9,09.38	17.84	4,81.80	12.09
(iv) Interest/Other Expenses	USD	—	—	35.65	0.89
(v) Bank Balances	USD	19.01	0.37	14.87	0.37

# EXCEL INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 'T' — (Contd.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

16. Break up of Deferred Tax Assets and Deferred Tax Liabilities :

	<b>As at 31st March, 2009 (Rs. in lacs)</b>	<b>As at 31st March, 2008 (Rs. in lacs)</b>
(a) Deferred Tax Assets		
(i) Liabilities Allowable on Payment basis	2,24.32	1,74.75
(ii) Provision for Doubtful Debts/Advances	3,52.41	1,27.63
(iii) Unabsorbed Business Loss	—	84.37
(iv) Unabsorbed Depreciation	2,37.99	4,46.73
(v) Unabsorbed Capital Loss	7.88	44.68
(vi) Others	43.12	—
	<b>8,65.72</b>	<b>8,78.16</b>
(b) Deferred Tax Liabilities		
(i) Depreciation	18,85.01	18,69.83
(ii) Others	—	2.12
	<b>18,85.01</b>	<b>18,71.95</b>

The Company has recognised deferred tax asset since the management believes that the reversal of the timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax asset can be realised. Further, unabsorbed capital loss has been recognised since the Company is in process of completing the transfer of capital assets which will result in capital gains. (Also refer Note No 7 above)

17. The Company's proportionate interest in jointly controlled entity is as under:

Name of the entity	Multichem Industries		Wexsam Limited	
	<b>As at 31st March, 2009 (Rs. in lacs)</b>	As at 31st March, 2008 (Rs. in lacs)	<b>As at 31st March, 2009 (in lacs)</b>	As at 31st March, 2008 (in lacs)
Country of Registration/Incorporation	India		Hong Kong	
Percentage Ownership interest	50.00%		33.33%	
Assets	2.16	2.14	*	18.96
Liabilities	—	—	*	0.30
Income	—	—	*	0.05
Expenses	0.04	0.04	*	1.48

\* In respect of Wexsam Limited, Hong Kong, the accounts for the year ending March 31, 2009 are under preparation and accordingly, the proportionate interest of the Company in the said jointly controlled entity has not been disclosed.

18. Previous year's figures have been regrouped where necessary to conform to this year's classification.

Signatures to Schedules 'A' to 'T'

For S. V. GHATALIA & ASSOCIATES,  
*Chartered Accountants.*

per SUDHIR SONI  
*Partner*  
Membership No. 41870

*Place : Mumbai,  
Date : 28th May, 2009*

A. C. SHROFF  
*Chairman & Managing Director*

S. R. POTDAR  
*Executive Director*

*Place : Mumbai,  
Date : 28th May, 2009*

U. A. SHROFF  
*Executive Vice Chairperson*

KAILAS DABHOLKAR  
*Vice President-Finance  
and Taxation*

V. K. PARMAR  
*Secretary*

## EXCEL INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1. Name of the subsidiary company	Kamaljyot Investments Limited								
2. The financial year of the subsidiary company ended on	31st March, 2009								
3. Date from which it became subsidiary	30th July, 1984								
4. Shares of the subsidiary company held by Excel Industries Limited at the end of the financial year of the subsidiary company:									
(a) Number and face value	1,99,982 equity shares of Rs.100/- each								
(b) Extent of holding	100%								
5. Net aggregate profits/losses of the subsidiary company, so far as it concerns the members of Excel Industries Limited —									
(a) not dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2009, amounted to:									
(i) for the subsidiary company's financial year ended as in (2) above	Rs. (-) 59,44,882								
(ii) for previous financial years of the subsidiary company	Rs. 32,62,780								
(b) dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2009, amounted to:									
(i) for the subsidiary company's financial year ended as in (2) above	Rs. NIL								
(ii) for previous financial years of the subsidiary company	Rs. NIL								
6. Changes in the interest of Excel Industries Limited in the subsidiary company between the end of financial year of the subsidiary company and 31st March, 2009	NOT APPLICABLE								
7. Material changes between the end of the financial year of the subsidiary company and 31st March, 2009									
(a) fixed assets	} NOT APPLICABLE								
(b) investments									
(c) monies lent by the subsidiary company									
(d) monies borrowed by the subsidiary company for any purpose other than that of meeting current liabilities									
<table style="width: 100%; border: none;"> <tbody> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">A. C. SHROFF <i>Chairman &amp; Managing Director</i></td> <td style="width: 25%; text-align: center;">U. A. SHROFF <i>Executive Vice Chairperson</i></td> <td style="width: 25%;"></td> </tr> <tr> <td style="vertical-align: top; padding-top: 10px;"><i>Mumbai</i> <i>28th May, 2009</i></td> <td style="text-align: center; vertical-align: top; padding-top: 10px;">S. R. POTDAR <i>Executive Director</i></td> <td style="text-align: center; vertical-align: top; padding-top: 10px;">KAILAS DABHOLKAR <i>Vice President-Finance and Taxation</i></td> <td style="text-align: center; vertical-align: top; padding-top: 10px;">V. K. PARMAR <i>Secretary</i></td> </tr> </tbody> </table>			A. C. SHROFF <i>Chairman &amp; Managing Director</i>	U. A. SHROFF <i>Executive Vice Chairperson</i>		<i>Mumbai</i> <i>28th May, 2009</i>	S. R. POTDAR <i>Executive Director</i>	KAILAS DABHOLKAR <i>Vice President-Finance and Taxation</i>	V. K. PARMAR <i>Secretary</i>
	A. C. SHROFF <i>Chairman &amp; Managing Director</i>	U. A. SHROFF <i>Executive Vice Chairperson</i>							
<i>Mumbai</i> <i>28th May, 2009</i>	S. R. POTDAR <i>Executive Director</i>	KAILAS DABHOLKAR <i>Vice President-Finance and Taxation</i>	V. K. PARMAR <i>Secretary</i>						

## KAMALJYOT INVESTMENTS LIMITED

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-fifth Annual Report and audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:	2008-09 Rupees	2007-08 Rupees
Profit before Provision for Diminution in value of Investments made:	<b>6,43,108</b>	12,55,163
Less: Provision for Diminution in value of Investments made (Net):	<b>65,49,035</b>	4,65,890
(Loss)/Profit for the year:	<b>(59,05,927)</b>	7,89,273
Less: Provision for taxation for current tax, Deferred Tax & Credit for Alternative Tax Entitlement:	<b>38,955</b>	1,21,232
	<b>(59,44,882)</b>	6,68,041
Add: Excess Provision for taxation for earlier years:	—	47,314
	<b>(59,44,882)</b>	7,15,355
Add: Profit brought forward:	<b>32,62,780</b>	25,47,425
(Loss)/Profit carried to Balance Sheet:	<b>(26,82,102)</b>	32,62,780

### OPERATIONS

The Company's principal activities are financing and investment holding. The book value of the Company's portfolio as on 31st March, 2009 after provision for diminution in the value thereof, was Rs. **421.79 lacs** (Previous Year: Rs. 399.23 lacs). The market value of the quoted investments was Rs. **205.80 lacs** as against Rs. 217.92 lacs in the previous year.

### INVESTMENTS

- (a) During the year, the Company was allotted second trench of 97,000 equity shares of Rs. 10/- each of Transpek Industry Limited, @ Rs. 65/- per share, amounting to Rs. 63.05 lacs, under preferential offer made by the Company.
- (b) During the year, the Company has invested Rs. 25.00 lacs in 2,50,000 equity shares of Rs.10/- each of M/s. Excel Bio Resources Private Limited, at par, as a promoter of the said Company.
- (c) During the year, the Company was allotted 10,000 equity shares of Re. 1/- each of M/s. Treadsdirect Limited, without any cost to the Company, pursuant to Scheme of Arrangement and Amalgamation between M/s. Eligtread (India) Limited and M/s. Treadsdirect Limited.
- (d) The Company has not sold any share during the year.

### DIRECTORS

Mr. A. C. Shroff and Mr. R. G. Shroff, the Directors of the Company who retire by rotation, are eligible for re-appointment and have indicated their willingness to serve, if re-appointed.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

## KAMALJYOT INVESTMENTS LIMITED

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

### RESERVE BANK OF INDIA DIRECTIONS

The Company has complied with the provisions of Non-Banking Financial Companies (Reserve Bank of India) Directions, 1977, as amended from time to time.

### PARTICULARS OF EMPLOYEES

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors have to inform you that there was no such employee as mentioned in the said section.

### OTHER INFORMATION

Provisions of Section 217(1)(e) of the Companies Act, 1956, are not applicable to the Company, since the Company is an Investment Company.

### AUDITORS

Messrs. S. V. Ghatalia & Associates, the present Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting. They have expressed, in writing, their unwillingness for re-appointment as the Company's Auditors.

Messrs S. R. Batliboi & Company, Chartered Accountants, have confirmed, in writing, their eligibility under section 224(1B) of the Companies Act, 1956, and have expressed their willingness for appointment.

The Board of Directors proposes to appoint Messrs S. R. Batliboi & Company, as the Auditors of the Company in place of Messrs S. V. Ghatalia & Associates, the retiring Auditors of the Company.

By Order of the Board of Directors

A. C. SHROFF  
Chairman

Mumbai,  
28th May, 2009

# KAMALJYOT INVESTMENTS LIMITED

## COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH, 2009

Company Identification Number: U 65990 MH 1983 PLC 030597

Nominal Capital: Rs. 2,00,00,000/-

To,  
The Members  
**Kamaljyot Investments Limited**  
Mumbai

I have examined the registers, records, books and papers of **Kamaljyot Investments Limited** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in the **Annexure 'A'** to this certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in the **Annexure 'B'** to this certificate, with the Ministry of Corporate Affairs.
3. The Company being a **Public Limited Company**, has the minimum prescribed paid up capital. The Paid up Capital is **Rs. 1,99,98,200/-**.
4. The Board of Directors duly met **Five** times on **4th June, 2008, 4th August, 2008, 4th November, 2008, 4th February, 2009 and 31st March, 2009**, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on **31st March, 2008** was held on **4th September, 2008** after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or Persons or Firms or Companies referred under Section 295 of the Act, during the year under review.
9. The company has not entered into any contracts falling with in the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling under the purview of Section 314 of the Act, the Company has not obtained any approvals of the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year under review.
13. The Company has:
  - (i) not allotted/transferred/transmitted any securities during the financial year under review.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) not transferred any amount to Investor Education and Protection Fund, as there was no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid.
  - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. Dipesh Shroff resigned as director of the company w.e.f 4th June, 2008 and Mr. Kailas Dabholkar was appointed as Director of the Company w.e.f. 4th June, 2008 in casual vacancy caused by the resignation of Mr. Dipesh Shroff. There was no appointment of additional directors and alternate directors.
15. The company has not appointed any managing director/whole-time director/manager during the financial year under review.
16. The Company has not appointed any sole selling agents during the year under review.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any redeemable preference shares/debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of the transfer of shares in compliance with the provisions of the Act.

## KAMALJYOT INVESTMENTS LIMITED

23. The Company has not accepted/invited any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
24. The amount borrowed by the Company during the financial year ending 31st March, 2009 are within the borrowing limits of the company.
25. During the financial year, the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate. However, the Company has made investments in other bodies corporate. The necessary entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year, for the offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a Provident Fund u/s 418 of the Act.

The above report is based on the information/records and registers made available to me as were found, to the best of my knowledge, to be necessary for the purpose of Audit.

Place : Mumbai  
Date : 28th May, 2009

PRASHANT DIWAN  
Company Secretary  
C.P.No. : 1979

### COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH, 2009

#### ANNEXURE A

##### Registers as maintained by the Company.

1. Register of Investment u/s 49 of the Act .
2. Register of Members u/s 150 of the Act.
3. Register of Transfer.
4. Register of Contracts u/s 301 of the Act.
5. Register of Directors u/s 303 of the Act.
6. Register of Directors' Shareholding u/s 307 of the Act.
7. Minutes Book u/s 193 of the Act.

#### ANNEXURE B

##### Forms and Returns as filed by the Company with the Ministry of Corporate Affairs during the financial year ended on 31st March, 2009.

1. **Form 32** in respect of cessation of Director Mr. Dipesh Shroff and appointment of Mr. Kailas Dabholkar w.e.f. 4th June, 2008 filed with MCA on 8th July, 2008 vide Challan No. A40900599. (with additional fees)
2. **Form 66** in respect of submission of **Compliance Certificate** for the year ended 31.03.2008 filed on 26th September, 2008 vide Challan No. P21652607.
3. **Form 20B** in respect of filing of **Annual Return** made up to 4th September, 2008 was filed on 26th September, 2008 vide Challan No. P21787320.
4. **Form 23AC & 23ACA** in respect of filing of **Balance Sheet** as at 31.03.2008 & **Profit and Loss Account** for the year ended on that date respectively as adopted by the members at the Annual General Meeting of the Company held on 4th September, 2008 and filed on 29th September, 2008 vide Challan No. P22098214.

Place : Mumbai  
Date : 28th May, 2009

PRASHANT DIWAN  
Company Secretary  
C.P.No. : 1979

# KAMALJYOT INVESTMENTS LIMITED

## AUDITORS' REPORT

TO  
THE MEMBERS OF  
KAMALJYOT INVESTMENTS LIMITED

1. We have audited the attached Balance Sheet of Kamaljyot Investments Limited as at March 31, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
    - (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
    - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For S. V. GHATALIA & ASSOCIATES  
*Chartered Accountants*

per Sudhir Soni  
*Partner*  
Membership No. 41870  
Mumbai,  
Date : May 28, 2009

## KAMALJYOT INVESTMENTS LIMITED

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

#### Re: Kamaljiyot Investments Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) As the Company does not have any inventories, clause ii (a), (b) and (c) of the Companies (Auditors Report) Order, 2003 (as amended) order are not applicable.
- (iii) (a) The Company has granted loans to party covered in the register maintained under Section 301 of the Companies Act, 1956. *The maximum amount involved during the year was Rs. 22,47,175/- and the year-end balance of the said loans was Rs. 17,00,000/-.*
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) As informed, the Company not taken any loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause (f) and (g) of the order are not applicable to the Company.
- (iv) There were no transactions for purchases of inventory, the sale of goods and services during the year and hence, the question of reporting on the adequacy of the internal control system with regards to the purchase or sale of the aforesaid items does not arise. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including income-tax and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities. As per the records of the Company and according to the information and explanations given to us there are no dues of provident fund, employees' state insurance, investor education and protection fund, wealth-tax, customs duty, sales-tax, service tax, excise duty and cess applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

## KAMALJYOT INVESTMENTS LIMITED

- (c) According to the information and explanation given to us, there are no dues of income tax which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. As informed the Company does not have any borrowings from financial institutions or by way of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. V. GHATALIA & ASSOCIATES  
*Chartered Accountants*

per Sudhir Soni  
*Partner*  
Membership No. 41870  
Mumbai  
Date : May 28, 2009

# KAMALJYOT INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SOURCES OF FUNDS</b>				
1. SHAREHOLDERS' FUNDS				
(a) Capital	'A'	19,998,200		19,998,200
(b) Reserves and Surplus	'B'	2,319,698		8,264,580
			<b>22,317,898</b>	28,262,780
2. LOAN FUNDS				
Unsecured Loans	'C'		<b>21,500,000</b>	15,900,000
3. DEFERRED TAX LIABILITY			<b>7,592</b>	8,637
TOTAL			<b>43,825,490</b>	44,171,417
<b>APPLICATION OF FUNDS</b>				
1. FIXED ASSETS	'D'			
(a) Gross Block		46,500		46,500
(b) Less: Depreciation		21,189		13,651
(c) Net Block			<b>25,311</b>	32,849
2. INVESTMENTS	'E'		<b>42,379,275</b>	40,123,311
3. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Cash and Bank Balances	'F'	326,754		439,745
(b) Other Current Assets	'G'	631,056		1,264,004
(c) Loans and Advances	'H'	2,543,737		2,379,492
			<b>3,501,547</b>	4,083,241
Less: CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	'I'	2,080,643		67,984
NET CURRENT ASSETS			<b>1,420,904</b>	4,015,257
TOTAL			<b>43,825,490</b>	44,171,417
NOTES ON ACCOUNTS	'J'			

The schedule referred to above and notes to accounts form an integral part of the Balance Sheet

As per Report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants

per SUDHIR SONI  
Partner  
Membership No. : 41870

Mumbai,  
28th May, 2009.

A. C. SHROFF  
R. G. SHROFF  
K. D. DABHOLKAR  
Directors.

Mumbai,  
28th May, 2009.

# KAMALJYOT INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees	Current Year Rupees	Previous Year Rupees
<b>INCOME</b>				
Income from long-term investments (Gross)				
Dividend			<b>536,507</b>	426,355
Interest on loans, etc. (Gross)			<b>228,438</b>	761,562
[Tax deducted at source <b>Rs. 51,773/-</b> (Previous Year: Rs. 1,71,198/-)]				
Profit on sale of Investments (Net)			—	208,395
Excess provision for expenses written back			<b>494</b>	494
			<b>765,439</b>	1,396,806
<b>EXPENDITURE</b>				
Legal and professional charges			<b>98,523</b>	115,010
Share of loss in partnership firm			<b>4,232</b>	4,270
Provision for diminution in value of investments			<b>6,549,035</b>	465,890
Depreciation			<b>7,538</b>	7,538
Miscellaneous expenses			<b>12,038</b>	14,825
			<b>6,671,366</b>	607,533
<b>PROFIT/(LOSS) FOR THE YEAR</b>			<b>(5,905,927)</b>	789,273
Less: Provision for taxation:				
Current Tax		<b>40,000</b>		120,000
Deferred Tax		<b>(1,045)</b>		1,232
			<b>38,955</b>	121,232
<b>PROFIT/(LOSS) AFTER TAXATION</b>			<b>(5,944,882)</b>	668,041
Add: Excess provision for taxation for earlier years (Net)			—	47,314
			<b>(5,944,882)</b>	715,355
Balance brought forward from Previous Year			<b>3,262,780</b>	2,547,425
<b>PROFIT/(LOSS) CARRIED TO BALANCE SHEET</b>			<b>(2,682,102)</b>	3,262,780
<b>EARNING PER SHARE (Refer Note No. 4 in Schedule 'J')</b>				
Basic and Diluted Earning Per Share			<b>(29.73)</b>	3.58
Face Value Per Share			<b>100.00</b>	100.00
<b>NOTES ON ACCOUNTS</b>	<b>J</b>			

The schedule referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per Report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants

per SUDHIR SONI  
Partner  
Membership No. : 41870

Mumbai,  
28th May, 2009.

A. C. SHROFF  
R. G. SHROFF  
K. D. DABHOLKAR  
Directors

Mumbai,  
28th May, 2009.

# KAMALJYOT INVESTMENTS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extraordinary Items		(5,905,927)		789,273
<i>Adjustments for:</i>				
Share of loss in Partnership Firm	4,232		4,270	
Depreciation	7,538		7,538	
Provision for Diminution in value of long term investments	6,549,035		465,890	
Profit on sale of Investments (Net)	—		(208,395)	
Interest received	(228,438)		(761,562)	
Dividend received	(536,507)		(426,355)	
Excess Provision for other items	(494)		(494)	
		<u>5,795,366</u>		(919,108)
Operating Profit before working capital changes		(110,561)		(129,835)
<i>Adjustments for:</i>				
Trade and other receivables & Loans & Advances	630,477		(1,015,634)	
Trade Payables & other liabilities	2,008,921		(21,954)	
		<u>2,639,398</u>		(1,037,588)
Cash generated from Operations		<u>2,528,837</u>		(1,167,423)
Direct taxes paid (Net)		51,773		173,405
Net cash from/(used in) Operating Activities (A)		<u>2,477,064</u>		(1,340,828)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments		(8,805,000)		(19,078,532)
Sale of Investments		—		13,399,374
Sundry Loans given/returned (Net)		(150,000)		5,900,000
Interest received		228,438		910,504
Dividend received		536,507		426,355
Net cash from/(used in) Investing Activities (B)		<u>(8,190,055)</u>		1,557,701
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings (net)		5,600,000		—
Net cash from/(used in) Financing Activities (C)		<u>5,600,000</u>		—
Net increase in cash and cash equivalents [A+ B + C]		(112,991)		216,873
Cash and cash equivalents at the beginning of the year		439,745		222,872
Cash and cash equivalents at the end of the year		<u>326,754</u>		439,745

As per Report of even date.

For S. V. GHATALIA & ASSOCIATES,  
Chartered Accountants

per SUDHIR SONI  
Partner  
Membership No. : 41870

Mumbai,  
28th May, 2009.

A. C. SHROFF  
R. G. SHROFF  
K. D. DABHOLKAR  
Directors.

Mumbai,  
28th May, 2009.

## KAMALJYOT INVESTMENTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'A'	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees								
<b>CAPITAL</b>										
<b>AUTHORISED</b>										
1,99,982 (Previous Year: 199,982) Equity Shares of Rs. 100/- each	<b>19,998,200</b>	19,998,200								
18 (Previous Year: 18) Redeemable Preference Shares of Rs. 100/- each	<b>1,800</b>	1,800								
	<b>20,000,000</b>	20,000,000								
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>										
1,99,982 (Previous Year: 199,982) Equity Shares of Rs. 100/- each, fully paid-up (The entire equity share capital is held by the Holding Company, Excel Industries Limited and its nominees).	<b>19,998,200</b>	19,998,200								
<b>TOTAL</b>	<b>19,998,200</b>	19,998,200								
<b>SCHEDULE 'B'</b>										
<b>RESERVES AND SURPLUS</b>										
<b>CAPITAL REDEMPTION RESERVE</b>										
Balance as per last balance sheet	<b>1,800</b>	1,800								
<b>GENERAL RESERVE</b>										
Balance as per last balance sheet	<b>5,000,000</b>	5,000,000								
<b>PROFIT AND LOSS ACCOUNT</b>										
	<b>(2,682,102)</b>	3,262,780								
<b>TOTAL</b>	<b>2,319,698</b>	8,264,580								
<b>SCHEDULE 'C'</b>										
<b>UNSECURED LOANS</b>										
From Excel Industries Limited, the Holding Company [Repayable within one year NIL (Previous Year: NIL)]	<b>21,500,000</b>	15,900,000								
<b>TOTAL</b>	<b>21,500,000</b>	15,900,000								
<b>SCHEDULE 'D'</b>										
<b>FIXED ASSETS</b>										
	Rupees									
Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	I	II	III	IV	V	VI	VII	VIII	IX	X
	As at 1st April, 2008	Additions during the year	Deduct- ions during the year	<b>As at 31st March, 2009</b>	As at 1st April, 2008	Deduct- ions/ Adjust- ments	Provided during the year	<b>As at 31st March, 2009</b>	<b>As at 31st March, 2009</b>	As at 31st March, 2008
Computer	46,500	—	—	<b>46,500</b>	13,651	—	7,538	<b>21,189</b>	<b>25,311</b>	32,849
<b>TOTAL</b>	46,500	—	—	<b>46,500</b>	13,651	—	7,538	<b>21,189</b>	<b>25,311</b>	32,849
<b>PREVIOUS YEAR</b>	46,500	—	—	<b>46,500</b>	6,113	—	7,538	<b>13,651</b>		

# KAMALJYOT INVESTMENTS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'E'	Face Value	31st March, 2009		31st March, 2008	
INVESTMENTS (AT COST)	Rupees	Number	Rupees	Number	Rupees
OTHER THAN TRADE INVESTMENTS:					
1. LONG-TERM INVESTMENTS:					
(a) INVESTMENT IN SHARES (QUOTED):					
FULLY PAID-UP EQUITY SHARES OF:					
Aimco Pesticides Limited	10	10,075	102,000	10,075	102,000
Transpek Industry Limited	10	411,812	31,078,623	314,812	24,773,623
Alpic Finance Limited	10	1,000	100,000	1,000	100,000
Ashok Organic Industries Limited	10	4,900	784,000	4,900	784,000
Astra Microwave Products Limited	2	1,000	163,952	1,000	163,952
Bayer Cropscience Limited	10	8	827	8	827
Carborundum Universal Limited	2	1,000	177,185	1,000	177,185
Elgitread (India) Limited	1	5,000	195,851	5,000	195,851
Gujarat Lease Financing Limited	10	375	57,675	375	57,675
Gujarat State Financial Corporation	10	4,700	94,000	4,700	94,000
Hindalco Industries Limited	1	1,000	183,532	1,000	183,532
Indokem Limited	10	100	2,100	100	2,100
Lloyds Finance Limited	10	420	16,660	420	16,660
Mangalore Chemicals & Fertilizers Limited	10	10,000	426,746	10,000	426,746
Monsanto India Limited	10	5	2,691	5	2,691
Navin Fluorine International Limited	10	300	113,240	300	113,240
Reliance Communication Ventures Limited	5	400	265,115	400	265,115
Shah Foods Limited	10	1,000	10,000	1,000	10,000
Sona Koyo Steering Systems Limited	1	4,000	136,332	2,000	136,332
Sterilite Industries Limited	2	400	323,322	400	323,322
Syngenta India Limited	5	5	614	5	614
Treadsdirect Limited (Refer Note No. 3 below)	1	10,000	—	—	—
Ultratech Cements Ltd.	10	785	796,026	785	796,026
Uniphos Enterprises Limited	2	100	518	100	518
V. I. P. Industries Limited	10	800	105,674	800	105,674
Zenith Limited	10	101	33,750	101	33,750
			<b>35,170,433</b>		<b>28,865,433</b>
Less: Provision for diminution in value of investments			<b>2,906,538</b>		<b>1,984,138</b>
	(A)		<b>32,263,895</b>		<b>26,881,295</b>
(b) INVESTMENT IN SHARES (UNQUOTED):					
FULLY PAID-UP EQUITY SHARES OF:					
Excel Bio Resources Private Limited	10	250,000	2,500,000	—	—
Parul Chemicals Limited	10	279,850	6,842,291	279,850	6,842,291
Romvijay Biotech Private Limited	10	10,812	5,025,000	10,812	5,025,000
Transmetal Limited	10	31,750	974,725	31,750	974,725
Vishwakarma Finance and Asset Management Services Limited	10	30,000	200,000	30,000	200,000
			<b>15,542,016</b>		<b>13,042,016</b>
Less: Provision for diminution in value of investments			<b>5,626,636</b>		<b>—</b>
	(B)		<b>9,915,380</b>		<b>13,042,016</b>
2. Capital contribution in M/s. Multichem Industries, a partnership firm, in which the Company is a partner (Refer Note No. 2 below)					
	(C)		<b>200,000</b>		<b>200,000</b>
TOTAL (A+B+C)			<b>42,379,275</b>		<b>40,123,311</b>
<b>Notes:</b>					
1. (a) Aggregate of Quoted Investments:					
Long Term Investments:					
Cost (Net of provision for diminution)					
			<b>32,263,895</b>		<b>26,881,295</b>
Market Value					
			<b>20,579,787</b>		<b>21,792,271</b>
(b) Aggregate of Unquoted Investments:					
Cost (Net of provision for diminution)					
			<b>9,915,380</b>		<b>13,042,016</b>

## KAMALJYOT INVESTMENTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'E' (Contd.)			
2. Details of investment in M/s. Multichem Industries, a partnership firm:		As at 31st March, 2008	
	<b>As at 31st March, 2009</b>	Capital	Share of Profit or Loss
<u>Name of the Partners</u>	<u>Rupees</u>	<u>Rupees</u>	<u>%</u>
(a) Excel Crop Care Limited	<b>200,000</b>	200,000	50
(b) Kamaljyot Investments Limited	<b>200,000</b>	200,000	50
	<b>400,000</b>	400,000	100
3. Alloted with Nil Cost, pursuant to Scheme of Arrangement and Amalgamation between Elgitread (India) Ltd. And Treadsdirect Limited			
SCHEDULE 'F'		<b>As at 31st March, 2009</b>	As at 31st March, 2008
CASH AND BANK BALANCES		Rupees	Rupees
Bank Balance with Scheduled Bank: In Current Account		<b>326,754</b>	439,745
TOTAL		<b>326,754</b>	439,745
SCHEDULE 'G'		<b>As at 31st March, 2009</b>	As at 31st March, 2008
OTHER CURRENT ASSETS		Rupees	Rupees
Prepaid Expenses		<b>556</b>	3,004
Share Application Money (Refer Note No. 9 of Schedule 'J')		<b>630,500</b>	1,261,000
TOTAL		<b>631,056</b>	1,264,004
SCHEDULE 'H'		<b>As at 31st March, 2009</b>	As at 31st March, 2008
LOANS AND ADVANCES		Rupees	Rupees
Unsecured and considered good:			
1. Loan to Companies		<b>1,700,000</b>	2,200,000
2. Loan to Others		<b>650,000</b>	—
3. Advance Taxation [net of provision Rs. 160,000 (Previous Year: Rs. 120,000)]		<b>191,265</b>	179,492
4. Advance recoverable in cash or in kind		<b>2,472</b>	—
TOTAL		<b>2,543,737</b>	2,379,492
SCHEDULE 'I'		<b>As at 31st March, 2009</b>	As at 31st March, 2008
CURRENT LIABILITIES		Rupees	Rupees
1. Sundry Creditors—[Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises]		<b>53,145</b>	44,718
2. Advance against Proposed Sale of Shares		<b>2,000,000</b>	—
3. Current account in M/s. Multichem Industries		<b>27,498</b>	23,266
TOTAL		<b>2,080,643</b>	67,984

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J'

NOTES ON ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES:

- (a) Nature of Operations:  
Kamaljyot Investments Limited is engaged in business of Investment Holding and Financing.
- (b) Basis of preparation:  
The financial statements have been prepared to comply in all material respects in respect with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.
- (c) Use of estimates:  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- (d) Revenue recognition:  
Interest  
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable  
Dividends  
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- (e) Fixed Assets and Depreciation:  
(i) Fixed Assets:  
Fixed Assets are stated at cost less depreciation.  
(ii) Depreciation:  
Depreciation has been provided on straight line basis at the rate specified in Schedule XIV to the Companies Act, 1956.
- (f) Investments:  
Long-term investments are carried at cost of acquisition. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the Profit and Loss Account.
- (g) Earnings per Share:  
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.  
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- (h) Taxation:  
Income-tax expense comprises of current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using current tax rates. Deferred tax asset is recognised only if there is sufficient evidence that future taxable income will be available.

2. The Company has 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest of the Company in the said entity as per the latest available Balance Sheet as at 31st March, 2009, is as under:

	<b>As at 31st March, 2009 Rupees</b>	As at 31st March, 2008 Rupees
Assets	<b>216,154</b>	214,391
Liabilities	—	—
Income	—	—
Expense	<b>4,233</b>	4,270

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J' NOTES ON ACCOUNTS (Contd.)	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
3. Break-up of Deferred Tax Assets and Deferred Tax Liability:		
(a) Deferred Tax Assets	—	—
(b) Deferred Tax Liability:		
Depreciation	7,592	8,637
4. Earning per share:		
(1) Profit after tax:	(5,944,882)	668,041
Less: Prior Period Adjustments (Net)	—	—
Add: Excess/(Short) provision for taxation for earlier years	—	47,314
Profit/(Loss) attributable to Equity Shareholders (A)	(5,944,882)	715,355
(2) Weighted average number of Equity Shares outstanding (B)	199,982	199,982
(3) Earning per Share (A)/(B)	(29.73)	3.58
(4) Nominal Value of Equity Shares	100.00	100.00
5. Auditors' Remuneration		
As an Auditor's:		
(i) Audit fees	44,120	39,326
In the Capacity:		
(ii) For Other's	11,796	7,864
6. Related Party disclosures as required by Accounting Standard (AS) - 18 "Related Party Disclosures", issued by The Institute of Chartered Accountants of India, are given below:		
(a) <b>Relationships:</b>		
1. <b>Holding Company:</b>		
Excel Industries Limited		
2. <b>Associate Companies:</b>		
Transmetal Limited		
RomVijay Bioo Tech Private Limited		
Excel Bio Resources Private Limited		
3. <b>Joint Venture Concerns:</b>		
Wexsam Limited, Hong Kong		
Multichem Industries (Partnership Firm)		
4. <b>Enterprises over which key Management Personnel and their relatives have significant influence:</b>		
Agrocel Industries Limited		
5. <b>Key Management Personnel and their Relatives:</b>		
Shri Ashwin C. Shroff		
Shri Dipesh K. Shroff		
Shri Atul G. Shroff		
Smt. Usha A. Shroff		
Shri Kantisen C. Shroff		
Shri Ranjit G. Shroff		
Shri Kailas D. Dabholkar		

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J'  
NOTES ON ACCOUNTS (Contd.)

The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Current Year (Rupees)				Previous Year (Rupees)			
	Holding Company	Associate Companies	Joint Venture Concerns	Other Related Concerns*	Holding Company	Associate Companies	Joint Venture Concerns	Other Related Concerns*
(1) Income								
Interest	—	—	—	228,438	—	14,103	—	741,429
Dividend	—	38,100	—	498,407	—	47,625	—	365,740
(2) Finance								
Loan returned	—	—	—	500,000	—	1,100,000	—	4,800,000
Loan taken	5,600,000	—	—	—	—	—	—	—
(3) Outstandings as at the Balance Sheet Date								
Loan given	—	—	—	1,700,000	—	—	—	2,200,000
Loan taken	21,500,000	—	—	—	15,900,000	—	—	—
Current Account with Partnership Firm	—	—	27,498	—	—	—	23,266	—

\* Enterprises over which Key Management Personnel and their relatives have significant influence

Note: Loans and advances in the nature of loans to:

	Current Year (Rupees)		Previous Year (Rupees)	
	Amount Outstanding at the Year end	Maximum amount Outstanding during the year	Amount Outstanding at the Year end	Maximum amount Outstanding during the year
(a) Holding Company				
Loan Taken:				
Excel Industries Limited	21,500,000	21,500,000	15,900,000	15,900,000
(b) Companies in which Directors are Shareholders/Member or Companies in which Directors are Director/Chairman				
Loan Given:				
Agrocel Industries Limited	1,700,000	2,200,000	2,200,000	7,000,000
Transmetal Limited	—	—	—	1,100,000

7. The Directors have waived the sitting fees for meetings attended by them during the year.

8. Disclosure in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Particulars	Amount Outstanding	(Rupees) Amount Overdue
<b>Liabilities side:</b>		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	—	
: Unsecured (other than falling within the meaning of public deposits*)	—	
(b) Deferred Credits	—	
(c) Term Loans	—	
(d) Inter-corporate loans and borrowing	21,500,000	—
(e) Commercial Paper	—	
(f) Public Deposits *	—	
(g) Other Loans (Specify nature)	—	
	21,500,000	—

\* Please see Note 1 below

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J'  
NOTES ON ACCOUNTS (Contd.)

	Amount Outstanding	(Rupees) Amount Overdue
<b>2: Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a) In the form of Unsecured debentures	---	
(b) In the form of partly secured debentures i.e. debentures whereas there is a shortfall in the value of security	---	
(c) Other public deposits	---	
Assets side:		
<b>3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a) Secured	---	
(b) Unsecured	2,350,000	---
<b>4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	---	
(b) Operating lease	---	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	---	
(b) Repossessed Assets	---	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	---	
(b) Loans other than (a) above	---	
<b>5: Break-up of Investments:</b>		
Current Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity		---
(b) Preference		---
(ii) Debentures and Bonds		---
(iii) Units of mutual funds		---
(iv) Government Securities		---
(v) Others (please specify)		---
2. Unquoted:		
(i) Shares:		
(a) Equity		---
(b) Preference		---
(ii) Debentures and Bonds		---
(iii) Units of mutual funds		---
(iv) Government Securities		---
(v) Others (Please specify)		---

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J'  
NOTES ON ACCOUNTS (Contd.)

	Amount Outstanding	(Rupees) Amount Overdue
Long Term Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity		32,263,895 *
(b) Preference		—
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others (Please specify)		—
2. Unquoted:		
(i) Shares:		
(a) Equity		9,915,380 *
(b) Preference		—
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others (Capital contribution in a partnership firm in which the Company is a partner)		200,000

\* Net of provision for diminution

**6. Borrower group-wise classification of assets financed as in (3) and (4) above:**

Please see Note 2 below

Category	Amount net of provisions		(Rupees)
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	1,700,000	1,700,000
2. Other than related parties	—	650,000	650,000
Total	—	2,350,000	2,350,000

\*\*Please see note 3 below

**7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	—	—
(b) Companies in the same group (Unquoted)	—	2,500,000
(c) Other related parties (Unquoted)	—	1,174,725
2. Other than related parties		
(a) Quoted	20,579,787	32,263,895
(b) Unquoted	—	6,440,655
Total	20,579,787	42,379,275

\*\* As per Accounting Standard of ICAI (Please see Note 3)

# KAMALJYOT INVESTMENTS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE 'J'  
NOTES ON ACCOUNTS (Contd.)

**8. Other information:**

Particulars

(i)	Gross Non-Performing Assets	
	(a) Related parties	—
	(b) Other than related parties	—
(ii)	Net Non-Performing Assets	
	(a) Related parties	—
	(b) Other than related parties	—
(iii)	Assets acquired in satisfaction of debt	—

Notes:

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
  3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.
9. Amount of contracts remaining to be executed on capital investment as at year ended March 31, 2009 is **Rs. 64,98,765** (Previous Year: Rs. 1,21,73,265)
10. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per report of even date.

For S. V. GHATALIA & ASSOCIATES,  
*Chartered Accountants*

per SUDHIR SONI  
*Partner*

Membership No.: 41870

*Mumbai,*  
Date : May 28, 2009.

A. C. SHROFF  
R. G. SHROFF  
K. D. DABHOLKAR  
*Directors.*

*Mumbai,*  
28th May, 2009.

## KAMALJYOT INVESTMENTS LIMITED

Additional Information pursuant to the Government of India's Notification No. G. S. R. 388 (E) dated 15-5-95.

I. Registration Details:	
(a) Registration No.:	30597
(b) State Code:	11
(c) Balance Sheet Date:	31st March, 2009
II. Capital raised during the year: (Rs. in Thousands)	
(a) Public Issue:	Nil
(b) Rights Issue:	Nil
(c) Bonus Issue:	Nil
(d) Private Placement:	Nil
III. Position of Mobilisation and Deployment of Funds: (Rs. in Thousands)	
(a) Total Liabilities:	43,826
(b) Total Assets:	43,826
(c) Sources of Funds:	
(i) Paid-up Capital:	19,998
(ii) Reserves & Surplus:	2,320
(iii) Secured Loans:	Nil
(iv) Unsecured Loans:	21,500
(v) Deferred Tax Liabilities:	8
(d) Application of Funds:	
(i) Net Fixed Asset:	25
(ii) Investments:	42,379
(iii) Net Current Assets:	1,422
(iv) Misc. Expenditure:	Nil
(v) Accumulated Losses:	Nil
IV. Performance of the Company: (Amount in Rs. Thousands)	
(a) Turnover (Gross Receipts):	765
(b) Total Expenditure:	6,671
(c) Profit before Tax:	(5,906)
(d) Profit after Tax:	(5,945)
(e) Earning per Share: (in Rs.)	(29.73)
(f) Dividend Rate %	—
V. Generic names of Three Principal Products/Services of Company:	
Product Description	Item Code No. (I.T.C. Code)
(1) Investment holding	Not Applicable
(2) Financing	Not Applicable
(3) Bills Discounting	Not Applicable

A. C. SHROFF  
R. G. SHROFF  
K. D. DABHOLKAR  
*Directors.*

*Place : Mumbai,  
Date : 28th May, 2009.*

# EXCEL INDUSTRIES LIMITED

Registered Office:

184-87, SWAMI VIVEKANAND ROAD, JOGESHWARI (W), Mumbai-400 102.

## PROXY FORM

DP ID*	
Client ID*	

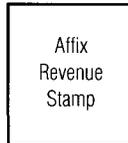
Registered Folio No.	
----------------------	--

I/We .....  
of ..... in the district of .....  
..... being a member/members of the abovenamed Company hereby appoint  
..... of ..... in the district of  
..... or failing him/her ..... of  
..... in the district ..... of

as my/our proxy to vote for me/us on my/our behalf at the FORTY-EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 24th August, 2009, and at any adjournment thereof.

Signed this ..... day of ..... 2009.

Signature .....



\* Applicable for investors holding shares in electronic form.

N.B.: This proxy must be deposited at the Registered Office of the Company at 184-87, Swami Vivekanand Road, Jogeshwari (W), Mumbai-400 102, not less than 48 hours before the time of the meeting.

# EXCEL INDUSTRIES LIMITED

Registered Office:

184-87, SWAMI VIVEKANAND ROAD, JOGESHWARI (W), Mumbai-400 102.

## ATTENDANCE SLIP

48<sup>TH</sup> Annual General Meeting on Monday, 24th August, 2009

DP ID*	
Client ID*	

Registered Folio No.	
----------------------	--

Mr./Mrs./Miss .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the FORTY-EIGHTH ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Monday, the 24th August, 2009 at 3.00 p.m.

.....  
Proxy's name in BLOCK letters

.....  
Member's/Proxy's Signature

\* Applicable for investors holding shares in electronic form.

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

Excel Industries Limited  
184-87, Swarni Vivekanand Road, Jogeshwari (West), Mumbai - 400 102 (INDIA)  
Tel : 91-22-66464200/26788258  
Fax : 91-22-26783657/3508  
E-mail : excelmumbai@excelind.com  
Website : www.excelind.co.in

